Far Eastern New Century Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2013 and 2012 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2013 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 "Consolidated and Separate Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

FAR EASTERN NEW CENTURY CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 24, 2014

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Far Eastern New Century Corporation and its subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2013 and 2012, 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.

We have also audited the parent company only financial statements of Far Eastern New Century Corporation as of and for the years ended December 31, 2013 and 2012 on which we have issued an unqualified report.

March 24, 2014

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 26,645,574	7	$ 30,645,166	9	$ 19,305,661	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,191,688	-	1,058,519	-	954,871	-
Available-for-sale financial assets - current (Notes 4, 8 and 36)	989,348	-	2,272,149	1	3,496,456	1
Held-to-maturity financial assets - current (Notes 4 and 9)	99,962	-	100,000	-	-	-
Derivative financial assets for hedging - current (Notes 4 and 10)	4,442	-	21,962	-	1,500	-
Financial assets carried at cost - current (Notes 4 and 11)	42,587	-	-	-	-	-
Bond investments with no active market (Notes 4, 6 and 12)	2,606,689	1	3,145,035	1	9,025,221	3
Notes and accounts receivable, net (Notes 4 and 13)	26,884,947	7	27,892,166	8	32,168,924	10
Notes and accounts receivable from related parties (Notes 4 and 35)	856,754	-	731,426	-	684,104	-
Amounts due from customers for construction contracts (Notes 4 and 15)	1,473,786	-	1,551,686	1	1,572,245	1
Other receivables	1,641,758	1	1,837,097	1	966,369	-
Other receivables from related parties (Note 35)	1,258,834	-	1,283,844	-	1,084,665	-
Current tax assets (Notes 4, 5 and 29)	48,216	-	114,392	-	99,293	-
Inventories (Notes 4, 14 and 36)	24,184,972	6	21,617,120	6	23,946,055	7
Prepayments	3,799,470	1	2,817,079	1	3,338,837	1
Other financial assets - current (Note 36)	3,946,576	1	2,874,067	1	3,187,326	1
Guarantee deposits - current	52,292	-	48,207	-	65,174	-
Other current assets	1,934,219	1	1,269,243	-	1,601,868	1
Total current assets	97,662,114	25	99,279,158	29	101,498,569	31
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent (Notes 4, 8 and 36)	5,257,220	2	4,489,491	1	4,032,047	1
Held-to-maturity financial assets - noncurrent (Notes 4 and 9)	-	-	99,871	-	199,768	-
Financial assets carried at cost - noncurrent (Notes 4 and 11)	926,908	-	1,130,424	-	1,038,213	-
Bond investment with no active market - noncurrent (Notes 4 and 12)	-	-	256,508	-	261,384	-
Investments accounted for using the equity method (Notes 4, 16 and 36)	47,683,367	12	46,677,090	14	44,512,553	13
Property, plant and equipment (Notes 4, 5, 17 and 36)	129,620,260	34	116,637,790	34	116,968,528	35
Investment properties, net (Notes 4, 18 and 36)	35,307,315	9	36,155,930	11	35,365,567	11
Concession (Note 20)	37,734,135	10	5,090,449	1	5,608,938	2
Goodwill (Notes 4 and 19)	11,928,782	3	11,980,944	4	11,982,600	4
Other intangible assets (Notes 4, 20 and 36)	4,184,122	1	3,818,998	1	3,369,539	1
Deferred tax assets (Notes 4, 5 and 29)	2,812,572	1	1,834,329	1	1,402,473	-
Prepayment for equipment (Note 17)	944,727	-	2,881,210	1	1,585,957	1
Guarantee deposits	576,314	-	582,788	-	499,731	-
Other financial assets - noncurrent (Note 36)	4,071,707	1	7,543,319	2	115,805	-
Long-term prepayments for lease (Note 36)	7,406,266	2	2,315,715	1	1,737,843	1
Other noncurrent assets	239,647	-	314,901	-	182,192	-
Total noncurrent assets	288,693,342	75	241,809,757	71	228,863,138	69
TOTAL	$ 386,355,456	100	$ 341,088,915	100	$ 330,361,707	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 35)	$ 28,053,848	7	$ 25,807,392	8	$ 27,995,384	8
Short-term bills payable (Note 21)	5,117,694	1	6,286,740	2	10,765,090	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	590	-	619	-	4,708	-
Derivative financial liabilities for hedging - current (Notes 4 and 10)	-	-	-	-	2,667	-
Notes and accounts payable (Note 4)	17,452,151	5	19,253,330	6	21,823,881	7
Notes and accounts payable to related parties (Notes 4 and 35)	261,571	-	292,283	-	432,078	-
Amounts due to customers for construction contracts (Notes 4 and 15)	412,498	-	160,779	-	504,941	-
Payables to suppliers of machinery and equipment	3,133,810	1	4,012,183	1	2,210,448	1
Other payable	12,595,337	3	11,243,873	3	9,687,831	3
Other payable to related parties (Note 35)	75,977	-	43,119	-	27,971	-
Current tax liabilities (Notes 4, 5 and 29)	3,115,500	1	2,688,208	1	1,700,572	-
Provisions - current (Notes 4 and 22)	193,328	-	160,425	-	171,474	-
Guarantee deposits received - current	334,939	-	401,798	-	504,806	-
Receipts in advance (Note 35)	1,199,481	-	1,107,451	-	2,153,720	1
Unearned revenue	2,667,808	1	2,643,111	1	2,895,090	1
Current portion of long-term liabilities (Note 23)	8,845,696	2	3,991,578	1	2,525,144	1
Other current liabilities	2,317,709	1	1,807,603	1	2,432,120	1
Total current liabilities	85,777,937	22	79,900,492	24	85,837,925	26
NONCURRENT LIABILITIES						
Derivative financial liabilities for hedging - noncurrent (Notes 4 and 10)	421,280	-	287,522	-	-	-
Bonds payable (Notes 23 and 34)	65,638,787	17	41,726,021	12	28,327,158	9
Long-term borrowings (Notes 23 and 34)	43,622,704	12	32,232,012	10	33,124,195	10
Provisions - noncurrent (Notes 4 and 22)	705,863	-	654,791	-	509,799	-
Deferred tax liabilities (Notes 4, 5 and 29)	10,454,464	3	10,267,307	3	10,305,320	3
Accrued pension liabilities (Note 25)	2,781,776	1	3,392,655	1	3,000,773	1
Guarantee deposits received - noncurrent (Note 35)	645,013	-	739,923	-	630,861	-
Deferred credit - gains on related-party transactions (Note 35)	150,185	-	150,738	-	151,296	-
Other noncurrent liabilities	476,788	-	509,628	-	604,723	-
Total noncurrent liabilities	124,896,860	33	89,960,597	26	76,654,125	23
Total liabilities	210,674,797	55	169,861,089	50	162,492,050	49
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Capital stock						
Common stock	51,450,165	13	50,441,338	15	48,972,173	15
Capital surplus	4,681,042	1	4,744,045	1	940,486	-
Retained earnings						
Legal reserve	12,687,509	3	11,820,720	3	10,710,699	3
Special reserve	25,448,036	7	25,471,594	8	25,472,605	8
Unappropriated earnings	13,955,940	4	15,100,772	4	21,637,279	7
Total retained earnings	52,091,485	14	52,393,086	15	57,820,583	18
Other equity	4,634,101	1	2,430,425	1	3,495,446	1
Treasury stocks	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the company	112,831,730	29	109,983,831	32	111,203,625	34
NON-CONTROLLING INTERESTS (Note 26)	62,848,929	16	61,243,995	18	56,666,032	17
Total equity	175,680,659	45	171,227,826	50	167,869,657	51
TOTAL	$ 386,355,456	100	$ 341,088,915	100	$ 330,361,707	100

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 35)				
Net sales	$ 155,953,627	65	$ 156,365,608	66
Telecommunications service income	68,147,021	29	67,674,377	29
Gain on disposal of investments, net	530,650	-	103,530	-
Construction income	6,046,806	3	5,209,748	2
Other operating revenue	8,162,553	3	7,439,084	3
Total operating revenues	238,840,657	100	236,792,347	100
OPERATING COSTS (Notes 4, 14, 28 and 35)				
Cost of sales	155,962,513	65	154,617,223	65
Cost of telecommunications services	27,151,232	11	29,231,099	12
Construction cost	5,745,691	2	4,475,708	2
Other operating cost	3,497,304	2	4,175,212	2
Total operating costs	192,356,740	80	192,499,242	81
GROSS PROFIT	46,483,917	20	44,293,105	19
REALIZED CONSTRUCTION INCOME	555	-	556	-
OPERATING EXPENSES (Notes 4, 28 and 35)				
Selling and marketing	22,052,202	9	22,262,649	10
General and administrative	10,448,419	5	9,114,037	4
Research and development	675,902	-	700,375	-
Total operating expenses	33,176,523	14	32,077,061	14
OPERATING INCOME	13,307,949	6	12,216,600	5
NONOPERATING INCOME AND EXPENSES				
Share of the profit of associates (Note 16)	4,197,698	2	3,057,869	1
Interest income	448,607	-	450,906	-
Other income - other	1,184,876	1	937,482	-
Exchange gain, net	310,965	-	-	-
Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	402,456	-	171,068	-
Interest expense (Note 28)	(1,432,622)	(1)	(1,414,201)	-
Other expense	(338,228)	-	(407,442)	-
Loss on disposal of property, plant and equipment, net (Note 17)	(1,356,800)	(1)	(1,105,548)	-

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
(Loss) gain on disposal of investment properties, net (Note 18)	$ (518)	-	$ 1,075	-
Loss on disposal of intangible properties, net (Note 20)	(1,912)	-	(604)	-
Exchange loss, net (Note 4)	-	-	(276,387)	-
Impairment loss on assets (Notes 4, 11 and 19)	(214,451)	-	(202,860)	-
Total nonoperating income	3,200,071	1	1,211,358	1
INCOME BEFORE INCOME TAX	16,508,020	7	13,427,958	6
INCOME TAX EXPENSE (Notes 4 and 29)	(2,223,481)	(1)	(2,226,494)	(1)
NET INCOME	14,284,539	6	11,201,464	5
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	2,474,593	1	(1,987,566)	(1)
Unrealized gain on available-for-sale financial assets (Note 4)	515,409	-	167,070	-
Loss from cash flow hedges	(132,503)	-	(200,397)	-
Actuarial gain (loss) arising from defined benefit plans (Note 25)	128,401	-	(618,813)	-
Share of the other comprehensive (loss) income of associates and joint venture	(644,214)	-	938,029	-
Income tax (loss) gain relating to components of other comprehensive income	(20,574)	-	101,679	-
Total other comprehensive income (loss)	2,321,112	1	(1,599,998)	(1)
TOTAL COMPREHENSIVE INCOME	$ 16,605,651	7	$ 9,601,466	4
NET INCOME ATTRIBUTABLE TO:				
Owner of the Company	7,207,081	3	4,917,568	2
Non-controlling interests	7,077,458	3	6,283,896	3
	$ 14,284,539	6	$ 11,201,464	5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	9,540,356	4	3,344,419	1
Non-controlling interests	7,065,295	3	6,257,047	3
	$ 16,605,651	7	$ 9,601,466	4

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	$ 1.50		$ 1.02	
Diluted	$ 1.49		$ 1.02	

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
						Other Equity						
	Common Stock (Note 26)	Capital Surplus (Notes 4 and 26)	Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Note 26)	Exchange Differences on Translating Foreign Operations (Notes 4 and 26)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 26)	Cash Flow Hedges (Notes 4 and 26)	Treasury Shares (Note 26)	Total	Non-controlling Interests (Note 26)	Total Equity
BALANCE AT JANUARY 1, 2012	$ 48,972,173	$ 940,486	$ 10,710,699	$ 25,472,605	$ 21,637,279	$ -	$ 3,500,409	$ (4,963)	$ (25,063)	$ 111,203,625	$ 56,666,032	$ 167,869,657
Appropriation of the 2011 earnings												
Legal reserve	-	-	1,110,021	-	(1,110,021)	-	-	-	-	-	-	-
Cash dividends - NT$1.7 per share	-	-	-	-	(8,325,270)	-	-	-	-	(8,325,270)	-	(8,325,270)
Stock dividends - NT$0.3 per share	1,469,165	-	-	-	(1,469,165)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,547,666)	(6,547,666)
Net income for the year ended December 31, 2012	-	-	-	-	4,917,568	-	-	-	-	4,917,568	6,283,896	11,201,464
Other comprehensive loss for the year ended December 31, 2012	-	-	-	-	(508,128)	(2,534,967)	1,538,270	(68,324)	-	(1,573,149)	(26,849)	(1,599,998)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	4,409,440	(2,534,967)	1,538,270	(68,324)	-	3,344,419	6,257,047	9,601,466
Change in equity in associates	-	-	-	(17)	(10,087)	-	-	-	-	(10,104)	-	(10,104)
Partial acquisition (disposal) of interests in subsidiaries	-	3,802,347	-	(163)	(32,235)	-	-	-	-	3,769,949	3,167,668	6,937,617
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,700,914	1,700,914
Change in capital surplus from dividends distributed to subsidiaries	-	1,212	-	-	-	-	-	-	-	1,212	-	1,212
Reversal of special reserve	-	-	-	(831)	831	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2012	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	61,243,995	171,227,826
Appropriation of the 2012 earnings												
Legal reserve	-	-	866,789	-	(866,789)	-	-	-	-	-	-	-
Cash dividends - NT$1.3 per share	-	-	-	-	(6,557,374)	-	-	-	-	(6,557,374)	-	(6,557,374)
Stock dividends - NT$0.2 per share	1,008,827	-	-	-	(1,008,827)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(7,716,375)	(7,716,375)
Net income for the year ended December 31, 2013	-	-	-	-	7,207,081	-	-	-	-	7,207,081	7,077,458	14,284,539
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	129,599	2,814,699	(565,947)	(45,076)	-	2,333,275	(12,163)	2,321,112
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	7,336,680	2,814,699	(565,947)	(45,076)	-	9,540,356	7,065,295	16,605,651
Change in equity in associates	-	-	-	-	(67,027)	-	-	-	-	(67,027)	-	(67,027)
Disposal of investment in associates	-	404	-	(9,952)	8,532	-	-	-	-	(1,016)	(28)	(1,044)
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,186,778	2,186,778
Change in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	955	-	955
Partial acquisition of interests in subsidiaries	-	(64,362)	-	-	(3,633)	-	-	-	-	(67,995)	69,264	1,269
Reversal of special reserve	-	-	-	(13,606)	13,606	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2013	$ 51,450,165	$ 4,681,042	$ 12,687,509	$ 25,448,036	$ 13,955,940	$ 279,732	$ 4,472,732	$ (118,363)	$ (25,063)	$ 112,831,730	$ 62,848,929	$ 175,680,659

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 16,508,020	$ 13,427,958
Adjustments for:		
Depreciation	14,241,311	14,958,320
Amortization	2,440,269	2,049,305
Allowance for doubtful accounts	182,216	270,219
Interest expenses	1,432,622	1,414,201
Interest income	(448,607)	(450,906)
Dividend revenue	(219,921)	(207,151)
Loss on disposal of property, plant and equipment, net	1,356,800	1,105,548
Loss (gain) on disposal of investment properties, net	518	(1,075)
Loss on disposal of intangible assets, net	1,912	604
Share of the profit of associates	(4,197,698)	(3,057,869)
Gain on disposal of investments, net	(538,642)	(109,143)
Impairment loss on assets	214,451	202,860
Realized construction income	(555)	(556)
Net (gain) loss on unrealized foreign currency exchange	(87,999)	4,876
Deferred loss on derivative assets for hedging	18,802	63,995
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(133,169)	(103,648)
Notes and accounts receivable	820,686	4,006,539
Notes and accounts receivable from related parties	(125,328)	(47,322)
Amounts due from customers for construction contracts	77,900	20,559
Other receivables	624,521	(874,428)
Other receivables from related parties	(31,630)	(35,425)
Inventories	(2,567,852)	2,327,854
Prepayments	(974,120)	(194,987)
Other current assets	(664,976)	418,308
Financial liabilities at fair value through profit or loss	(29)	(4,089)
Notes and accounts payable	(1,801,179)	(2,570,551)
Notes and accounts payable to related parties	(30,712)	(139,795)
Amounts due to customers for construction contracts	251,719	(344,162)
Other payables	1,274,408	1,523,968
Other payables to related parties	32,858	15,148
Provisions	83,975	133,943
Receipts in advance	92,030	(1,046,269)
Other current liabilities	510,106	(624,517)
Accrued pension liabilities	(498,747)	(133,081)
Unearned revenue	24,697	(251,979)
Cash generated from operations	27,868,657	31,747,252
Interest received	461,392	453,958
Dividend received	2,368,646	3,199,261
Interest paid	(1,398,487)	(1,324,756)
Income tax paid	(2,525,131)	(1,715,997)
Net cash generated from operating activities	26,775,077	32,359,718

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	$ (893,414)	$ (254,280)
Proceeds of the disposal of available-for-sale financial assets	2,501,734	1,204,552
Decrease in bond investments with no active market	805,353	5,880,186
Proceeds of redemption of held-to-maturity financial assets at maturity	100,000	-
Acquisition of financial assets carried at cost	(100,012)	(126,000)
Proceeds of the disposal of financial assets carried at cost	117,256	980
Proceeds of capital reduction of financial assets carried at cost	33,693	-
Acquisition of investments accounted for using the equity-method	(568,919)	(1,577,163)
Proceeds of the disposal of investments accounted for using the equity-method	854,693	-
Net cash outflow on acquisition of subsidiaries	(42,758)	-
Acquisition of property, plant, equipment and prepayment for equipment	(24,988,218)	(17,536,874)
Proceeds of the disposal of property, plant and equipment	106,151	236,663
Decrease (increase) in guarantee deposits	2,389	(72,430)
Decrease (increase) in other receivable from related parties	56,640	(163,754)
Acquisition of intangible assets	(1,532,655)	(1,391,874)
Proceeds of the disposal of intangible assets	-	38
Proceeds of disposal of investment properties	-	21,045
Acquisition of investment properties	(1,550)	(305,361)
Increase in prepayments for lease	(4,993,200)	-
Increase in concession	(33,756,959)	(501,599)
Decrease (increase) in other financial assets	2,399,103	(7,114,255)
Decrease (increase) in other noncurrent assets	60,240	(143,563)
Net cash used in investing activities	(59,840,433)	(21,843,689)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	2,246,456	(2,187,992)
Decrease in short-term bills payables	(1,169,000)	(4,479,000)
Proceeds of the issue of bonds	32,776,500	16,400,000
Repayments of bonds payable	(2,980,000)	(1,899,000)
Proceeds of long-term borrowings	151,627,266	124,426,002
Repayment of long-term borrowings	(141,160,125)	(124,918,277)
(Decrease) increase in guarantee deposits received	(161,769)	6,054
Decrease in other noncurrent liabilities	(32,840)	(95,095)
Dividends paid	(14,264,363)	(14,929,534)
Increase in non-controlling interest	2,188,047	8,633,494
Net cash generated from financing activities	29,070,172	956,652
EFFECTS OF EXCHANGE RATE CHANGES	(4,408)	(133,176)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2013	**2012**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$ (3,999,592)	$ 11,339,505
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	30,645,166	19,305,661
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 26,645,574	$ 30,645,166

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 bed sheets, 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 company name of Far Eastern Textile Ltd. to Far Eastern New Century Corporation; thus, the original stock symbol of FETL was changed to FENC.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 19, 2014.

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

a. New, amended and revised standards and interpretations (the "New IFRSs") in issue but not yet effective

   The Company and entities controlled by the Company (the "Group") have not applied the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued by the IASB. (As of the date that the consolidated financial statements were authorized for issue, the Financial Supervisory Commission (the "FSC") has not announced the effective dates for the following new, amended and revised standards and interpretations (the "New IFRSs"). On January 28, 2014, the Financial Supervisory Commission (FSC) announced the framework for the adoption of updated IFRSs version in the ROC. Under this framework, starting January 1, 2015, the previous version of IFRSs endorsed by the FSC (the 2010 IFRSs version) currently applied by companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market will be replaced by the updated IFRSs without IFRS 9 (the 2013 IFRSs version). However, as of the date that the consolidated financial statements were authorized for issue, the FSC has not endorsed the following new, amended and revised standards and interpretations issued by the IASB (the "New IFRSs") included in the 2013 IFRSs version.

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
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
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

The New IFRSs Not Included in the 2013 IFRSs Version	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 “Financial Instruments”	Note 3
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	Note 3
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
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 IFRSs are effective for annual periods beginning on or after the respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions for which the grant date is on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations for which the acquisition date is 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: IASB tentatively decided that an entity should apply IFRS 9 for annual periods beginning on or after January 1, 2018.

b. Significant impending changes in accounting policy resulted from New IFRSs in issue but not yet effective

Except for the following, the initial application of the above New IFRSs has not had any material impact on the Group'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. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of reporting period. However, the Group 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.

2) New and revised standards on consolidation, joint arrangement, and associates and disclosure

a) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group 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.

b) 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/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

3) 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.

4) 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) will 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.

5) 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 actuarial gains and losses 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.

6) Amendment 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 Group 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.

7) 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 Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group 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 Group, but also of other entities outside the Group.

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 Group is a related party of the Group. Consequently, the Group 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.

8) 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.

c. Significant impending changes in accounting policy resulted from the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers in issue but not yet effective

On December 30, 2013, FSC announced the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. One of the main amendments is to permit fair value model for subsequent measurement of investment properties. This amendment is effective for annual periods beginning on or after January 1, 2014. (For an entity that chooses to measure its investment property at fair value, a special reserve shall be appropriated according to Rule No. 1030006415 issued by the FSC.)

The amendment requires that the fair value of an investment property be measured using the income approach, except for undeveloped lands in respect of which are measured using a Land Development Analysis. If the investment property is measured using the income approach, the cash flows are determined by reference to any existing lease, local rents, or market rents for similar comparable subjects, adjusted to exclude those extreme lease subjects, plus the present value of property value at the end of the analysis period, if any. (For those investment properties with an indefinite income-generating period, the analysis period should be less than 10 years. For those investment properties with a finite income-generating period, the analysis period is based on the estimated remaining period.) The discount rate is determined by applying a risk premium approach, and is to be no less than the floating rate for the 2-year time savings deposits of Chunghwa Post Co., Ltd plus 0.75% and any asset-specific risk premium. The amendment requires disclosures in addition to those required by IAS 40, including significant lease terms, cash flows, discount rate, etc.

d. The impact of the application of New IFRSs and the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") in issue but not yet effective on the Group's consolidated financial statements is as follows:

As of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of the above New IFRSs will have on the Group's financial position and operating result, and will disclose the relevant impact when the assessment is complete.

On March 19, 2014, the Group's board of directors resolved to change its accounting policy for investment properties effective January 1, 2014. Under the new accounting policy, investment properties are subsequently measured using the fair value model.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 14, 2009, the Financial Supervisory Commission (FSC) announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations approved by the FSC. The transition date to IFRSs was January 1, 2012. Refer to Note 41 for the impact of IFRS conversion on the consolidated financial statements.

a. Statement of compliance

The consolidated 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 consolidated 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.

The opening consolidated balance sheets as of the date of transition to IFRSs were prepared in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The applicable IFRSs have been applied retrospectively by the Group except for some aspects where IFRS 1 prohibits retrospective application or grants optional exemptions to this general principle. For the exemptions that the Group elected, refer to Note 41.

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 consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group 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.

The Group engages in the construction business, which has an operating cycle of over one year, the normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries, including special purpose entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

<u>Attribution of total comprehensive income to noncontrolling interests</u>

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2) Subsidiaries included in consolidated financial statements

Refer to Note 1 for the details of the investment relationship and percentage ownership between the Company and its subsidiaries as of December 31, 2013.

The consolidated entities as of December 31, 2013, December 31, 2012 and January 1, 2012 were as follows:

Investor	Investee	Main Business	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012
Far Eastern New Century Corporation	Far EasTone Telecommunications Co., Ltd.	Telecommunications	38.29	38.25	41.44
	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70	100.00
	Far Eastern Resources Development Co.	Real estate leasing and development service	100.00	100.00	100.00
	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00	100.00
	Far Eastern Polychem Industries Ltd. (FEPI)	Investment	100.00	100.00	100.00
	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76	80.76
	Far Eastern Investment (Holding) Ltd.	Investment	100.00	100.00	100.00
	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00	100.00
	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00
	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00	100.00
	Yuan Ding Company Ltd.	Real estate construction and selling	49.99	49.99	49.99
	Far Eastern Construction Co., Ltd.	Real estate construction and selling	68.43	65.11	65.11
	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00
	An Ho Garment Co., Ltd.	Investment	100.00	100.00	100.00
	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00	100.00
	Fu Kwok Garment Manufacturing Co., Ltd.	Garment production	99.99	99.99	99.99
	Far Eastern Textile Ltd.	Chemical fiber production	100.00	100.00	100.00
	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33	58.14
	Yuan Hsin Digital Payment Co., Ltd.	Other financing and supporting services	65.01	-	-
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd. (OTTI)	Investment	100.00	100.00	100.00
	Far Eastern Apparel (Holding) Ltd. (FEAH)	Sale of textile, garments, and clothing	100.00	100.00	100.00
	Far Eastern Fibertech Co., Ltd.	Nylon production	100.00	100.00	100.00
	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00	100.00
	Oriental Resources Development Ltd.	Waste recycling and processing	70.00	70.00	70.32
	Yuan Faun Ltd.	PET bottle production and selling	100.00	100.00	100.00
Far Eastern Investment (Holding) Ltd. (FEIH)	FETG Investment Autilles N.V.	Investment	100.00	100.00	100.00
	PET Far Eastern (M) Sdn. Bhd.	Bottle production	50.00	50.00	50.00
	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00	100.00
Far Eastern Polychem Industries Ltd. (FEPI)	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00	100.00
	Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	100.00	100.00	-
	Far Eastern Ishizuka Green Pet Corporation (FIGP)	PET production and sale	80.00	-	-
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Construction	99.95	99.95	99.95
Far Eastern Apparel (Holding) Ltd. (FEAH)	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Dyeing and finishing	100.00	100.00	100.00
Far Eastern Apparel Co., Ltd.	Ming Ding Co.	Underwear selling	-	44.80	44.80
FETG Investment Antilles N.V.	Waldorf Services B.V.	Investment	100.00	100.00	100.00
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Personnel recruitment	55.56	55.56	55.56
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Investment	92.59	91.39	91.39
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	Suqian Far Eastern Apparel Co., Ltd.	Garment production and accessories	100.00	100.00	100.00
PET Far Eastern (Holding) Ltd. (PETH)	Oriental Petrochemical (Shanghai) Corp.	PTA production and sale	61.35	61.35	61.35
	Far Eastern Union Petrochemical (Yangzhou) Corporation	MEG and its by-product sale	50.00	50.00	-
Oriental Textile (Holding) Ltd. (OTTI)	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00	100.00
	Oriental Industries (Suzhou) Ltd.	Textile production	100.00	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	Far Eastern Industries (Suzhou) Ltd.	Garment production	100.00	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Garment production and sale	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	Far Eastern New Century (China) Investment Ltd.	Investment	100.00	100.00	100.00
Far Eastern New Century (China) Investment Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	100.00	100.00	100.00
	Yuan Ding enterprise Ltd.		100.00	-	-
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	Brewer	100.00	100.00	100.00
	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	100.00	100.00	100.00
Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	Hotel	80.98	80.98	80.98
	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00	100.00
	Far Eastern Technical Consultants Co, Ltd.	Real estate development business consulting and management	100.00	100.00	100.00
	FET Consulting Engineers Co., Ltd.	Business consulting	100.00	100.00	100.00
	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00	80.00
	Far Eastern Electronic Commerce Co., Ltd.	Electronic information providing services	69.15	69.15	69.15
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDT Technology International Co., Ltd.	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDC (Virgin Islands) Ltd.	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00	100.00
	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	-	-	100.00
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	-
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00	100.00
	ARCOA Communication Co., Ltd.	Type II telecommunications services, sale of communications products and office equipment	61.07	61.07	61.07
	KGEx.com Co., Ltd.	Type II telecommunications services	99.97	99.97	89.25
	Yuan Cing Co., Ltd.	Call center services	99.99	99.99	99.99
	E. World (Holdings) Ltd.	Investment	85.92	85.92	85.92
	Far EasTron Holding Ltd.	Investment	100.00	100.00	100.00
	Far EasTern Info Service Holding Ltd.	Investment	100.00	100.00	100.00
	O-music Co., Ltd.	Electronic information providing services	50.00	50.00	50.00
	Q-Ware Communication Co., Ltd.	Type II telecommunications services	81.46	81.46	51.00
	Hiiir Co., Ltd.	Electronic information providing services	80.00	-	-
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00	70.00
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Investment	100.00	100.00	100.00
	Information Security Service Digital United Co., Ltd.	Security and monitoring service via Internet	100.00	100.00	100.00
	Digital United (Cayman) Ltd.	Investment	100.00	100.00	100.00
	Simple InfoComm Co., Ltd.	Type II telecommunications	100.00	100.00	100.00
	ADCast Interactive Marketing Co., Ltd.	Internet advertisements and marketing	-	-	99.13
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Design and research of computer system	100.00	100.00	100.00
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00
	Far Eastern New Diligent Co., Ltd.	Electronic toll collection service	100.00	100.00	100.00
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Sale of communications products	100.00	100.00	100.00
	Home Master Technology Co., Ltd.	Sale of communications products	99.99	99.99	99.99
	Jing Yuan Technology Co., Ltd.	Data Processing services	100.00	100.00	100.00
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	Software development, equipment maintenance and consulting	-	55.00	55.00
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	Software development, equipment maintenance and consulting	79.04	-	-

(Concluded)

A subsidiary, Min Ding Co., started its liquidation in December 2012, which was completed in September 2013.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquire, and the fair value of the acquirer’s previously held equity interest in the acquire over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’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 in which they arises, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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 year 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 Group’s foreign operations (including those of the subsidiaries, companies in other countries as well as currencies different from the ones used by the Group) 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.

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.

g. 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. Inventories are recorded at weighted-average cost, except for the inventory of construction industries are recorded at specific identification of cost on the balance sheet date.

h. Investment in associates

An associate is an entity over which the Group 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 Group’s share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group’s share of equity of associates attributable to the Group.

When the Group 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 Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group’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 Group’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 Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group’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 Group’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 Group 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 Group 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.

The share of profit or loss of the Group's associates is recognized using the treasury stock method if there are reciprocal holdings between the Group and its associates.

The Group discontinues the use of the equity method 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 Group 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.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. 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 for production, supply or administrative purposes 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.

Freehold land is not depreciated.

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.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

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.

k. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. 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 Group expects to dispose of the intangible asset before the end of its economic life.

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.

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units in case of the Group can use a reasonable and consistent basis of allocation, otherwise, corporate assets are allocated to the smallest group of cash-generating units.

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.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group 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/settlement date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset may be designated as at fair value through profit or loss upon initial recognition if:

i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. (Note 34)

ii. Held-to-maturity investments

Commercial paper, which is above specific credit ratings and for which the Group 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

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

For the way that the Group elected to determine the fair value, refer to Note 34.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments 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 other comprehensive income on financial assets. Any impairment losses are recognized in profit and 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 Group'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 an AFS financial asset, 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 Group 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 Group'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 Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.
A financial liability may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) The contract contains one or more embedded derivatives so that the entire combined contract can be designated as at fair value through profit or loss. For the way that the Group elected to determine the fair value, refer to Note 34.

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 Group uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including cotton future contract, foreign exchange swap contracts, option cross currency interest rate swap contract and interest rate sway contract.

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.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

o. Hedge accounting

The Group designates certain hedging instruments (including derivative) as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Group revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

p. Provisions

Provisions 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).

1) Decommissioning, restoration and similar liabilities

The cost of an item of property, plant and equipment comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

2) Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the Group's best estimate of the expenditure required to settle the Group's obligation.

q. 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 Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group 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 Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group 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.

Income from properties developed for sale is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits received from sales of properties and installment payments are carried in the consolidated balance sheets under current liabilities.

Sales of goods that result in award credits for customers, under the Group's award scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value, the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale transaction but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

2) Rendering of services

Service income including that from operating service provided under service concession arrangements is recognized when services are provided.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

a) Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;

b) Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold; and

c) Revenue from time and material contracts is recognized at the contractual rates as labor hours and direct expenses are incurred.

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

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

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

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

4) 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 Group 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 Group 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.

r. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs. However, where reasonably reliable estimates cannot be made, the measurement of proportion of contract may not be made. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as (other current liabilities). Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under accounts receivable.

s. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as a lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred.

2) The Group as a lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Minimum lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

t. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

u. 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.

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

v. 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 consolidated 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 Group 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 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 Group 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 Group'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.

Impairment of Tangible and Intangible Assets Other Than Goodwill

For impairment test of assets, the Group evaluate and decide certain asset group’s independent cash flows, useful lives of the assets and probable future profit or loss based on subjective judgment, asset usage model and telecommunications industry characteristics. Any change in national and local economic conditions or the Group’s strategy may cause significant impairment loss.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows from the cash-generating unit and a suitable discount rate for calculating the present value of these cash flows. If the actual future cash flows are less than expected, a material impairment loss may arise.

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.

Income Taxes

As of December 31, 2013, December 31, 2012 and January 1, 2012, the carrying amounts of the deferred tax assets in relation to unused tax losses were $2,812,572 thousand, $1,834,329 thousand and $1,402,473 thousand, respectively. As of December 31, 2013, December 31, 2012 and January 1, 2012, no deferred tax asset has been recognized on the tax loss of NT $3,923,907 thousand, $4,846,234 thousand and $5,077,461 thousand, respectively, because of the unpredictability of future profit streams. The reliability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. If 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 the reversal takes place.

Estimated Impairment of Notes and Accounts Receivable

When there is objective evidence of impairment loss, the Group 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. If 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(i), the Group reviews the estimated useful lives of property, plant and equipment (PPE) at each balance sheet date. After referencing situation of the other companies in the same industry, management determined in the current period that the useful lives of certain PPE items should be extended, as follows: property - from 20 years to 30 years; and operating equipment from 5 to 15 years to 20 years. The financial effect of this reassessment, assuming the assets would be held until the end of their estimated useful lives, was an increase *of* in consolidated income $570,000 thousand in the current fiscal year.

Impairment of Investment in the Associate

The Group immediately recognizes impairment loss on its net investment in the associate when there is any indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flow expected to be generated by the associate, including estimated cash flow by the associate's management. The Group also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

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.

Estimation of Gain and Loss on Construction Contracts

Contract revenues and costs of long-term construction contracts are recognized by the percentage-of-completion method. Under this method, the stage of completion of each contract is measured as a ratio of cumulative actual construction costs to total estimated contract costs. However, where reasonably reliable estimates cannot be made, the percentage-of-completion method may not be used. If contract-related situations such as structural changes, demand for indemnity and the giving of bonus commission occur during the contract period, contract revenues are recognized only to the extent that the amount of the construction contract can be estimated reliably or to the extent that a recoverable contract cost has been incurred.

The Group's estimation of total contract costs is based on the nature of construction, amounts of the components of construction costs, length of the construction periods, and construction techniques as projected by the management team of the Group.

6. CASH AND CASH EQUIVALENTS

	December 31, 2013	December 31, 2012	January 1, 2012
Cash			
Cash on hand and petty cash	$ 35,288	$ 42,237	$ 33,108
Demand and checking accounts	14,382,802	11,071,486	14,366,514
	14,418,090	11,113,723	14,399,622
Cash equivalents			
Time deposits with original maturities of less than three months	6,162,786	15,673,463	3,092,977
Commercial paper purchased under resell agreements	5,788,905	1,978,629	-
Corporate bonds purchased under resell agreements	150,000	1,789,141	1,729,494
	12,101,691	19,441,233	4,822,471
Management discretionary accounts			
Demand accounts	125,793	90,210	83,568
	$ 26,645,574	$ 30,645,166	$ 19,305,661

The Group's members individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT$125,793 thousand, NT$90,210 thousand and NT$83,568 thousand as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Time deposits with original maturities of less than three months	0.01%-3.75%	0.35%-2.86%	0.00%-3.10%
Commercial paper purchased under resell agreements	0.62%-0.74%	0.68%-0.82%	-
Corporate bonds purchased under resell agreement	0.64%	0.70%-0.80%	0.45%-0.83%

Time deposits with original maturities of over three months amounted to NT$2,339,682 thousand, NT$3,145,035 thousand and NT$9,025,221 thousand as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively, and were classified under bond investments with no active market (Note 12).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets held for trading			
Beneficial certificates	$ 565,240	$ 642,699	$ 375,346
Marketable equity securities	562,623	387,107	530,617
Cotton futures contracts	26,010	25,345	46,209
Combined foreign exchange options	5,335	-	-
Forward exchange contracts	32,480	3,368	2,699
	$ 1,191,688	$ 1,058,519	$ 954,871
Current	$ 1,191,688	$ 1,058,519	$ 954,871
Financial liabilities held for trading			
Foreign exchange options	$ 272	$ 619	$ -
Forward exchange contracts	318	-	-
Exchangeable bonds - exchange rights	-	-	4,708
	$ 590	$ 619	$ 4,708
Current	$ 590	$ 619	$ 4,708

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, 2013 and 2012. 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, 2013 and 2012.

The outstanding cotton futures contracts as of January 1, 2012 were as follows:

	Maturity Date	Units	Contract Amount (Thousands)
January 1, 2012			
Cotton futures contracts	March 2012	60	USD3,000/NTD90,272

b. Forward exchange contracts

The Group entered into forward exchange contracts for the years ended December 31, 2013 and 2012 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 Group used non-hedging forward exchange contracts to profit from the pricing differences between exchange rate fluctuations for the years ended December 31, 2013 and 2012.

As of December 31, 2013, December 31, 2012 and January 1, 2012, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
December 31, 2013			
Sell	USD/EUR	2014.01.06-2014.02.07	USD5,000/EUR6,708
Sell	JPY/USD	2014.01.27-2014.04.07	JPY1,968,307/USD19,500
Sell	NTD/USD	2014.01.02-2014.02.19	TWD2,680,900/USD90,200
Sell	MYR/USD	2014.01.15	MYR6,587/USD2,000
December 31, 2012			
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
Sell	JPY/USD	2013.01.30	JPY342,185/USD4,000
Sell	NTD/USD	2013.01.07-2013.03.08	NTD1,188,275/USD40,913
January 1, 2012			
Sell	EUR/USD	2012.01.30-2012.02.24	EUR9,000/USD11,702
Sell	USD/NTD	2012.01.11-2012.01.30	USD9,280/NTD280,967
Sell	NTD/USD	2012.01.03	NTD45,428/USD1,500
Sell	USD/CAD	2012.01.20	USD1,000/CAD1,018
Sell	USD/RMB	2012.02.21-2012.04.05	USD10,000/RMB63,888

c. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the years ended December 31, 2013 and 2012.

The outstanding option contracts as of December 31, 2013, December 31, 2012 and January 1, 2012 were as follow:

	Currency	Maturity	Contract Amount (Thousands)
December 31, 2013			
Sell call option	EUR/USD	2014.01.27	EUR2,000/USD2,790

d. Exchangeable bonds

For the exchangeable bonds issued in 2007, the Company separately recognized the embedded derivatives and the host debt instruments. In addition, the derivatives were measured at fair value and recognized as financial assets and liabilities at fair value through profit or loss. The Company redeemed the bonds in September 2012.

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the years ended December 31, 2013 and 2012 to hedge against the exchange risks on foreign currency assets and liabilities. As of December 31, 2013, the Company had outstanding combined foreign exchange options, as follows:

	Currency	**Maturity**	**Contract Amount (Thousands)**
December 31, 2013			
Buy JPY put options	JPY/USD	2013.01.2-2013.05.28	JPY1,385,356/USD14,000
Sell JPY call options	JPY/USD	2013.01.2-2013.05.28	JPY4,156,068/USD42,000
Buy EUR call options	EUR/USD	2013.01.2-2013.03.27	EUR1,900/USD2,468
Sell EUR put options	EUR/USD	2013.01.2-2013.03.27	EUR7,600/USD9,872

As of December 31, 2012 and January 1, 2012, the Group had no outstanding combined foreign exchange options.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Equity investments			
Marketable equity securities	$ 5,257,255	$ 4,680,058	$ 2,969,013
Private placement shares	-	-	1,240,329
Open-end mutual funds - beneficial certificates	168,172	204,336	1,178,595
Oversea mutual funds - beneficial certificates	636,138	1,877,246	2,140,566
Oversea shares	185,003	-	-
Available-for-sale financial assets	$ 6,246,568	$ 6,761,640	$ 7,528,503
Current	$ 989,348	$ 2,272,149	$ 3,496,456
Noncurrent	5,257,220	4,489,491	4,032,047
	$ 6,246,568	$ 6,761,640	$ 7,528,503

In 1999, the Group bought private placement common shares of Far Eastern International Bank Co., Ltd. (FEIB), which were restricted from being traded under Article 43-8 of the Securities and Exchange Act. However, FEIB ceased to be subject to this restriction on December 31, 2012.

9. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Bond investments			
Asia Cement Corp. (ACC)	$ 99,962	$ 199,871	$ 199,768
Current	$ 99,962	$ 100,000	$ -
Noncurrent	-	99,871	199,768
	$ 99,962	$ 199,871	$ 199,768

In September 2009, an FENC subsidiary, Far EasTone, bought five-year corporate bonds of ACC for NT$199,540 thousand (par value of NT$200,000 thousand), with the effective interest rate of 2.004% and coupon interest rate of 1.95%. The interest is payable on September 22 annually.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31, 2013	December 31, 2012	January 1, 2012
Derivative financial assets under hedge accounting			
Cash flow hedges - cross currency interest rate swap	$ 115	$ 4,650	$ -
Cash flow hedges - forward exchange contracts	4,327	17,312	1,500
	$ 4,442	$ 21,962	$ 1,500
Current	$ 4,442	$ 21,962	$ 1,500
Derivative financial liabilities under hedge accounting			
Cash flow hedges - cross currency interest rate swap	$ -	$ -	$ 75
Cash flow hedges - forward exchange contracts	-	-	2,592
Cash flow hedges - interest rate swaps	421,280	287,522	-
	$ 421,280	$ 287,522	$ 2,667
Current	$ -	$ -	$ 2,667
Noncurrent	421,280	287,522	-
	$ 421,280	$ 287,522	$ 2,667

Cash flow hedges

The Group's hedge strategy is to use cross currency interest rate swap and forward exchange contracts to hedge against adverse exchange risks on foreign currency assets.

The terms of the cross currency interest rate swap and forward exchange contracts were negotiated to match the terms of the respective designated hedged items. The outstanding cross currency interest rate swap and forward exchange contracts at the end of the reporting period were as follows:

December 31, 2013

	Currency	Maturity Date	Contract Amount (Thousands)
Cross currency interest rate swap	USD/NTD	2014.01.16	USD5,000
Forward exchange contracts	USD/NTD	2014.01.10-2014.01.27	USD17,500

December 31, 2012

	Currency	Maturity Date	Contract Amount (Thousands)
Cross currency interest rate swap	USD/NTD	2013.01.14	USD5,000
Forward exchange contracts	USD/NTD	2013.01.08-2013.05.07	USD68,000

January 1, 2012

	Currency	Maturity Date	Contract Amount (Thousands)
Cross currency interest rate swap	USD/NTD	2012.02.14	USD5,000
Forward exchange contracts	USD/NTD	2012.01.09-2012.02.13	USD65,000

The Group invested in overseas mutual funds and used cross currency interest rate swap and foreign exchange swaps (with terms of up to six months) to hedge against adverse cash flow fluctuations, and the foreign exchange agreements were designated as cash flow hedge. The cash flows will be generated when the hedged target is sold, and the unrealized gain (loss) on this cash flow hedge will be reclassified from equity to profit or loss.

The gain on the hedged items that was reclassified from equity to profit in the consolidated comprehensive statements of income for the years ended December 31, 2013 and 2012 were as follows:

	For the Year Ended December 31	
	2013	2012
Net gain on sales of securities	$ 76,019	$ -

The Group entered into interest rate swap contracts to mitigate the risk of adverse in interest rates on the cash flow exposure related to outstanding variable rate debt. The outstanding interest rate swap contracts at the end of the reporting period were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
NTD2,906,000	2021.02.10	0%-4.8%	90d CP+1.10% (Note)
NTD3,294,000	2025.11.10	0%-4.8%	0.60%-4.90%

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

All interest rate swap contracts, which involved the exchange of fixed interest amounts for floating interest amounts, were designated as cash flow hedges to reduce the Group's cash flow exposure to adverse changes in interest rates on borrowings. The interest rate swaps and the interest payments on the loan were transacted simultaneously, and the amount accumulated in equity was reclassified to profit or loss over the period that the floating interest payments on debts affected profit or loss.

Gains and losses reclassified from equity to profit or loss were included in the following line item in the consolidated statements of comprehensive income:

	For the Year Ended December 31	
	2013	**2012**
Interest expense credits	$ 78,369	$ 49,975

11. FINANCIAL ASSETS CARRIED AT COST

	December 31, 2013	December 31, 2012	January 1, 2012
Domestic unlisted common shares	$ 753,286	$ 776,897	$ 652,041
Overseas unlisted common shares	208,314	345,632	378,277
Convertible bonds-conversion rights (Note 12)	7,895	7,895	7,895
	$ 969,495	$ 1,130,424	$ 1,038,213
Current	$ 42,587	$ -	$ -
Noncurrent	926,908	1,130,424	1,038,213
	$ 969,495	$ 1,130,424	$ 1,038,213

The Group participated the capital increase of Kaohsiung Rapid Transit Cor. (KRTC) amounting NT$100,000 thousand.

The Group evaluated the carrying amount of Bockhold N.V. and determined there was an indication of impairment, thus, recognized an impairment loss of NT$115,000 thousand.

The Group's management believed that the above unlisted common shares and convertible bonds-conversion rights held by the Group, whose fair value cannot 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.

12. BOND INVESTMENTS WITH NO ACTIVE MARKET

	December 31, 2013	December 31, 2012	January 1, 2012
Bond investments - Bockhold N.V.	$ 267,007	$ 256,508	$ 261,384
Time deposits with original maturities more than 3 months	2,339,682	3,145,035	9,025,221
	$ 2,606,689	$ 3,401,543	$ 9,286,605
Current	$ 2,606,689	$ 3,145,035	$ 9,025,221
Noncurrent	-	256,508	261,384
	$ 2,606,689	$ 3,401,543	$ 9,286,605

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd., bought convertible bonds amounting to EUR6,670 thousand issued by Bockhold N.V., with maturity on February 26, 2014. These three-year convertible bonds are payable semiannually, and the bonds can be converted proportionally to a total of 933 common shares of Bockhold N.V. The amount of the host debt contract was recognized as a bond investment with no active market, and the amount of the conversion rights of the convertible bonds was recognized under financial assets carried at cost (Note 11). On January 13, 2014, the bond agreement was renegotiated and the maturity of the bond was extended to March 14, 2019.

13. NOTES AND ACCOUNTS RECEIVABLE

	December 31, 2013	December 31, 2012	January 1, 2012
Notes and accounts receivable			
Notes and accounts receivable	$ 28,010,616	$ 29,042,406	$ 33,178,998
Less: Allowance for doubtful accounts	(1,125,669)	(1,150,240)	(1,010,074)
	$ 26,884,947	$ 27,892,166	$ 32,168,924

When deciding the recoverability of accounts receivable, the Group 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 Group's customer base is wide and is not focused on certain customers and companies involved are unrelated.

Movements of allowance for doubtful accounts were as follows:

	For the Year Ended December 31	
	2013	2012
Beginning balance	$ 1,150,240	$ 1,010,074
Add: Additional amount recognized from business combination	1,858	-
Add: Accounts recovered during the period	272,318	354,322
Add: Bad debt expenses	182,216	270,219
Deduct: Amounts written off during the period as uncollectible	(483,422)	(482,498)
Effect of exchange rate differences	2,459	(1,877)
Ending balance	$ 1,125,669	$ 1,150,240

Sale of overdue accounts receivable

Under agreements signed in 2013, Far EasTone sold to asset management companies the overdue accounts receivable that had been written off. Thus, as of December 31, 2013, Far EasTone and its subsidiaries were not under the risk of irrecoverable receivables.

Related information as of December 31, 2013 is as follows:

	Amounts of Accounts Receivable Sold	Proceeds of the Sale of Accounts Receivable
Hui Cheng Second Asset Management Co., Ltd.	$ 4,067,103	$ 97,238
Long Sun Asset Management Co., Ltd.	$ 3,357,652	$ 80,128
E-Hao Management Consultant Co., Ltd.	$ 2,241,541	$ 76,275

14. INVENTORIES

	December 31, 2013	December 31, 2012	January 1, 2012
Merchandise inventories	$ 5,478,405	$ 3,370,419	$ 3,116,002
Finished goods	4,843,104	4,646,465	5,282,432
Work in progress	2,463,792	2,138,420	2,518,902
Raw materials	8,017,791	8,611,484	9,549,766
Supplies	782,627	628,077	712,514
Available-for-sale - buildings and land	995,149	1,035,526	1,690,502
Available-for-sale - land	700,887	620,361	620,001
Construction-in-progress	903,217	502,368	391,936
Prepayment for land	-	64,000	64,000
	$ 24,184,972	$ 21,617,120	$ 23,946,055

For the years ended 2013 and 2012, the costs of inventories sold and the costs of real estate sold were NT$155,962,513 thousand and NT$154,617,223 thousand, respectively. The costs of inventories recognized as cost of goods sold, which included inventory write-downs for the year ended December 31, 2013, were NT$352,695 thousand. The costs of inventories recognized as cost of goods sold, which included reversal of inventory write-down for the year ended December, 2012, were NT$311,289 thousand. Previous write-down were reversed as a result of increased selling prices in certain markets.

15. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS

	December 31, 2013	December 31, 2012	January 1, 2012
Amount due from customers for construction contracts			
Construction costs incurred plus recognized profits less recognized losses to date	$ 13,797,342	$ 20,350,379	$ 18,941,757
Less: Progress billings	12,323,556	18,798,693	17,369,512
	$ 1,473,786	$ 1,551,686	$ 1,572,245
Amounts due to customers for construction contracts			
Progress billings	$ 3,555,055	$ 4,142,257	$ 7,457,381
Less: Construction costs incurred plus recognized profits less recognized losses to date	3,142,557	3,981,478	6,952,440
	$ 412,498	$ 160,779	$ 504,941
Retentions receivable	$ 253,419	$ 271,677	$ 339,538
Retentions payable	$ 235,203	$ 265,649	$ 323,500

Certain amounts due from (to) customers for construction contracts are accounted for as retentions receivable on construction contracts. Retentions receivable on construction contracts bear no interest and are expected to remain as receivables until the satisfaction of conditions specified in each contract for the payment of such amounts during the retention periods, which are within the Group's normal operating cycle of usually more than 12 months after the reporting period.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

	December 31, 2013		December 31, 2012		January 1, 2012	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Listed companies						
Asia Cement Corp.	$ 16,114,625	25	$ 16,181,356	26	$ 16,383,667	25
Far Eastern Department Stores Co., Ltd.	6,777,974	22	6,422,810	21	5,630,169	20
Oriental Union Chemical Corp.	5,270,184	26	5,150,811	27	5,025,140	26
Everest Textile Co., Ltd.	1,131,649	27	1,055,480	27	900,300	27
	29,294,432		28,810,457		27,939,276	
Unlisted companies						
Oriental Securities Corp.	4,954,550	46	4,836,312	46	4,741,959	46
Pacific Liu Tong Investment Co., Ltd.	4,012,224	40	3,613,126	40	3,301,511	40
Yu Yuan Investment Co.	3,320,639	44	3,521,353	44	2,923,684	44
Far Eastern International Leasing Corp.	2,298,284	34	2,365,411	34	2,203,197	34
Liquid Air Far East Co., Ltd.	1,442,716	35	1,253,704	35	1,264,186	35
Da Ju Fiber Corp.	505,380	42	453,689	42	431,309	42
Yuan Ding Leasing Corp.	420,032	46	428,421	46	400,717	46
Yu Ding Industry Co., Ltd.	410,175	31	386,864	31	360,053	31
Kowloon Cement Corp.	389,516	49	361,010	49	353,697	49
Freudenberg Far Eastern Spunweb Co., Ltd.	316,573	30	351,586	30	303,259	30
FEDS Asia Pacific Development Co., Ltd.	126,782	5	124,686	5	122,931	5
Yue Ming Trading Co., Ltd.	71,759	47	71,134	47	73,437	47
Malaysia Garment Manufactures PET Ltd.	58,839	38	56,967	38	45,746	38
Alliance Digital Technology Co., Ltd.	28,514	19	-	-	-	-
Com 2B Corporation	15,816	20	22,293	20	24,953	20
iScreen	15,587	40	18,568	40	21,094	40
Opas Fund Segregated Portfolio Company	1,549	34	1,509	34	1,544	34
	18,388,935		17,866,633		16,573,277	
	$ 47,683,367		$ 46,677,090		$ 44,512,553	

Investments in FEDS Asia Pacific Development Co., Ltd., Alliance Digital Technology Co., Ltd. and Com 2B Corporation for the were accounted for using the equity method since the Group exercised significant influence on them even though the Group owned less than 20% of each investee's voting stock.

The calculation of the investments accounted for using 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, except those of Alliance Digital Technology Co., Ltd. Management believes there would have been no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income had the financial statements of Alliance Digital Technology Co., Ltd. been audited.

The fair values of publicly traded investments accounted for using the equity method are summarized as follows, based on the closing prices of those investments as of the balance sheet date:

Name of Associate	December 31, 2013	December 31, 2012	January 1, 2012
Listed companies	$ 49,977,706	$ 48,990,026	$ 44,873,377

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

	December 31, 2013	December 31, 2012	January 1, 2012
Total assets	$ 432,604,561	$ 417,761,559	$ 412,748,313
Total liabilities	$ 219,992,499	$ 211,226,160	$ 208,586,693

	For the Year Ended December 31	
	2013	2012
Operating revenue	$ 155,404,474	$ 145,257,301
Net income	$ 17,346,508	$ 13,069,039
Other comprehensive income	$ 2,822,824	$ 364,437

17. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2013	December 31, 2012	January 1, 2012
Carrying amounts			
Property, plant and equipment	$ 129,620,260	$ 116,298,137	$ 116,968,528
Prepayment for equipment	944,727	2,881,210	1,585,957
	$ 130,564,987	$ 119,179,347	$ 118,554,485

	Land	Buildings	Machinery and Equipment	Telecommuni-cations Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 2012	$ 16,335,763	$ 23,907,638	$ 108,875,310	$ 138,863,402	$ 9,351,022	$ 3,293,622	$ 16,526,911	$ 14,523,593	$ 331,677,261
Additions	-	99,925	1,161,423	315,525	12,170	45,123	280,277	17,424,166	19,338,609
Disposals	-	(100,985)	(1,869,038)	(2,684,767)	(328,889)	(41,016)	(635,915)	(62,631)	(5,723,241)
Adjustments and reclassification	30,579	3,421,725	5,788,625	3,682,166	3,074,275	817,950	1,185,579	(18,303,594)	(302,695)
Effect of exchange rate difference	(1)	(257,764)	(1,323,473)	(95)	(1,160)	-	(89,044)	(106,204)	(1,777,741)
Balance at December 31, 2012	$ 16,366,341	$ 27,070,539	$ 112,632,847	$ 140,176,231	$ 12,107,418	$ 4,115,679	$ 17,267,808	$ 13,475,330	$ 343,212,193
Balance at January 1, 2013	$ 16,366,341	$ 27,070,539	$ 112,632,847	$ 140,176,231	$ 12,107,418	$ 4,115,679	$ 17,267,808	$ 13,475,330	$ 343,212,193
	-	-	-	466	5,749	522	471	-	7,208
Additions	265,928	29,531	490,613	136,136	17,203	92,237	205,347	22,872,850	24,109,845
Disposals	-	(39,096)	(5,672,122)	(3,705,561)	(129,900)	(123,044)	(838,347)	(17,618)	(10,525,688)
Adjustments and reclassification	476,769	576,178	2,532,925	8,164,319	714,181	546,598	827,216	(13,157,892)	680,294
Effect of exchange rate difference	1,496	445,453	2,191,087	4	1,407	6	155,443	95,482	2,890,378
Balance at December 31, 2013	$ 17,110,534	$ 28,082,605	$ 112,175,350	$ 144,771,595	$ 12,716,058	$ 4,631,998	$ 17,617,938	$ 23,268,152	$ 360,374,230

	Land	Buildings	Machinery and Equipment	Telecommuni-cations Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Accumulated depreciation and impairment									
Balance at January 1, 2012	$ (96,557)	$ (9,401,363)	$ (75,384,564)	$ (105,254,133)	$ (8,074,553)	$ (2,549,669)	$ (12,361,937)	$ -	$ (213,122,776)
Disposals	-	87,514	1,842,122	1,515,481	328,883	39,425	567,605	-	4,381,030
Depreciation expense	-	(762,411)	(4,238,538)	(7,735,260)	(783,223)	(221,879)	(1,026,697)	-	(14,768,008)
Impairment loss	-	-	(153,359)	-	-	-	-	-	(153,359)
Adjustments and reclassification	-	(1,271,614)	18,202	1,780,344	(1,282,392)	(216,980)	318,958	-	(653,482)
Effect of exchange rate difference	-	71,588	505,008	14	840	-	45,952	-	623,402
Balance at December 31, 2012	$ (96,557)	$ (11,276,286)	$ (77,411,129)	$ (109,693,554)	$ (9,810,445)	$ (2,949,103)	$ (12,456,119)	$ -	$ (223,693,193)
Balance at January 1, 2013	$ (96,557)	$ (11,276,286)	$ (77,411,129)	$ (109,693,554)	$ (9,810,445)	$ (2,949,103)	$ (12,456,119)	$ -	$ (223,693,193)
	-	-	-	(120)	(2,795)	(258)	(118)	-	(3,291)
Disposals	-	34,682	5,580,202	2,407,415	123,666	103,667	813,105	-	9,062,737
Depreciation expense	-	(777,610)	(3,965,607)	(7,078,400)	(838,300)	(291,873)	(1,130,222)	-	(14,082,012)
Adjustments and reclassification	-	(49,548)	17,448	12,510	(1,757)	(1,154)	28,082	-	5,581
Effect of exchange rate difference	-	(124,716)	(896,525)	(4)	(928)	(1)	(76,891)	-	(1,099,065)
Balance at December 31, 2013	$ (96,557)	$ (12,193,478)	$ (76,675,611)	$ (114,352,153)	$ (10,530,559)	$ (3,138,722)	$ (12,822,163)	$ -	$ (229,809,243)

(Concluded)

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

Building	
Main building	41-55 years
Others	3-18 years
Machinery and equipment	3-20 years
Telecommunication equipment	2-25 years
Computer equipment	3-10 years
Leasehold improvements, operating and miscellaneous equipment	3-15 years

As of December 31, 2013, December 31, 2012 and January 1, 2012, farmland was reclassified to property, plant and equipment amounting to NT$238,430 thousand and to investment properties amounting to NT$38,231 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.

18. INVESTMENT PROPERTIES

	December 31, 2013	December 31, 2012	January 1, 2012
Completed investment property	$ 35,307,315	$ 36,495,583	$ 35,365,567

	Completed Investment Properties
Cost	
Balance at January 1, 2012	$ 38,886,012
Additions	305,361
Disposals	(67,127)
Adjustments and reclassifications	330,637
Effect of exchange rate differences	(19,652)
Balance at December 31, 2012	$ 39,435,231

(Continued)

	Completed Investment Properties
Balance at January 1, 2013	$ 39,435,231
Additions	1,550
Disposals	(5,342)
Adjustments and reclassifications	(751,382)
Effect of exchange rate differences	28,400
Balance at December 31, 2013	$ 38,708,457
Accumulated depreciation and impairment	
Balance at January 1, 2012	$ (3,520,445)
Disposals	47,157
Additions	(190,312)
Adjustments and reclassifications	382,026
Effect of exchange rate differences	2,273
Balance at December 31, 2012	$ (3,279,301)
Balance at January 1, 2013	$ (3,279,301)
Disposals	4,824
Additions	(159,299)
Reversal of impairment	(210)
Adjustments and reclassifications	44,074
Effect of exchange rate differences	(11,230)
Balance at December 31, 2013	$ (3,401,142)

(Concluded)

The fair values of the Group’s investment properties were NT$143,569,873 thousand, NT$142,215,410 thousand and NT$114,775,716 thousand as of December 31, 2013, December 31, 2012, December 31, 2012 and January 1, 2012, respectively. The fair values of the Group's investment properties as of December 31, 2013, December 31, 2012 and January 1, 2012 were based on an independent appraiser’s valuations. The Group’s management calculated the fair value of investment properties through the ratio of building spaces actually been rent out. In this calculation, the direct capitalization method was used.

19. GOODWILL

	For the Year Ended December 31	
	2013	2012
Cost		
Balance at January 1	$ 11,980,944	$ 11,982,600
Additional amounts recognized from business combinations occurring	2,771	-
Derecognized on disposal of a subsidiary	(57,615)	-
Effect of foreign currency exchange differences	2,682	(1,656)
Balance at December 31	$ 11,928,782	$ 11,980,944

If an investment acquisition cost exceeds the fair value of identifiable net assets acquired, and the source of this excess cannot be identified, this excess should be recorded as goodwill. Goodwill mainly resulted from the mergers and acquisitions of Far EasTone, which obtained a large percentage of companies with which it had merged.

The Group was divided into several identifiable cash-generating units that enhance the Group's operating effectiveness and integrate its telecommunications resources: The mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated network business.

As of December 31, 2013 and 2012, the carrying values of the tangible and intangible assets used by the Group were NT$97,371,817 thousand and NT$67,729,093 thousand, respectively. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2013 and 2012: Mobile telecommunications service business - 10.33% and 7.20%, respectively; telecommunications equipment business - 7.38% and 5.60%, respectively; integrated network business - 8.6% and 6.52%, WiFly business - 8.00% and 8.48%, respectively. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the projected advancement of the Group's own business.

The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

a. Expected future growth rate of the telecommunications industry

   1) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, while the development trend of the market is taken into account.

   2) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenues of previous years, while the demands and changes of the market are taken into account.

   3). Business of selling cellular phone units: The anticipated selling cellular phone is based on the historical sales revenues and quantities of previous years, while the trend of the market is taken into account.

   4) WiFly business: The anticipated WiFly is based on present operating experience and the demand of WiFly, while the trend of the industry is taken into account.

   5) Integrated network business (INB): The anticipated INB is measured based on the actual effective customer base and service revenues of previous years, while the trend of the market is taken into account.

b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenues, while the possible influence of each revenue, cost and expense are taken into account.

   The Group's management believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2013, the Group had occurred an impairment loss of NT$57,615 thousand, as shown by a comparison between the recoverable amounts and the carrying amounts of the Group's tangible and intangible assets using certain assumptions; this loss was included in other gains and losses. As of December 31, 2012, there was no indication of impairment loss.

20. CONCESSION AND INTANGIBLE ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Carrying amounts			
Concession	$ 37,734,135	$ 5,090,449	$ 5,608,938
Other intangible assets			
Computer software	2,557,237	2,529,280	2,571,936
Others	1,626,885	1,289,718	797,603
	4,184,122	3,818,998	3,369,539
	$ 41,918,257	$ 8,909,447	$ 8,978,477

	Concession	Computer Software	Others	Total
Balance at January 1, 2012	$ 5,608,938	$ 2,571,936	$ 797,603	$ 8,978,477
Additions	501,599	703,745	688,129	1,893,473
Amortization	(1,019,446)	(748,835)	(195,787)	(1,964,068)
Disposals	(642)	-	-	(642)
Adjustments and reclassifications	-	6,161	3,187	9,348
Effect of exchange rate differences	-	(3,727)	(3,414)	(7,141)
Balance at December 31, 2012	$ 5,090,449	$ 2,529,280	$ 1,289,718	$ 8,909,447
Balance at January 1, 2013	$ 5,090,449	$ 2,529,280	$ 1,289,718	$ 8,909,447
	-	38,607	4,313	42,920
Additions	33,756,959	729,461	803,194	35,289,614
Amortization	(1,112,741)	(756,343)	(475,686)	(2,344,770)
Disposals	(1,779)	(133)	-	(1,912)
Adjustments and reclassifications	1,247	15,151	(1,251)	15,147
Effect of exchange rate differences	-	1,214	6,597	7,811
Balance at December 31, 2013	$ 37,734,135	$ 2,557,237	$ 1,626,885	$ 41,918,257

The above other intangible assets were depreciated on a straight-line basis up to the estimated useful lives of the assets, as follows:

Concession	14 years
Computer software	10 years
Others	16 years

An FENC subsidiary, Far EasTone bid for a mobile broadband business concession on October 30, 2013, with a bidding price of NT$31,315,000 thousand, included in intangible assets - concession. The NCC approved the business plan and the Group had obtained letters of approval consenting to inception to begin subsequent related matters.

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

a. Short-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Credit loans	$ 24,372,853	$ 24,362,749	$ 26,356,424
Secured and pledged borrowings	200,000	846,419	1,015,295
Loans from related parties	3,480,995	598,224	623,665
	$ 28,053,848	$ 25,807,392	$ 27,995,384

1) The interest rates for bank loans were 0.67% to 4.18%, 0.75% to 6.16% and 0.74% to 9.18% as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively.

2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of December 31, 2013, December 31, 2012 and January 1, 2012.

b. Short-term bills payable

	December 31, 2013	December 31, 2012	January 1, 2012
Commercial paper	$ 5,121,000	$ 6,290,000	$ 10,769,000
Less: Unamortized discount on bills payable	3,306	3,260	3,910
	$ 5,117,694	$ 6,286,740	$ 10,765,090

The short-term bills payable outstanding were issued at interest rates of 0.79% to 1.37%, 0.83% to 2.34% and 0.45% to 2.18% as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively.

22. PROVISIONS

	December 31, 2013	December 31, 2012	January 1, 2012
Decommissioning obligations	$ 799,760	$ 733,552	$ 564,536
Warranties	87,260	79,083	71,942
Onerous contracts	12,171	2,581	44,795
	$ 899,191	$ 815,216	$ 681,273
Current	$ 193,328	$ 160,425	$ 171,474
Noncurrent	705,863	654,791	509,799
	$ 899,191	$ 815,216	$ 681,273

	Decommis-sioning Obligations	Warranties	Onerous Contracts	Total
Balance at January 1, 2012	$ 564,536	$ 71,942	$ 44,795	$ 681,273
Additional provisions recognized	174,348	29,312	-	203,660
Reductions	(5,332)	(22,171)	(42,214)	(69,717)
Balance at December 31, 2012	$ 733,552	$ 79,083	$ 2,581	$ 815,216
Balance at January 1, 2013	$ 733,552	$ 79,083	$ 2,581	$ 815,216
Additional provisions recognized	76,560	58,833	9,590	144,983
Reductions	(10,352)	(50,656)	-	(61,008)
Balance at December 31, 2013	$ 799,760	$ 87,260	$ 12,171	$ 899,191

23. LONG-TERM LIABILITIES

	December 31, 2013	December 31, 2012	January 1, 2012
Bank loans	$ 43,722,573	$ 33,243,911	$ 33,770,708
Less: Current portion	99,869	1,011,899	646,513
	$ 43,622,704	$ 32,232,012	$ 33,124,195
Nonconvertible bonds	$ 74,499,000	$ 44,780,000	$ 29,040,000
Discount of nonconvertible bonds	(114,386)	(74,300)	(52,842)
	74,384,614	44,705,700	28,987,158
Exchangeable bonds	-	-	1,239,000
Discount of exchangeable bonds	-	-	(20,369)
	-	-	1,218,631
	74,384,614	44,705,700	30,205,789
Less: Current portion	8,745,827	2,979,679	1,878,631
	$ 65,638,787	$ 41,726,021	$ 28,327,158

Bank Loans

The foregoing loans are repayable through a lump sum payment on maturity in New Taiwan dollars or U.S. dollars. The Company and its subsidiaries had been allowed to make loans within the credit line limit. The Company's loan as of December 31, 2013, December 31, 2012 and January 1, 2012 were due between January 2015 and March 2031, March 2014 and March 2031 and February 2013 and March 2031, respectively. Bank interest rates were 0.80% to 2.33%, 0.63% to 2.08% and 0.76% to 4.2% as of December 31, 2013, December 31, 2012, December 31, 2012 and January 1, 2012, respectively.

On September 12, 2008, the Company entered into a medium-term syndicated loan agreement with banks led by Hua Nan Commercial Bank. The total loan agreement amounted to NT$5,700,000 thousand. Under this agreement, the Company should keep its current, liability, tangible asset-equity and interest cover within certain ranges. The Company's was in compliance with these ratio requirements.

On July 1, 2008, an FENC subsidiary, Sino Belgium (Holding) Ltd. (SINO), reached a medium-term syndicated loan agreement with banks led by Chinatrust Commercial Bank. The total loan agreement amounted to US$5,000 thousand. Under this agreement, another subsidiary of the Company, Yuan Tong, served as the guarantor of SINO and thus committed to keep its current, liability, tangible asset-equity and interest cover within certain ranges. Yuan Tong was in compliance with these ratio requirements.

On March 22, 2011, an FENC subsidiary, FECC entered into a NT$4,000,000 thousand credit agreement with Hua Nan Bank and other financial institutions. In order to secured the debt obligation, FECC pledged its land pertaining to the Zhong Ben and Zhong Ben (2) project (Ban Ciao - New Section No. 8) amounting to NT$4,800,000 thousand as the first mortgage to the creditor banks. Other agreement terms were as follows:

	Credit Line	Maturity Period	Interest Rate	Repayment
a.	NT$ 2,000,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.40% then over 0.946%	Revolving credit within the period and no repayment in the first five years; quarterly repayments of NT$30,000 thousand quarterly from the sixth year and redemption of rest on maturity
b.	NT$ 2,000,000 thousand	5 years after use of the credit	Reference interest rate plus 0.433%	Revolving credit within the period; lump sum repayment on maturity
	NT$ 4,000,000 thousand			

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

On December 4, 2009, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), got a five-year syndicated loan of NT$4,200,000 thousand from Mega International Commercial Bank and Chinatrust Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.2% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. As of December 31, 2013, OPTC was in compliance with the ratio requirement.

In 2003, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), got a five-year and seven-year syndicated loan in a total amount of NT$1,100,000 thousand from Mega International Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.125% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. As of December 31, 2013, OPTC was in compliance with the ratio requirement.

On April 23, 2013, in order to construct a freeway taximeter system infrastructure, an FENC subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), entered into a syndicated loan agreement amounting to NT$6,420,000 thousand with Cathay United bank and three other financial institutions. The agreement terms are as follows:

The syndicated loan, which consisted of three different loans with different terms and lines of credit (A, B and C), was obtained to meet FETC's capital needs for operating and maintain the infrastructure for the electronic toll collection project ("ETC project"). FETC withdrew NT$2,906,000 thousand from Loan A and NT$3,294,000 thousand from Loan B. FETC provided a guarantee amounting to NT$22,000 thousand from Loan C. Credit Line A has been partly drawn for the first time on May 10, 2012. Loan A is repayable quarterly in 26 equal installments from November 10, 2014 until February 2021. Bank annual interest rates were 2.10% in 2013 and 2.0758% in 2012. Credit Line B has been partly drawn for the first time on May 10, 2012. Credit line B will be paid quarterly in 26 installments from August 10, 2019, with maturity in November 2025. Bank annual interest rates were 1.05% in 2013 and 0.6316% in 2012.

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathy United Bank were accounted for under other financial assets - noncurrent (Note 36). The terms of loan A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathy United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral.

With FETC's long-term debts with floating rates, which may cause material cash flow risks, FETC started to use interest rate swaps on the first day it made a loan drawdown to hedge against adverse cash flow fluctuations on its liabilities under the syndicated loan agreement.

Bonds

FENC

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 December 31, 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 at 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 at 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 at 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 at 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 May16, 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.

Exchangeable Bonds

On September 14, 2007, the Company issued five-year unsecured exchangeable bonds amounting to NT$2,500,000 thousand, with 0% coupon rate and maturity on September 14, 2012. These bonds were repayable in lump sum on maturity, with a 2.512% interest. The Company recognized the call and put options of these exchangeable bonds as assets and liabilities, respectively (Note 7).

Other bond issuance terms were as follows:

a. Exchangeable period:

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

b. Exchange price

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

   2) After the issue of the exchangeable bonds, except for the convertible or exchangeable securities issued by ACC, the exchange price of the issued bonds were allowed to be adjusted in any one of these situations: (a) the number of ACC's common shares increased in the market (including capital increases through share issuance for cash; capitalization of earnings; capitalization of capital reserve; capitalization of employee bonus; enterprise mergers and acquisitions and stock splits; stock split and the issuance of global depositary receipts); (b) ACC issued new convertible or exchangeable securities at a price lower than the market conversion price; (c) the number of ACC's common shares decreased because of capital reduction (excluding the cancellation of ACC's treasury shares); or (d) the ratio of cash dividends to the market value of the common stock was higher than 1.5%.

c. Call option

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

d. Put option

   Bondholders had the option to request the Company to redeem their bond holdings at 100% of face value on September 14, 2010, three years after the issuance date. As of September 14, 2010, the put options of the bonds had expired.

e. On July, 2011, the bondholders exchanged NT$300 thousand in bonds for 6,858 ACC common shares at the exchange price of NT$43.74 per ACC share. As of September 2012, the Company had redeemed its exchangeable bonds.

Yuan Ding Investment Co., Ltd. (YDI)

On August 14, 2009, an FENC subsidiary, YDI, made a domestic private placement of unsecured bonds with an aggregate value of NT$1,000,000 thousand and a par value of NT$10,000 thousand. These three-year unsecured bonds will be repayable in lump sum on maturity, with a 2.00% interest payable annually. The bondholders of the domestic private placement of unsecured bonds are FENC subsidiaries, New Century InfoComm Tech Co., Ltd. (NCIC) and ARCOA Communication Co., Ltd. (ARCOA). NCIC and ARCOA had NT$990,000 thousand and NT$10,000 thousand unsecured bonds, respectively. The above transactions were not included in the consolidated financial statements since ARCOA and NCIC were FENC's subsidiaries. In August 2012, the bonds were fully redeemed.

On July 19, 2010, YDI made its first issuance of unsecured bonds, with an aggregate value of NT$2,000,000 thousand and par value of NT$1,000 thousand. These five-year unsecured bonds are repayable at 30%, 30% and 40% of aggregate value at the end of the third, fourth and fifth years, respectively, of bond issuance, and the simple interest of 1.62% is payable annually. In December 2013, the bonds were redeemed amounting NT$600,000 thousand.

On July 20, 2011, YDI made its first issuance of unsecured bonds, with an aggregate value of NT$3,000,000 thousand and a par value of NT$1,000 thousand. These five-year unsecured bonds are repayable at 30%, 30% and 40% of the aggregate value at the end of the third, fourth and fifth years, respectively, of bond issuance, and the simple interest of 1.5% is payable annually.

On December 15, 2011, YDI issued five-year unsecured/nonconvertible bonds (the second tranche). The bonds, which are repayable annually, have aggregate values of NT$2,000,000 thousand and a par value of NT$1,000 thousand. These bonds are repayable at 50% of aggregate value for each end of the fourth and fifth years, respectively, and the simple interest of 1.45% is payable annually.

On August 6, 2012, YDI issued three-year and five-year unsecured/nonconvertible bonds, with a total amount of NT$3,000,000 thousand and a par value of NT$1,000 thousand. The three-year bonds have an aggregate amount of NT$1,900,000 thousand and are fully repayable on maturity, with 1.25% annual interest rate. The five-year bonds have an aggregate amount of NT$1,100,000 thousand and 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 1.40% annual 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 25, 2013, YDI made its first issuance of unsecured nonconvertible bonds, with an aggregate value of NT$3,000,000 thousand and a par value of NT$1,000 thousand. These three-year bonds will be repaid in lump sum on maturity plus 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.

Far EasTone

On June 27, 2013, Far EasTone issued the fourth seven-year unsecured domestic bonds with an aggregate principal amount of $5,000,000 thousand and a par value of $10,000 thousand and the coupon interest rate of 1.33%, with simple interest due annually. Repayment will be made in the fifth and seventh years with equal installment.

On October 15, 2013, Far EasTone issued the fifth unsecured domestic bonds with an aggregate principal amount of $5,000,000 thousand and a par value of $10,000 thousand. The bonds included four-year bonds and five-year bonds, with the principle amount of $1,000,000 thousand and $4,000,000 thousand, having a coupon interest rate of 1.46% and 1.58%, with simple interest due annually, respectively. Repayment will be made in the fourth and fifth years with full amount.

On December 24, 2013, Far EasTone issued the sixth unsecured domestic bonds, with an aggregate principal amount of $10,000,000 thousand and a par value of $10,000 thousand. The bonds included three-year bonds, four-year bonds and six-year bonds, with the principal amounts of $1,600,000 thousand and $5,200,000 thousand and $3,200,000 thousand, respectively, and coupon interest rates of 1.17%, 1.27% and 1.58%, with simple interest due annually. Full repayment will be made in the third, fourth and sixth years.

24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of Far Eastern Construction Co., Ltd. (FECC), Far Eastern General Contractor Inc. (FEGC) are classified as current or noncurrent depending on the operating cycle. Amounts expected to be received or paid within one year or less were as follows:

	December 31, 2013		
	Within One Year	Over One Year	Total
Assets			
Notes and accounts receivable	$ 281,288	$ 47,805	$ 329,093
Notes and accounts receivable from affiliates	91,488	-	91,488
Inventories - construction and real estate	1,898,366	700,887	2,599,253
Amounts due from customers for construction contracts	1,335,519	138,267	1,473,786
Other financial assets - current	615,257	1,391,892	2,007,149
Refundable deposits - current	2,981	6,201	9,182
Liabilities			
Notes and accounts payable	176,414	-	176,414
Notes and accounts payable to affiliates	362,677	531,673	894,350
Amounts due to customers for construction contracts	100,040	312,458	412,498
Provisions - current	-	56,419	56,419

	December 31, 2012		
	Within One Year	Over One Year	Total
Assets			
Notes and accounts receivable	$ 255,283	$ 20,520	$ 275,803
Notes and accounts receivable from affiliates	39,378	-	39,378
Inventories - construction and real estate	1,537,894	684,361	2,222,255
Amounts due from customers for construction contracts	1,540,771	10,915	1,551,686
Other financial assets - current	561,703	490,337	1,052,040
Refundable deposits - current	4,096	3,358	7,454

(Continued)

	December 31, 2012		
	Within One Year	**Over One Year**	**Total**
Liabilities			
Notes and accounts payable	$ 1,504,635	$ 105,338	$ 1,609,973
Notes and accounts payable to affiliates	176,204	-	176,204
Amounts due to customers for construction contracts	12,515	148,264	160,779
Provisions - current	-	57,642	57,642

(Concluded)

	January 1, 2012		
	Within One Year	**Over One Year**	**Total**
Assets			
Notes and accounts receivable	$ 189,650	$ 172,132	$ 361,782
Notes and accounts receivable from affiliates	86,330	-	86,330
Inventories - construction and real estate	1,690,502	1,075,937	2,766,439
Amounts due from customers for construction contracts	909,701	662,544	1,572,245
Other financial assets - current	511,765	1,163,585	1,675,350
Refundable deposits - current	5,240	1,566	6,806
Other financial assets - noncurrent	-	16,000	16,000
Liabilities			
Notes and accounts payable	2,971,553	66,753	3,038,306
Notes and accounts payable to affiliates	258,247	-	258,247
Amounts due to customers for construction contracts	245,167	259,774	504,941
Provisions - current	-	53,494	53,494

25. 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 Group to the employees' individual pension fund accounts is at 6% of monthly wages and salaries. The subsidiaries in mainland China and other areas also make monthly contributions at certain percentages of the basic salary to retirement benefit plans. Thus, the Group recognized expenses of NT$734,049 thousand and NT$629,270 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2013 and 2012, respectively.

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. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on December 31, 2013. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. For the years ended December 31, 2013 and 2012, the Group recognized employee benefit expenses of NT$11,279 thousand and NT$(1,780) thousand, respectively, based on the actuarial pension cost rate as of December 31, 2013 and 2012, respectively.

Actuarial assumptions were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Discount rate used in determining present value	1.75%-2.25%	1.25%-1.75%	1.50%-1.75%
Expected rate of return on plan assets	1.25%-6.00%	1.75%-6.00%	2.00%-6.00%
Rate of future salary increase	1.50%-3.00%	1.50%-4.00%	1.50%-4.00%

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

	For the Year Ended December 31	
	2013	2012
Current service cost	$ 148,260	$ 146,782
Interest cost	145,697	134,909
Expected return on plan assets	(281,147)	(259,706)
Past service cost	(23,823)	(23,765)
Retirement benefit cost	22,292	-
	$ 11,279	$ (1,780)

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2013 and 2012 were NT$108,100 thousand and NT$(517,134) thousand, respectively. The cumulative amounts of actuarial losses recognized in other comprehensive income as of December 31, 2013 and 2012 were NT$(409,034) thousand and NT$(517,134) thousand, respectively.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of funded defined benefit obligation	$ 8,188,485	$ 8,619,246	$ 7,789,329
Fair value of plan assets	(5,656,632)	(5,500,694)	(5,075,216)
Deficit	2,531,853	3,118,552	2,714,113
Past service cost not yet recognized	210,474	234,231	257,987
Restriction on asset recognized	4,767	5,293	3,633
Recognized in prepaid pension cost	45,211	45,108	35,569
Accrued pension costs (Note)	$ 2,792,305	$ 3,403,184	$ 3,011,302

Note: Yuan Cing Infocomm Tech Co. (YCIC) conducted a tender offer to acquire the common shares of New Century InfoComm Tech Co., Ltd. (NCIC); therefore, the accrued pension costs of NT$10,529 thousand each as of December 31, 2013 and 2012 have been written off in the consolidated financial statements.

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

	For the Year Ended December 31	
	2013	2012
Opening defined benefit obligation	$ 8,619,246	$ 7,789,328
Current service cost	147,908	146,337
Interest cost	145,597	134,797
Actuarial (losses) gains	(263,408)	756,987
Benefits paid	(483,150)	(208,203)
Retirement benefit cost	22,292	-
Closing defined benefit obligation	$ 8,188,485	$ 8,619,246

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

	Years Ended December 31	
	2013	2012
Opening fair value of plan assets	$ 5,500,694	$ 5,075,216
Expected return on plan assets	281,040	259,595
Actuarial losses/(gains)	(135,258)	139,835
Contributions from the employer	475,712	226,044
Benefits paid	(465,556)	(199,996)
Closing fair value of plan assets	$ 5,656,632	$ 5,500,694

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, 2013	December 31, 2012	January 1, 2012
Equity instruments	69.65	67.27	66.43
Deposit in other financial institutions	6.82	9.87	9.47
Pension account in the Bank of Taiwan	23.53	22.86	24.10
	100.00	100.00	100.00

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ 8,188,485	$ 8,619,246	$ 7,789,329
Fair value of plan assets	$ 5,656,632	$ 5,500,694	$ 5,075,216
Deficit	$ 2,531,853	$ 3,118,552	$ 2,714,113
Experience adjustments on plan liabilities	$ 101,043	$ 264,508	$ -
Experience adjustments on plan assets	$ (135,258)	$ (139,835)	$ -

26. EQUITY

a. Share capital

Common shares

	December 31, 2013	December 31, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	6,000,000	6,000,000	6,000,000
Amount of shares authorized	$ 60,000,000	$ 60,000,000	$ 60,000,000
Number of shares issued and fully paid (in thousands)	5,145,017	5,044,134	4,897,217
Shares issued	$ 51,450,165	$ 50,441,338	$ 48,972,173

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

b. Capital surplus

	December 31, 2013	December 31, 2012	January 1, 2012
Share issuance in excess of par value	$ 932,814	$ 932,814	$ 932,814
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership of the subsidiary	3,737,985	3,802,347	-
Others	10,243	8,884	7,672
	$ 4,681,042	$ 4,744,045	$ 940,486

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

On the Company’s adoption of IFRSs, the capital surplus resulting from changes in the Company’s ownership interests in subsidiaries without the Company’s losing its control over the subsidiaries was classified as “share issuance in excess of par value” under Rule No. 241-1, which was cited in Letter No. 10202420460 issued by the Ministry of Economic Affairs.

The capital surplus from long-term investments may not be used for any purpose.

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$287,678 thousand and NT$325,428 thousand for the years ended December 31, 2013 and 2012, respectively, and those of the remunerations to directors and supervisors were NT$215,759 thousand and NT$244,071 thousand for the years ended December 31, 2013 and 2012, 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, 2013 and 2012. 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.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs," on the first-time adoption of IFRSs, a company should appropriate to a special reserve an amount that is the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. The special reserve appropriated as above may be reversed to retained earnings in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated on the first-time adoption of IFRSs may be used to offset deficits in subsequent years. Earnings should not be made appropriated until this special reserve is appropriated in subsequent years if the Company has earnings and the original need to appropriate a special reserve is not eliminated.

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

Appropriation of earnings to legal reserve should 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 capital surplus, 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 2012 and 2011 earnings were approved in the stockholders' meetings on June 25, 2013 and June 28, 2012, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For Year 2012	For Year 2011	For Year 2012	For Year 2011
Legal reserve	$ 866,789	$ 1,110,021		
Cash dividends	6,557,374	8,325,270	$ 1.3	$ 1.7
Stock dividends	1,008,827	1,469,165	0.2	0.3
	$ 8,432,990	$ 10,904,456		

On the appropriation of the 2012 earnings, a capital increase of NT$1,008,827 thousand from retained earnings was approved by the Financial Supervisory Commission. After this approval, the Company's board of directors set September 2, 2013 as the effective date of this capital increase and finished the capital increase registration on September 10, 2013

The bonus to employees and the remuneration to directors and supervisors for 2012 and 2011, which were approved in the stockholders' meetings on June 25, 2013 and June 28, 2012, respectively, were as follows:

	For the Year Ended 2012		For the Year Ended 2011	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
Bonus to employees	$ 325,428	$ -	$ 421,266	$ -
Remuneration of directors and supervisors	244,071	-	315,950	-

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the years 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			
	2012		2011	
	Bonus to Employee Bonus	Remuneration to Directors and Supervisors	Bonus to Employee Bonus	Remuneration to Directors and Supervisors
Amounts approved in stockholders' meetings	$ 325,428	$ 244,071	$ 421,266	$ 315,950
Amounts recognized in respective financial statements	325,428	244,071	421,266	315,950
	$ -	$ -	$ -	$ -

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, 2013 and 2012. The total bonus to employees was paid in cash.

The appropriations and distribution of the 2013 earnings had been proposed by the board of directors on March 19, 2014. The appropriations and dividends per share were as follows:

	Appropriation and Distribution	Dividends Per Share (NT$)
Legal reserve	$ 720,708	
Cash dividends	6,688,522	$1.3

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$1,029,033 thousand of par value at NT$0.2 in the board of director's meeting on March 19, 2014.

In calculating the weighted average number of share outstanding for EPS, the Company recognized the number of shares held by associates as treasury shares and retained the number of treasury shares in the weighted average number of outstanding shares in the current period. The earnings per share of 2013 used by above - mentioned computation were NT$1.4.

The proposed amount of the appropriation of the 2013 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, 2014.

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, 2013	December 31, 2012	January 1, 2012
Special reserve	$ 22,273,492	$ 22,287,098	$ 22,287,929

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, 2012
Balance at January 1, 2012	$ 22,287,929
Reversed on elimination of the original need to appropriate a special reserve	
Depreciation of investment properties	(831)
Balance at December 31, 2012	$ 22,287,098

	For the Year Ended December 31, 2013
Balance at January 1, 2013	$ 22,287,098
Reversed on elimination of the original need to appropriate a special reserve	
Depreciation of investment properties	(802)
Disposal of investment properties	(28)
Disposal of associates	(12,776)
Balance at December 31, 2013	$ 22,273,492

e. Other equity items

The changes in other equity items were as follows:

	Exchange Differences on Translating Operations	Unrealized Gain on Financial Instruments	Cash Flow Hedges	Total
Balance at January 1, 2012	$ -	$ 3,500,409	$ (4,963)	$ 3,495,446
Exchange differences on translating operations	(1,994,325)	-	-	(1,994,325)
Unrealized gain on available-for-sale financial assets	-	110,761	-	110,761
Losses on hedging instruments in cash flow hedges arising from fair value changes	$ -	$ -	$ (29,016)	$ (29,016)
Disposal of partial interests in subsidiaries	51	(5,088)	-	(5,037)
Share of the other comprehensive loss of associates	(540,693)	1,432,597	(39,308)	852,596
Balance at December 31, 2012	$ (2,534,967)	$ 5,038,679	$ (73,287)	$ 2,430,425
Balance at January 1, 2013	$ (2,534,967)	$ 5,038,679	$ (73,287)	$ 2,430,425
Exchange differences on translating operations	2,128,766	-	-	2,128,766
Unrealized gain on available-for-sale financial assets	-	530,902	-	530,902
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(50,509)	(50,509)
Disposal of investment in associates	1,771	18,420	(27)	20,164
Share of the other comprehensive income of associates	684,162	(1,115,269)	5,460	(425,647)
Balance at December 31, 2013	$ 279,732	$ 4,472,732	$ (118,363)	$ 4,634,101

f. Noncontrolling interests

	For the Year Ended December 31	
	2013	2012
Beginning balance	$ 61,243,995	$ 56,666,032
Attributable to noncontrolling interests:		
Share of profit for the year	7,077,458	6,283,896
Cash dividends distributed by subsidiaries	(7,716,375)	(6,547,666)
Exchange differences arising on translation of foreign entities	344,050	6,708
Loss on hedging instruments in cash flow hedges arising from fair value changes	(81,967)	(171,381)
Unrealized gains on available-for-sale financial assets	(33,977)	61,397
Actuarial gains (loss) on defined benefit plan	22,987	(45,456)
Noncontrolling interests arising from the establishment of new subsidiaries	2,186,778	1,700,914
Acquisition of partial noncontrolling interests in subsidiaries	69,264	3,167,668
Net change in net assets from investments in associates	(263,326)	121,883
Disposal of investment in associates	42	-
Ending balance	$ 62,848,929	$ 61,243,995

g. Treasury shares

The Company's shares held by its subsidiary, Yuan Ding Company 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
December 31, 2013			
Yuan Ding	749	$ 25,063	$ 25,769
December 31, 2012			
Yuan Ding	734	$ 25,063	$ 24,309
January 1, 2012			
Yuan Ding	713	$ 25,063	$ 25,063

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.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2013	**2012**
Basic earnings per share		
Basic earnings per share	$ 1.50	$ 1.02
Diluted earnings per share		
Diluted earnings per share	$ 1.49	$ 1.02

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

	For the Year Ended December 31	
	2013	**2012**
Profit for the period attributable to owners of the Company	$ 7,207,081	$ 4,917,568

Weighted Average Number of Common Shares Outstanding

Unit: In Thousand Shares

	For the Year Ended December 31	
	2013	**2012**
Weighted average number of common shares used in the computation of basic earnings per share	4,808,282	4,812,565
Effect of dilutive potential common shares:		
Bonus issue to employee	13,951	17,619
Weighted average number of common shares used in the computation of diluted earnings per share	4,822,233	4,830,184

In calculating the weighted average number of share outstanding for consolidated EPS, the Group 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.

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

Capitalized interests on properties were NT$115,810 thousand and NT$103,783 thousand for the years ended December 31, 2013 and 2012, respectively, and the capitalization rates were from 0.003% to 1.9177% and from 0.03% to 4.59% for the years ended December 31, 2013 and 2012, respectively.

b. Depreciation and amortization

	For the Year Ended December 31	
	2013	2012
Property, plant and equipment	$ 14,082,012	$ 14,768,008
Investment properties	159,299	190,312
Intangible assets	2,344,770	1,964,068
Long-term prepayments for lease	95,499	85,237
	$ 16,681,580	$ 17,007,625
An analysis of deprecation by function		
Operating costs	$ 12,942,728	$ 13,763,007
Operating expenses	1,215,283	1,121,865
Other expense	83,300	73,448
	$ 14,241,311	$ 14,958,320
An analysis of amortization by function		
Operating costs	$ 1,648,886	$ 1,402,354
Operating expenses	788,405	644,069
Other expense	2,978	2,882
	$ 2,440,269	$ 2,049,305

c. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2013	2012
Direct operating expenses from investment property that generated rental income	$ 450,965	$ 450,230
Direct operating expenses from investment property that did not generate rental income	124,191	117,963
	$ 575,156	$ 568,193

d. Employee benefits expense

	For the Year Ended December 31	
	2013	2012
Post-employment benefits		
Defined contribution plans	$ 743,049	$ 629,270
Defined benefit plans	11,279	(1,780)
Other employee benefits	16,507,508	16,209,701
Total employee benefit expense	$ 17,261,836	$ 16,837,191
Analysis of employee benefit expense by function		
Operating costs	$ 7,987,812	$ 8,229,503
Operating expenses	9,274,024	8,607,688
	$ 17,261,836	$ 16,837,191

29. 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	
	2013	2012
Current tax		
In respect of the current year	$ 3,017,804	$ 2,515,700
Income tax expense of unappropriated earnings	-	635
In respect of prior periods	17,337	78,831
Additional tax effects of the Company and subsidiaries' using the linked-tax system for filing return	-	(482)
	3,035,141	2,594,684
Deferred tax		
In respect of the current year	(811,660)	(368,190)
Income tax expense recognized in profit or loss	$ 2,223,481	$ 2,226,494

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

	For the Year Ended December 31	
	2013	2012
Profit before tax from continuing operations	$ 16,508,020	$ 13,427,958
Income tax expense at the 17% statutory rate	$ 2,806,363	$ 2,282,753
Tax effect of adjusting items	(361,591)	(916,897)
Additional income tax under the Alternative Minimum Tax Act	9,972	419,176
Additional income tax on unappropriated earnings	6,673	19,609
Additional tax effects of the Company and subsidiaries' using the linked-tax system for filing returns	-	(482)
Adjustment for prior year's tax	17,337	78,831
Effect of different tax rate of group entities operating in other jurisdictions	556,387	711,694
Current income tax expense	3,035,141	2,594,684
Deferred income tax expense	(811,660)	(368,190)
Income tax expense recognized in profit or loss	$ 2,223,481	$ 2,226,494

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2013	2012
Deferred tax		
Actuarial gains and losses on defined benefit plan	$ (20,574)	$ 101,679

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, 2013

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Investment credits	$ 13,817	$ (13,433)	$ -	$ 384
Allowance for doubtful accounts	91,745	200,262	-	292,007
Inventory write-off	31,257	38,980	-	70,237
Loss carryforwards	887,534	4,855	-	892,389
Defined benefit obligation	235,770	89,502	(20,574)	304,698
Allowance for impairment loss	115,221	7,378	-	122,599
Impairment loss	322,615	(210,994)	-	111,621
Others	136,370	882,267		1,018,637
	$ 1,834,329	$ 998,817	$ (20,574)	$ 2,812,572
Deferred tax liabilities				
Share of profit of associates	$ 661,547	$ 32,223	$ -	$ 693,770
Amortization of goodwill	941,292	134,470	-	1,075,762
Provision of land value incremental tax	8,660,653	-	-	8,660,653
Others	3,815	20,464	-	24,279
	$ 10,267,307	$ 187,157	$ -	$ 10,454,464

For the year ended December 31, 2012

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Investment credits	$ 35,275	$ (21,458)	$ -	$ 13,817
Allowance for doubtful accounts	64,962	26,783	-	91,745
Inventory write-off	2,524	28,733	-	31,257
Loss carryforwards	611,799	275,735	-	887,534
Defined benefit obligation	266,845	(132,754)	101,679	235,770
Allowance for impairment loss	63,584	51,637	-	115,221

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Impairment loss	$ 268,213	$ 54,402	$ -	$ 322,615
Others	89,271	47,099	-	136,370
	$ 1,402,473	$ 330,177	$ 101,679	$ 1,834,329
Deferred tax liabilities				
Share of profit of associates	$ 832,680	$ (171,133)	$ -	$ 661,547
Amortization of goodwill	806,822	134,470	-	941,292
Provision of land value incremental tax	8,660,653	-	-	8,660,653
Others	5,165	(1,350)	-	3,815
	$ 10,305,320	$ (38,013)	$ -	$ 10,267,307

(Concluded)

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

	December 31, 2013	December 31, 2012	January 1, 2012
Loss carryforwards			
Expiry in 2014	$ 1,247,950	$ 706,608	$ 1,785,232
Expiry in 2015	712,590	2,288,172	2,291,972
Expiry in 2016	1,466,252	1,245,840	1,863,887
Expiry in 2017	1,471,567	1,826,809	2,068,599
Expiry in 2018	3,987,262	2,158,593	1,553,679
Expiry in 2019	1,104,242	3,232,953	1,616,104
Expiry in 2020	361,945	1,775,017	3,713,347
Expiry in 2021	331,080	583,425	758,098
Expiry in 2022	3,623,230	490,786	358,157
Expiry in 2023	1,998,433	2,175,522	92,212
	$ 16,304,551	$ 16,483,725	$ 16,101,287
Investment credits			
Purchase of machinery and equipment	$ 330	$ 823	$ 2,490
Research and development	-	28,617	78,138
Personnel training expenditures	-	1,156	3,432
Initial share option	31,107	61,211	-
Purchase of operating equipment and technology	-	99	5,091
	$ 31,437	$ 91,906	$ 89,151
Deductible temporary differences	$ 6,725,832	$ 10,331,694	$ 10,532,126

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2013 comprised:

Unused Amount	Expiry Year
$ 988,216	2014
564,282	2015
1,161,074	2016
1,165,287	2017
3,157,390	2018
874,415	2019
286,608	2020
262,173	2021
2,869,128	2022
1,582,491	2023
$ 12,911,064	

f. Information about unused investment credits, unused loss carry-forward and tax-exemption

As of December 31, 2013, investment tax credits comprised of:

Yuan Tong

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Initial share option	$ 22,695	2015

Yuan Ding

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Initial share option	$ 8,412	2015

g. Integrated income tax

	December 31, 2013	December 31, 2012	January 1, 2012
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	$ 129,377	$ 191,505	$ 236,793
Unappropriated earnings generated on and after January 1, 1998	13,826,563	14,909,267	21,400,486
	$ 13,955,940	$ 15,100,772	$ 21,637,279
Balance of imputation credits accounts (ICA)	$ 549,339	$ 259,904	$ 256,961

The actual creditable ratio for the distribution of the 2013 and 2012 earnings were 3.97% and 6.62%, respectively.

Under the Income Tax Law, for the distribution of earnings generated after January 1, 1998, the calculation of the imputation credits allocable to ROC resident stockholders of the Company should be based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to stockholders of the Company was based on the balance of the ICA as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the stockholders.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs

h. Income tax assessments

	Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared
Far Eastern New Century Corporation	2008
Far Eastern Resources Development Co.	2008
Far Eastern Fibertech Co., Ltd.	2011
Oriental Petrochemical (Taiwan) Co., Ltd.	2011
Yuan Tong Investment Co., Ltd.	2011
Ding Ding Integrated Marketing Service Co., Ltd.	2011
Ding Ding Hotel Co., Ltd.	2011
ADCast (dissolved because of the merger with NCIC on March 31, 2012)	2012
Fu Kwok Garment Manufacturing Co., Ltd.	2011
Far Eastern Apparel Co., Ltd.	2011
Yuan Cheng Human Resources Consultant Corp.	2011
Yuan Ding Investment Co., Ltd.	2011
Oriental Resources Development Ltd.	2011
Yuan Faun Co., Ltd.	2012
Kai Yuan International Investment Co., Ltd.	2011
Ding Yuan International Investment Co., Ltd.	2011
An Ho Garment Co., Ltd.	2011
Far Eastern Electronic Toll Collection Co., Ltd.	2011
Far Eastern Textile Co., Ltd.	2011
Far Eastern Construction Co., Ltd.	2011
Far Eastern General Contractor Inc.	2011
Yuan Ding Co., Ltd.	2011
FET Consulting Engineers Co., Ltd.	2011
Far Eastern Technical Consultants Co., Ltd.	2011
Far Eastern Electronic Commerce Co., Ltd.	2011
YDT Technology International Co., Ltd.	2011
Far EasTone Telecommunications Co., Ltd.	2011
New Century InfoComm Tech Co., Ltd.	2011
Arcoa Communication Co., Ltd.	2011
Simple InfoComm Co., Ltd.	2011

(Continued)

	Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared
Q-Ware Communication Corp.	2011
Information Security Service Digital United Co., Ltd.	2011
Linkwell Tech. Co., Ltd.	2011
Data Express Infotech Co., Ltd.	2011
Yuan Cing Co., Ltd.	2011
O-music Co., Ltd.	2012
New Diligent Co., Ltd.	2011
KGEx.com Co., Ltd.	2011
Jing Yuan Technology Co., Ltd.	2011
Home Master Technology Co., Ltd.	2011

(Concluded)

Far EasTone

Income tax returns through 2008 and income tax return of 2010 to 2011 of Far EasTone had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2005 to 2008 and 2010 to 2011 returns and applied for a reexamination. Nevertheless, Far EasTone accrued the related tax.

KG Telcom (merged with Far EasTone on January 1, 2010)

Income tax returns through 2008 of KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2002 and 2004 to 2008 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

ARCOA

Income tax returns through 2010 of ARCOA Communication Co., Ltd. (ARCOA) had been assessed by the tax authorities. However, ARCOA disagreed with the tax authorities' assessment of its 2002 return; thus, ARCOA filed for a reexamination. Nevertheless, ARCOA accrued the related income tax expense.

NCIC disagreed with the tax authorities' assessment of its 2009 return and thus applied for reexamination. Nevertheless, NCIC accrued the related tax.

OPTC

The tax authorities completed the review of and cleared the 2003 income tax return of Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC) in February 2006. In addition, the assessment of the 2002 tax return showed that OPTC should pay an extra NT$6,556 thousand. OPTC disagreed with the tax authorities' assessment and thus filed an appeal for reexamination. As of March 19, 2014, the Supreme Administrative Court (SAC) had ruled in favor of OPTC.

On OPTC's 2004 tax return, the tax authorities assessed in March 2007 that OPTC should increase its tax payable by NT$268,485 thousand and decrease its investment tax credits by NT$3,076 thousand. OPTC disagreed with the tax authorities' assessment and filed for reexamination. As of March 19, 2014, the SAC had ruled OPTC to pay tax in arrears and the amount was still being awaited.

On OPTC's 2005 tax return, the tax authorities assessed in January 2008 that OPTC should decrease its loss carryforward by NT$13,122 thousand and investment tax credits by NT$2,859 thousand. OPTC refused the tax authorities' assessment and filed for a reexamination. As of March 19, 2014, the SAC had ruled in favor of OPTC.

On OPTC's 2006 income tax return, the tax authorities declared in November 2008 that the tax deductibles resulting from fiscal losses should be decreased by NT$11,984 thousand. OPTC refused the tax authorities' assessment and filed for a reexamination. As of March 19, 2013, the SAC had ruled in favor of OPTC.

30. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

The following transactions for the years ended December 31, 2013 and 2012 were accounted for as equity transactions since the Group did not cease to have control over these investees.

	Hiiir	Far Eastern New Century Information Technology (Beijing) Limited	KGEx.com
Year ended December 31, 2013			
Cash consideration received (paid)	$ 20,000	$ (118,264)	$ (127)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from noncontrolling interests	(19,045)	115,569	125
Difference arising from equity transaction	$ 955	$ (2,695)	$ (2)

	FEEC	Far EasTone
Line items adjusted for equity transaction		
Cash consideration received (paid)	$ (192,101)	$ (91,266)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from noncontrolling interests	187,428	29,686
Differences arising from equity transaction	$ (4,673)	$ (61,580)

	Hiiir	Far Eastern New Century Information Technology (Beijing) Limited	KGEx.com
Line items adjusted for equity transaction			
Capital surplus - difference between acquisition price and carrying amount from equity transaction	$ 955	$ (2,695)	$ (2)

	FEEL	Far EasTone
Unappropriated earnings	$ (3,633)	$ -
Capital surplus - difference between acquisition price and carrying amount from equity transaction	$ (1,040)	$ (61,580)

	KGEx.com	Q-ware Com.	ADCast	FETC
Year ended December 31, 2012				
Cash consideration paid	$ (95,524)	$ (336,183)	$ (203)	$ (1,479,259)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from noncontrolling interests	94,210	344,600	142	1,448,338
Differences arising from equity transaction	$ (1,314)	$ 8,417	$ (61)	$ (30,921)

	KGEx.com	Q-ware Com.	FETC
Line items adjusted for equity transaction			
Unappropriated earnings	$ (1,314)	$ -	$ (30,921)
Capital surplus - difference between acquisition price and carrying amount from equity transaction	$ -	$ 8,417	$ -

	Far EasTone	Yuan Ding Investment
Cash consideration received (paid)	$ 6,318,204	$ 235,491
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	(2,232,852)	(113,908)
Readjustment of the equity attributable to owners of the Company		
Special reserve	-	163
Exchange differences arising on the translation of the financial statements of foreign operations	(51)	-
Unrealized gains on available-for-sale financial assets	4,264	824
Differences arising from equity transactions	4,089,565	122,570
Tax effects of differences arising from equity transactions	(418,205)	-
	$ 3,671,360	$ 122,570
Line items adjusted for equity transactions		
Capital surplus - difference between acquisition price and carrying amount from equity transaction	$ 3,671,360	$ 122,570

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Equity Interests with Voting Rights/ Acquisition Percentage (%)	Consideration Transferred
Hiiir	Electronic information providing services	August 29, 2013	76.00%	$ 45,600

The Group acquired Hiiir to expedite the development of multimedia services, mobile advertising and mobile commerce business.

b. Considerations transferred

	Hiiir
Cash	$ 45,600

c. Assets acquired and liabilities assumed at the date of acquisition

	Hiiir
Current assets	$ 35,474
Noncurrent assets	46,851
Current liabilities	(15,385)
Noncurrent liabilities	(9,711)
	$ 57,229

d. Noncontrolling interests

The noncontrolling interest of Hiiir recognized amounted to NT$14,400 thousand and was measured at the fair value of the related agreements price at the acquisition date.

e. Goodwill recognized from acquisition

	Hiiir
Consideration transferred	$ 45,600
Add: Noncontrolling interests	14,400
Less: Fair value of identifiable net assets acquired	(57,229)
Goodwill recognized from acquisition	$ 2,771

The goodwill recognized from the acquisition of Hiiir is the value given to the business of Hiiir premium. The consideration paid for the combination included amounts in relation to the expected benefits from the combination synergies, future market development and the assembled workforce of Hiiir. These benefits are not recognized separately because they do not meet the recognition criteria of identifiable intangible assets.

f. Net cash outflow on the acquisition of a subsidiary

	Year Ended December 31, 2013
Consideration paid in cash	$ 45,600
Less: Cash and cash equivalent balances acquired	(2,842)
	$ 42,758

g. Impact of acquisition on the results of the Group

The following operating results of the acquire since the acquisition date were included in the consolidated statements of comprehensive income:

	August 29, 2013 to December 31, 2013
Revenue	
Hiiir	$ 54,648
Profit	
Hiiir	$ (19,436)

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from Hiiirs would have been NT$107,370 thousand, and the profit would have been NT$(18,318) thousand for the year ended December 31, 2013. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2013, nor is it intended to be a projection of future results.

32. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Operating leases were main related to leases of building, cell sites and office space.

The future minimum lease payments for non-cancellable operating lease commitments were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Up to 1 year	$ 3,371,104	$ 3,078,392	$ 2,713,855
More than 1 year up to 5 years	6,139,956	5,834,516	5,310,928
Later than 5 years	1,376,178	1,509,708	1,604,890
	$ 10,887,238	$ 10,422,616	$ 9,629,673

b. The Group as lessor

The future minimum lease payments for noncancellable operating lease commitments were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Up to 1 year	$ 747,321	$ 901,868	$ 673,645
More than 1 year up to 5 years	2,308,572	3,217,483	2,763,076
Later than 5 years	1,956,304	2,421,306	2,066,045
	$ 5,012,197	$ 6,540,657	$ 5,502,766

33. CAPITAL MANAGEMENT

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

34. 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 Group considered the financial assets and financial liabilities recognized in the consolidated financial statements as having carrying amounts that approximate their fair values or as having fair values that cannot be reliably measured.

	December 31, 2013		December 31, 2012		January 1, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Held-to-maturity investments	$ 99,962	$ 100,757	$ 199,871	$ 202,116	$ 199,768	$ 202,920
Financial liabilities						
Financial liabilities measured at amortized cost						
Bonds payable	73,384,614	74,584,577	44,705,700	45,021,374	30,205,789	30,450,496

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:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) 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

c) 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, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	$ 565,240	$ -	$ -	$ 565,240
Marketable equity securities	562,623	-	-	562,623
Cotton futures contracts	-	-	26,010	26,010
Combined exchange options	-	-	5,335	5,335
Forward exchange contracts	-	-	32,480	32,480
	$ 1,127,863	$ -	$ 63,825	$ 1,191,688
Hedging derivative financial assets				
Cross currency interest rate swap	$ -	$ -	$ 115	$ 115
Forward exchange contracts	-	-	4,327	4,327
	$ -	$ -	$ 4,442	$ 4,442
Available-for-sale financial assets				
Marketable equity securities	$ 5,257,255	$ -	$ -	$ 5,257,255
Mutual funds - beneficial certificates	168,172	636,138	-	804,310
Oversea equity securities	185,003	-	-	185,003
	$ 5,610,430	$ 636,138	$ -	$ 6,246,568
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ -	$ 318	$ 318
Option	-	-	272	272
	$ -	$ -	$ 590	$ 590
Hedging derivative financial liabilities				
Interest rate swaps	$	$	$ 421,280	$ 421,280

December 31, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	$ 642,699	$ -	$ -	$ 642,699
Marketable equity securities	387,107	-	-	387,107
Cotton futures contracts	-	-	25,345	25,345
Forward exchange contracts	-	-	3,368	3,368
	$ 1,029,806	$ -	$ 28,713	$ 1,058,519

(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial assets				
Cross currency interest rate swap	$ -	$ -	$ 4,650	$ 4,650
Forward exchange contracts	-	-	17,312	17,312
	$ -	$ -	$ 21,962	$ 21,962
Available-for-sale financial assets				
Marketable equity securities	$ 4,680,058	$ -	$ -	$ 4,680,058
Mutual funds - beneficial certificates	204,336	1,877,246	-	2,081,582
	$ 4,884,394	$ 1,877,246	$ -	$ 6,761,640
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ -	$ 619	$ 619
Hedging derivative financial liabilities				
Interest rate swaps	$ -	$ -	$ 287,522	$ 287,522

(Concluded)

January 1, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	$ 375,346	$ -	$ -	$ 375,346
Marketable equity securities	530,617	-	-	530,617
Cotton futures contracts	-	-	46,209	46,209
Forward exchange contracts	-	-	2,699	2,699
	$ 905,963	$ -	$ 48,908	$ 954,871
Hedging derivative financial assets				
Forward exchange contracts	$ -	$ -	$ 1,500	$ 1,500
Available-for-sale financial assets				
Marketable equity securities	$ 2,969,013	$ -	$ -	$ 2,969,013
Private placement shares	-	1,240,329	-	1,240,329
Mutual funds - beneficial certificates	1,178,595	2,140,566	-	3,319,161
	$ 4,147,608	$ 3,380,895	$ -	$ 7,528,503
Financial liabilities at FVTPL				
Exchangeable bonds-exchange rights	$ -	$ -	$ 4,708	$ 4,708

(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial liabilities				
Cross currency interest rate swap	$ -	$ -	$ 75	$ 75
Forward exchange contracts	-	-	2,592	2,592
	$ -	$ -	$ 2,667	$ 2,667

(Concluded)

There were no transfers between Level 1 and 2 for the years ended December 31, 2013 and 2012.

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

December 31, 2013

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2013	$ 28,094	$ (265,560)	$ (237,466)
Total gains or losses			
In profit or loss	35,141	154,388	189,529
In other comprehensive income	-	(305,666)	(305,666)
Balance at December 31, 2013	$ 63,235	$ (416,838)	$ (353,603)

December 31, 2012

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2012	$ 44,200	$ (1,167)	$ 43,033
Total gains or losses			
In profit or loss	(16,106)	49,975	33,869
In other comprehensive income	-	(314,368)	(314,368)
Balance at December 31, 2012	$ 28,094	$ (265,560)	$ (237,466)

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 Group 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 Group 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, 2013	December 31, 2012	January 1, 2012
Financial assets			
FVTPL			
Held for trading	$ 1,191,688	$ 1,058,519	$ 954,871
Derivative instruments in designated hedge accounting relationships	4,442	21,962	1,500
Held-to-maturity investments	99,962	199,871	199,768
Loans and receivables (Note 1)	68,541,445	76,839,623	67,364,364
Available-for-sale financial assets (Note 2)	7,216,063	7,892,064	8,566,716
Financial liabilities			
FVTPL			
Held for trading	590	619	4,708
Derivative instruments in designated hedge accounting relationships	421,280	287,522	2,667
Amortized cost (Note 3)	186,676,718	146,845,468	138,736,120

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.

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

3) The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, short-term bills payable, 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 Group'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 Group 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 Group 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 Group'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 Group'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 Group had foreign currency sales and purchases, which exposed the Group to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The carrying amounts of the Group's significant foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were as follows:

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Monetary financial assets			
USD	$ 25,180,415	$ 24,877,536	$ 25,975,556
Monetary financial liabilities			
USD	40,386,958	38,797,467	41,752,162

Sensitivity analysis

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

The following table details the Group’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	
	2013	**2012**
5% change in profit or loss		
USD	$ (760,470)	$ (695,997)

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group 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 Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Fair value interest rate risk			
Financial assets	$ 21,910,930	$ 32,898,795	$ 16,918,952
Financial liabilities	122,638,148	84,598,539	86,248,626
Cash flow interest rate risk			
Financial assets	14,384,384	10,791,874	14,672,114
Financial liabilities	26,352,395	25,582,321	16,605,754

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Group’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, 2013 and 2012, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group’s financial assets with fixed interest rate would have decreased/increased by NT$54,641 thousand and NT$82,042 thousand, respectively, and the cash flows on the Group’s financial assets with floating interest rate would have increased by NT$35,961 thousand and NT$26,980 thousand, respectively.

For the years ended December 31, 2013 and 2012, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group’s financial liabilities with fixed interest rate would have decreased by NT$305,831 thousand and NT$210,969 thousand, respectively, and the cash flows on the Group’s financial liabilities with floating interest rate would have increased by NT$65,881 thousand and NT$63,956 thousand, respectively.

c) Other price risks

The group 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, 2013 and 2012 would have decreased by NT$368,722 thousand and NT$389,572 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 Group. As of the end of a reporting period, the Group's maximum exposure to credit risk that will cause the Group a financial loss due to (a) the counter-parties' failure to discharge their obligations and (b) financial guarantees provided by the Group 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 Group.

The Group has 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 Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continually monitored.

Trade receivables refer to a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is made to determine the financial condition of trade receivables.

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
December 31, 2013				
Long-term borrowings	$ 28,150,800	$ 2,520,000	$ 12,951,904	$ 43,622,704
Bonds payable	13,350,000	20,949,000	31,450,000	65,749,000
	$ 41,500,800	$ 23,469,000	$ 44,401,904	$ 109,371,704
December 31, 2012				
Long-term borrowings	$ -	$ 18,024,306	$ 14,207,706	$ 32,232,012
Bonds payable	8,750,000	13,350,000	19,700,000	41,800,000
	$ 8,750,000	$ 31,374,306	$ 33,907,706	$ 74,032,012
January 1, 2012				
Long-term borrowings	$ 620,000	$ 23,119,066	$ 9,385,129	$ 33,124,195
Bonds payable	2,980,000	8,750,000	16,650,000	28,380,000
	$ 3,600,000	$ 31,869,066	$ 26,035,129	$ 61,504,195

35. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2013 and 2012 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules B and C.

36. 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, 2013	December 31, 2012	January 1, 2012
Inventories - available for construction - land	$ 693,157	$ 612,631	$ 612,271
Inventories - construction-in-progress	222,126	214,578	208,240
Other financial assets - current			
Pledged time deposits	2,183,126	1,233,279	1,688,722
Others	61,957	191,040	190,191
Available-for-sale financial assets - current and noncurrent	186,750	-	73,042
Investment accounted for using the equity method	3,573,900	1,577,400	1,588,745
Property, plant and equipment, net	11,073,636	12,826,557	14,425,194
Investment properties	8,027,467	8,448,751	13,718,534
Intangible assets	841,000	-	-
Other financial assets - noncurrent			
Pledged time deposits	84,275	124,952	115,805
Others	3,959,000	7,418,367	-
Long-term prepayments for lease - land use rights	-	-	499,305
	$ 30,906,394	$ 32,647,555	$ 33,120,049

As of December 31, 2013, December 31, 2012 and January 1, 2012, FENC and some of its subsidiaries had provided 132,262 thousand shares, 145,972 thousand shares 206,024 thousand shares, respectively, of the common shares of Far EasTone Telecommunications Co., Ltd. and 16,500 thousand common shares of Yuan Ding, as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

37. SEGMENT INFORMATION

a. Industry information

The information provided to the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance focuses on types of goods delivered or services provided. Thus, under IFRS 8 "Operating Segments," the Group defined its operating segments as follows: petrochemical business, chemical fiber business, textile business, mobile services business, real estate business, investment and other business.

Segment operating income is the profit generated by each operating segment, which excludes expenses allocated in group headquarter, remuneration for directors, share of the profit or loss of associates, interest revenue, gain or loss on disposal of property, plant and equipment, investment properties and intangible assets, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance. However, information on segment assets is not regularly provided to the chief operating decision maker.

The analysis of the Group's revenues and operating results by operating segment is as follows:

	Segments Revenue		Segments Profit	
	Year Ended December 31		Year Ended December 31	
	2013	2012	2013	2012
Petrochemical business			$ (2,109,640)	$ (2,655,088)
Revenues generated from external customers	$ 27,673,365	$ 30,410,693		
Intersegment revenues	23,280,664	23,699,974		
	50,954,029	54,110,667		
Chemical fiber business			173,912	580,413
Revenues generated from external customers	75,645,402	75,923,614		
Intersegment revenues	1,466,621	1,861,519		
	77,112,023	77,785,133		
Textile business			322,342	(116,209)
Revenues generated from external customers	34,147,637	30,419,980		
Intersegment revenues	144,816	1,194,684		
	34,292,453	31,614,664		
Mobile services business			15,478,698	13,747,957
Revenues generated from external customers	89,082,979	86,559,844		
Intersegment revenues	587,600	105,853		
	89,670,579	86,665,697		
Real estate development			114,458	1,222,176
Revenues generated from external customers	7,544,800	11,319,523		
Intersegment revenues	525,009	501,565		
	8,069,809	11,821,088		
Investment and other			3,731,832	2,251,744
Revenues generated from external customers	9,173,251	5,344,122		
Intersegment revenues	349,552	314,178		
	9,522,803	5,658,300		
Adjustment and elimination	(26,363,420)	(27,598,182)	13,966	450,627
Total	$ 243,258,276	$ 240,057,367	17,725,568	15,481,620
Interest revenue			448,607	450,906
Exchange gain (loss)			310,965	(276,387)
Interest expense			(1,432,622)	(1,414,201)
Other revenue and income (other expenses and losses)			(544,498)	(813,980)
Profit before tax			$ 16,508,020	$ 13,427,958

Note: As of December 31, 2013 and 2012, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT$4,197,698 thousand and NT$3,057,869 thousand, respectively, and dividend income from associates, which amounted to NT$219,921 thousand and NT$207,151 thousand, respectively.

b. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and oversea.

The Group's revenue from external customers by location of operations and information about its noncurrent assets by location of assets are detailed below.

	Revenue from External Customers For the Year Ended December 31		Noncurrent Assets		
	2013	2012	December 31, 2013	December 31, 2012	January 1, 2012
Taiwan	$ 176,637,598	$ 176,500,537	$ 184,817,433	$ 146,541,443	$ 142,950,081
China	43,395,453	44,358,289	40,493,501	31,142,907	32,627,471
Oversea	18,807,606	15,933,521	2,054,320	1,511,587	1,223,612
	$ 238,840,657	$ 236,792,347	$ 227,365,254	$ 179,195,937	$176,801,164

Noncurrent assets exclude noncurrent assets classified as held for sale, and exclude noncurrent assets, financial instruments, investments accounted for using the equity method, deferred tax assets, post-employment benefit assets, and guarantee deposits.

c. Information about major customers

No other single customers contributed 10% or more to the Group's revenue for both 2013 and 2012.

38. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Group as of December 31, 2013:

a. Issued but unused letters of credit aggregated approximately NT$2,897,508 thousand.

b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT$16,733,599 thousand, and (b) properties and cellular phone equipment acquired for NT$7,109,272 thousand and NT$10,687,933 thousand, respectively, NT$881,415 thousand and NT$5,596,581 thousand, respectively, had been paid.

c. There were undelivered cotton contracts amounting to NT$544,021 thousand and have been recognized NT$12,171 thousand on purchasing contract payable as of December 31, 2013.

d. Project contracts already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT$35,124,654 thousand.

e. Endorsements and guarantees provided to the related parties are shown in Schedule E (attached).

f. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. (TYIT) resolved to merge TYIT with Mobitai Communications Ltd. ("Mobitai") in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. TYIT 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. As of March 19, 2014, the lawsuit was pending before the Taipei District Court.

g. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co. 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 a higher court. The Supreme Court did not adjudicate this case and remanded the case to the Taiwan High Court for reexamination and as of March 19, 2014, the lawsuit was pending before the Taipei High Court.

h. The registered capital of PLT, an investee of the Company, was originally NT$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office (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 January 27, 2010, PLT filed an administrative appeal with the THPO and pleaded for the revocation of the letter sent to the DOC on the registration nullifications and requested the stay of execution of registration cancellation. On March 9, 2010, referencing Article 77-8 of the Administrative Appeal Act, the Petitions and Appeals Committee (PAC) of the Executive Yuan declared that the letter was not subject to administrative disposition and thus beyond the scope of administrative appeal. On May 18, 2010, PLT filed a suit against THPO with the Taipei High Administrative Court. Later, however, the former PLT chairman, Heng-lung Lee withdrew this lawsuit.

   On February 10, 2010, PLT filed an administrative appeal against the DOC for the revocation of the decision on administrative disposition and requested the stay of execution of registration cancellation. On May 20, 2010, referencing Article 79-1 of the Administrative Appeal Act, PAC dismissed the administrative appeal. On July 26, 2010, referencing Article 4-1 of the Administrative Procedure Law, PLT filed a suit against the DOC with the Taipei High Administrative Court. Later, however, the former PLT chairman, Heng-lung Lee withdrew this lawsuit.

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

   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. On 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, on September 18, 2013, DOC canceled the nullification of the capital increase registrations and relevant amendment registrations in conformity with the Court's decision. Based on the updated company registration of FEDS, recognized as chairman was Shu-ton Hsu, as members of the Board of Directors were Mao-te Huang (representative of Far Eastern Department Store Asia Pacific Development Co., Ltd.) and Shih-ching Lo (representative of Far Eastern Department Store New

Century Development Co., Ltd.) and as supervisor was Sze-ching Du (representative of Da Ju Fiber Co., Ltd.), who were elected on August 1, 2011.

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 Chan did not agree with the THAC's decision and filed a lawsuit with the Supreme Administrative Court on February 19, 2014.

On February 10, 2010, FEDS filed a suit against PLT to affirm the existence of FEDS's rights as PLT stockholder and secure the interests of FEDS. However, because the SAC already invalidated the DOC's nullification of capital increase registrations and of the amended registration of the board of directors, and because the members of the Board of Directors and supervisors reelected on August 1, 2011 had been reinstated, there was no need to file a lawsuit to affirm the existence of FEDS's rights as PLT stockholder. Thus, FEDS withdraw its lawsuit.

The percentage ownership of PLT held by the Group reached 39.68%. Thus, the investment was accounted for by the equity method.

i. A subsidiary of FENC, Far Eastern General Contractor Inc. (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed for conciliation with the Public Construction Commission (PCC) and claimed that STSP should pay NT$125,100 thousand in damages. However, the conciliation failed because STSP and FEGC could not reach any compromise. FEGC filed a lawsuit for indemnification with the Tainan District Court (TDC) and appealed for a decrease of indemnification to NT$95,400 thousand after receiving the certification of conciliation failure. On September 21, 2011, the TDC ruled that STSP should pay FEGC NT$35,546 thousand plus 5% interest from the sentencing date to the date of payment completion. STSP disagreed with this ruling and filed a lawsuit with the Tainan Branch of the Taiwan High Court. However, this second lawsuit was dismissed. STSC did not agree with the second court decision and filed a lawsuit with the Supreme Court.

   The construction contract further stated that the construction would be started with manual excavation. However, on the request by people living in the vicinity of the construction, STSP instructed FEGC to obtain a notarized third-party evaluation of tunnel construction safety before starting the construction. The evaluation report showed, however, that manual excavation would result in land collapse. In consideration of public safety, FEGC requested STSP to do mechanical excavation instead. But STSP refused the request because of its insistence that the contractor should assume all the responsibility and related expenses for any contract change. Nevertheless, FEGC started the construction with mechanical excavation and incurred an additional operating expense of NT$14,315 thousand. Thus, FEGC applied for conciliation with the PCC, but the conciliation failed because FEGC and STSP could not reach a compromise. FEGC filed a civil lawsuit for indemnification with the Tainan District Court on December 18, 2009 after receiving the certification of conciliation failure. On December 20, 2011, referencing the Year 2009 No. 33 civil verdict, the Tainan District Court dismissed FEGC's appeal. FEGC did not agree with the this civil lawsuit verdict and thus appealed to a higher court during the statutory period. As of January 12, 2012, FEGC appealed to a higher court.

   Additionally, several constructing problems which were not FEGC's responsibilities were incurred during the pipe jacking construction; thus, FEGC suggested the postponement of construction completion to April 6, 2009. However, STSP disagreed with this extension and imposed an overdue fine of NT$39,406 thousand for FEGC's construction delay and refused to pay the extra costs of NT$3,080 thousand for FEGC's removal of the scrap piles. FEGC applied for conciliation with the PCC, but the conciliation failed since FEGC and STSP failed to reach any compromise. FEGC filed a lawsuit with the Tainan District Court for indemnification after receiving the certification of conciliation failure and also asked STSP pay all the extra costs and overdue fine for FEGC's construction delay. The extra costs and fine totaled NT$42,486 thousand.

Additionally, several new constructing items were added to the construction, which resulted in an increase of NT$30,997 thousand in FEGC's operating expense during the construction. Further, in making the construction payment, STSP reduced the contract amount by NT$4,121 thousand without any reasonable excuses. Thus, FEGC filed a lawsuit with the Tainan District Court.

The original construction period was decided and then was extended because of several force majeure incidents. However, the extension of construction period entailed more operating expenses of NT$37,515 thousand, but STSP was not willing to pay these added expenses; thus, FEGC filed a suit with the Tainan District Court

In 2008, FEGC recognized a construction loss of NT$119,949 thousand on its underground cable construction project.

j. An FENC subsidiary, FEGC, together with Pan Asia Corporation (Pan Asia) and Iwata Chizaki Construction Corporation, Taipei Branch (Iwata) entered into a contract to undertake the "Area CR3 of the Kaohsiung Rapid Transit-Red line" (KRT) project. FEGC claimed that, under Article 20.2 of the contract, KRT should pay NT$312,844 thousand subject to the price adjustment clause and extra costs such as management fee of NT$164,857 thousand resulting from several problems that were not attributable to FEGC and delayed the project for 277 days. Since KRT did not make the foregoing payments, FEGC, Pan Asia and Iwata have applied for mediation to the Kaohsiung District Court. During the mediation process, both parties mutually agreed to suspend temporarily the mediation proceedings. They also agreed to determine the next course of action only after the completion of the arbitration between KRT and the Kaohsiung City Government. As of March 19, 2014, the result of the arbitration was still being awaited.

k. For a construction Taiwan Power Company (TPC) had subcontracted to FEGC, FEGC had to pay a certain fine of NT$23,000 thousand for a bid deposit call. This fine was based on the Government Procurement Act and TPC's construction contract. TPC thus requested the Administrative Enforcement Agency to enforce the penalty concerned. Thus, FEGC had to pay NT$23,000 thousand to the court, and this amount was accounted under other financial assets - current. FEGC further pursued this case and filed a civil lawsuit with the Taipei High Administrative Court (THAC). This case was pending before the THAC as of March 19, 2014.

l. An FENC subsidiary, FEGC, entered into a contract with the Taiwan Area National Expressway Engineering Bureau (TANEEB) to be part of the construction of the "Taichung Living Circle Route 2 East Section, Taichung Living Circle Route 4 North Section and C709A Dali and Wufeng Access Road." During the construction, the contracts with additional items that entailed extra costs were renegotiated six times. The contract amount which TANEEB agreed with was NT$126,524 thousand lower than what FENC suggested. FEGC applied for conciliation with the TANEEB, but the conciliation failed since FEGC and TANEEB could not reach any compromises. After receiving the certification of conciliation failure, FEGC filed a lawsuit for appealing NT$126,524 thousand with the Tainan District Court. The appealing amount has been changed to NT$93,641 thousand in the proceeding. This lawsuit was pending before the court as of March 19, 2014.

m. FETC was entrusted by the TANFB to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Co., Ltd. (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT$3,331,091 thousand as of December 31, 2013.

n. A Company subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), has cooperated with government authorities to establish an electronic toll collection system based on the "Establishment and Operating Contract" with Taiwan Area National Freeway Bureau (TANFB). However, on the basis of the system usage rate and the manner of system implementation, TANFB claimed it had the right to penalize FETC for the latter's failing to achieve the requirements for the electronic toll collection (ETC) system stated in the contract. However, FETC disagreed with the bureau's interpretation of the contract terms and filed for arbitration with the Negotiation Committee. The contract terms were as follow:

1) Usage rate

TANFB claimed that FETC had failed to reach the 45% designated ETC usage rate in the third year stated in the contract, thus violating the terms of the contract. To act on TANFB's complaint, FETC proposed an improvement plan, which TANFB accepted, and set six inspection points to be used in determining if FETC's improvement plan was effective. FETC successfully met the inspection requirements, as shown by TANFB's confirmation of the plan results. Thus, FETC believed that its successful implementation of its improvement plan should be considered by TANFB as the FETC's added investment in the ETC plan as well as the equivalent of FETC's paying a penalty for not meeting the ETC usage rate requirement. Thus, FETC claimed TANFB should not impose a penalty on FETC anymore.

TANFB commented that FETC failed to reach the 70% designated usage rate of ETC in the sixth year of the contract and thus violated the contract, for which FETC was liable for a penalty amounting to NT$427,500 thousand. Nevertheless, TANFB and ETC have reached a consensus to consider the implementation of the above improvement plan as making up for FETC's not meeting the 70% usage rate requirement; there was no reason for TANFB to penalize FETC. In addition, FETC exceeded the 65% usage rate stated in the "Establishment and Operating Contract" for the taximeter phase, and the operation of the taximeter system infrastructure (TSI) was also on track. Thus, there was actually no physical evidence of FETC's violating the contract. FETC also claimed that it should not be blamed for TSI-related problems because it believed the government was slow in informing the public of the TSI charges. For these reasons, FETC said TANFB should not accuse FETC of breach of contract. To settle this matter, FETC applied for a conciliation with TANFB through the Negotiation Committee. The Negotiation Committee suggested TANFB decrease its penalty on FETC because (a) FETC could enter into the taximeter phase since the 65% ETC usage rate had been reached even though this rate was lower than the 70% usage rate stated in the contract; (b) the impact of usage rate to the interest of highway users was markedly diminished (c) the amounts FETC invested in the improvement plan were more than the penalty TANFB claimed. FETC, however, could not accept the negotiation result. In September 2013, FETC filed a lawsuit against TANFB, claiming it was not liable for the penalty imposed by TANFB. As of March 19, 2014, this case was pending before the Tainan District Court, and the final outcome of this case could not be reasonably estimated.

2) Taximeter system infrastructure

TANFB stated FETC breached the contract when FETC was unable to complete the ETC driveway infrastructure by September 21, 2012 as required in the contract. But after FETC negotiated with TANFB through the Negotiation Committee, both the FETC and TANFB agreed to extend the construction period by four months until January 21, 2013. Thus, TANFB should reset the contract expiry date to January 1, 2013 and verify the construction result on that date. However, TANFB still set September 21, 2012 as the contract expiry and obligated FETC to complete the ETC driveway infrastructure and taximeter system infrastructure by April 21, 2013. After FETC's conciliation with TANFB through the Negotiation Committee in July 2013, the Negotiation Committee suggested that TANFB recheck the construction results and determine if after four months after the original contract expiry date of September 21, 2012,, FETC violated the contract. Nevertheless, TANFB did not agree with the Negotiation Committee's decision and filed a lawsuit against FETC and imposed a penalty of NT$112,500 thousand on FETC. As of March 19, 2014, this lawsuit was still pending; nevertheless, FETC had completed the ETC driveway infrastructure and TSI as required in the contract. Thus, the FETC's management believed that the penalty for breach of contract was unlikely to be imposed.

39. SUBSEQUENT EVENTS

a. On March 19, 2014, the board of directors of the Company decided to issue unsecured bonds. The bonds would have an aggregate face value not more than NT$8,000,000 thousand (or equivalent foreign currency) and a unit par value of NT$1,000 thousand or a multiple of NT$1,000 thousand. The term of the bond is less than 10 years.

b. To fairly present the fair value of the Company's investment properties in the financial statements and conform to the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations"), the Company's board of directors resolved to change their accounting policy for investment properties effective January 1, 2014 and subsequently measure investment properties using the fair value model. The information on the results and impact of this retrospective application of the new accounting policy will be publicly released after finishing relevant procedures required under the Regulations.

40. 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, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 264,969	29.79	$ 7,893,427
Financial liabilities			
Monetary items			
USD	628,685	29.79	18,728,526

December 31, 2012

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 447,816	29.035	$ 13,002,338
Financial liabilities			
Monetary items			
USD	786,484	29.035	22,835,563

January 1, 2012

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 522,859	30.275	$ 15,829,556
Financial liabilities			
Monetary items			
USD	1,043,969	30.275	31,606,161

41. FIRST-TIME ADOPTION OF IFRSs

a. Basis of the preparation for financial information under IFRSs

The Group's consolidated financial statements for the year ended December 31, 2013 not only followed the significant accounting policies stated in Note 4 but also applied the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. Impact of the transition to IFRSs

Following is the additional information on the impact of the transition to IFRSs; refer to Note 41 to the consolidated financial statements as of and for the year ended December 31, 2011 for the impact on the Group's consolidated balance sheets and consolidated statements of comprehensive income after transition to IFRSs.

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

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Asset				
Cash and cash equivalents	$ 28,330,882	$ (9,025,221)	$ 19,305,661	a)
Bond investments with no active market - current	-	9,025,221	9,025,221	a)
Long-term prepayment for lease - current (prepayment)	-	124,181	124,181	c)
Deferred income tax assets - current	316,339	(316,339)	-	h)
Construction-in-progress net of billings on construction-in-progress (inventories)	1,964,181	(1,572,245)	391,936	q)
Amounts due from customers for construction contracts	-	1,572,245	1,572,245	q)
Land use rights	1,862,024	(1,862,024)	-	c)
Investments accounted for using the equity method	44,144,234	368,319	44,512,553	p), d.
Investment properties	-	35,365,567	35,365,567	d), e), f)
Property, plant and equipment, net	151,446,354	(34,477,826)	116,968,528	d), e), f), k), o)
Nonoperating properties, net	4,330,871	(4,330,871)	-	d)
Intangible assets - concession	5,114,947	493,991	5,608,938	k)
Deferred pension costs	44,968	(44,968)	-	i)
Deferred charges	726,234	(726,234)	-	e)
Deferred income tax assets - noncurrent	381,707	1,020,766	1,402,473	h), i)
Prepayment for equipment	-	1,585,957	1,585,957	e), o)

(Continued)

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Farmland	$ 276,661	$ (276,661)	$ -	f)
Long-term prepayment for lease - noncurrent	-	1,737,843	1,737,843	c)
Liabilities				
Deferred income tax liabilities - current	2,041	(2,041)	-	h)
Accrued expenses (other payables)	9,573,072	112,320	9,685,392	j), l)
Provisions - current	-	171,474	171,474	l)
Billings on construction-in-progress net of construction-in-progress	504,941	(504,941)	-	q)
Amounts due to customers for construction contracts	-	504,941	504,941	q)
Provision - noncurrent	-	509,799	509,799	l)
Reserve for the land value increment tax	8,660,653	(8,660,653)	-	g)
Deferred tax liabilities - noncurrent	1,106,225	9,199,095	10,305,320	g), h), i)
Accrued pension liabilities	2,124,155	876,618	3,000,773	i)
Stockholders' equity				
Capital surplus - long-term investments	9,421,242	(9,421,242)	-	p)
Special reserve	3,152,529	22,320,076	25,472,605	p), c.
Unappropriated earnings	13,709,450	7,927,829	21,637,279	b), i), j), m), n), p), c.
Exchange differences on translating foreign operations	2,915,415	(2,915,415)	-	n)
Unrecognized net loss on pension cost	(130,034)	130,034	-	i), p)
Unrealized gain and loss on available-for-sale/cash flow hedges financial assets	2,716,548	778,898	3,495,446	m), p)
Unrealized revaluation increment on properties	19,167,218	(19,167,218)	-	b)

(Concluded)

a) Cash and cash equivalents

Under ROC GAAP, certificates of deposits that are cancelable without any loss of principal are recognized under cash and cash equivalents. Under IFRSs, cash equivalents are investments that can be transferred to cash at any time with immaterial risk on value. Thus, certificates of deposits with maturities of over three months from the date of acquisition will be separately disclosed from cash and cash equivalents and reclassified as bond investments without active market in the balance sheet. As of January 1, 2012, the Group had reclassified NT$9,025,221 thousand under cash and cash equivalents to bond investments with no active market - current.

b) Deemed cost

Under ROC GAAP, an entity may use as deemed cost the sum of the carrying value and revaluation increment resulting from the revaluation of property, plant, and equipment based on certain regulations. The recognized amount of the revaluation increment is net of land revaluation increments and land reserve for land value increment tax. On January 1, 2012, the date of transition to IFRSs, the Group treated the carrying amount in ROC GAAP by reference to the revaluation amount established at the date revalued the property, plant, and equipment, as the deemed cost of the property, plant, and equipment.

Thus, the adjustment of unrealized revaluation increments on properties decreased by NT$19,167,218 thousand for the year ended January 1, 2012, and unrealized revaluation increments increased by NT$19,167,218 thousand each.

c) Land leasehold rights

Under ROC GAAP, land leasehold rights are classified as intangible assets. Under IAS 17 "Leases" and leasehold rights are separately disclosed as prepaid rent. Thus, the Group reclassified NT$1,862,204 thousand from land leasehold rights to prepaid rent - current and prepaid rent - noncurrent at NT$124,181 thousand and NT$1,737,843 thousand, respectively.

d) Fixed, leased and idle properties

Under ROC GAAP, the Group's properties and buildings held to earn rentals are fixed assets for operating purposes and are thus classified under property, plant and equipment. In addition, the Group recognized idle properties and part of rental properties as nonoperating assets. Under IFRSs, fixed assets are classified as property, plant and equipment or investment properties in accordance with their nature. Thus, the Group decreased property, plant and equipment by NT$30,976,268 thousand and nonoperating properties by NT$4,330,871 thousand and increased investment properties by NT$35,307,139 thousand.

e) Deferred charges

Under ROC GAAP, deferred charges are classified under other assets. Under IFRSs, deferred charges are classified under investment properties, property, plant and equipment and long-term prepayments in accordance with their nature. Thus, the Group decreased deferred charges by NT$726,234 thousand and increased investment properties, property, plant and equipment, intangible assets and prepayment for equipment by NT$20,197 thousand, NT$639,597 thousand, NT$55,624 thousand and NT$10,816 thousand, respectively.

f) Farmland

Under ROC GAAP, farmland is accounted for under other assets - farmland. Under IFRSs, agricultural land is classified under investment properties or property, plant and equipment in accordance with their nature. Thus, the Group reclassified farmland amounting to NT$38,231 thousand and NT$238,430 thousand to investment properties and property, plant and equipment, respectively.

g) Reserve for the land value increment tax

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

h) Deferred income tax assets or liabilities and valuation allowance

Under ROC GAAP, valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. Under IFRSs, deferred income tax assets are recognized to the extent that it is highly probable that taxable profits will be available against which the deductible temporary differences can be used. Thus, valuation allowance is not needed.

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

Under ROC GAAP, deferred current income tax liabilities and assets belonging to the same taxable entity should be offset and settled; these offset and settlement on a net basis were also applied to deferred noncurrent income tax liabilities and assets. Under IFRS, deferred tax assets and deferred tax liabilities should be offset only if the entity has a legally enforceable right to settle on a net basis and if the income taxes on the deferred tax assets and liabilities are levied by the same taxing authority on the same taxable entity (or different taxable entities which intend either to settle material current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered).

Thus, the Group (a) decreased deferred income tax assets - current by NT$316,339 thousand and deferred income tax liabilities -current by NT$2,041 thousand and (b) increased deferred income tax assets - noncurrent by NT$850,223 thousand and deferred income tax liabilities - noncurrent by NT$535,925 thousand.

i) Employee benefits

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

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

In addition, under ROC GAAP, minimum pension liability is the present value of the defined benefit obligation in excess of the fair value of the plan assets. The entity should make up the deficit portion when the pension liabilities are less than the minimum pension liabilities. However, there is no provision on minimum pension liability under IFRSs.

As of January 1, 2012, the Company had performed actuarial valuation under IAS No. 19 “Employee Benefits” and recognized the valuation difference directly to unappropriated earnings under the requirement of IFRS 1 “First-time Adoption of International Financial Reporting Standards.” Prepaid pension cost, deferred pension cost, unrecognized net loss on pension cost, unappropriated earning and noncontrolling interests were adjusted for decreases of NT$3,944 thousand, NT$44,968 thousand, NT$43,744 thousand, NT$653,802 thousand and NT$143,292 thousand, respectively. Other assets - other, accrued pension liabilities, deferred income tax assets - noncurrent and deferred income tax liabilities - noncurrent were adjusted for increases of NT$4,154 thousand, NT$876,818 thousand, NT$170,543 thousand and NT$2,517 thousand, respectively.

j) Short-term accumulating compensated absences

Short-term accumulating compensated absences are not specifically addressed under ROC GAAP and are usually recognized as salary expense when employees actually go on leave. Under IFRSs, accumulating compensated absences are recognized as salary expense when the employees render services that increase their entitlements to future compensated absences. As of January 1, 2012, the Group accrued NT$184,262 thousand as short-term accumulating compensated absences and decreased of unappropriated earnings and noncontrolling interests by NT$128,419 thousand and NT$55,843 thousand, respectively.

k) Service concession arrangements

In practice, the Group had difficulty in retrospective application of IFRIC 12 “Service Concession Arrangements” as of January 1, 2012. Thus, under IFRSs, the Group reclassified specific service concession arrangements amounting to NT$493,991 thousand from property, plant and equipment to intangible assets - service concession arrangements.

l) Product warranty and dismantling obligation

As of January 1, 2012, the Group reclassified product warranty and dismantling obligations (NT$71,942 thousand as accrued expenses, NT$104,001 thousand as other current liabilities and NT$505,330 thousand as other liabilities - other) to provisions - current and provisions-noncurrent amounting to NT$171,474 thousand and NT$509,799 thousand, respectively.

m) Loss of significant influence

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

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

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

n) Cumulative translation adjustments

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

o) Prepayment for equipment disclosure

Under ROC GAAP, the prepayment for equipment is classified as prepayment for equipment under property, plant and equipment. Under IFRS, the prepayment for equipment is classified as long-term prepayment. As of January 1, 2012, the Group reclassified NT$1,575,171 thousand from prepayment for equipment to long-term prepayments.

p) Adjustment of long-term equity investments

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

Under ROC GAAP, the changes in investment percentage arising from an investor company's subscribing for new shares issued by the investee at a percentage different from its current investment percentage, the resulting increase or decrease in the investment company's equity in the investee is adjusted in "capital surplus - from long-term investments" and "equity-method investment."

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

As of January 1, 2012, the foregoing reclassification resulted in an increase of NT$368,319 thousand in equity-method investments and decreased unrealized gain and loss on available-for-sale financial assets, and unrecognized net loss of pension cost by NT$6,204 thousand and NT$86,290 thousand, respectively. The unappropriated earnings, special reserve and noncontrolling interests increased by NT$250,898 thousand, NT$32,147 thousand, and NT$5,188 thousand, respectively.

q) Construction contracts

Under ROC GAAP, when the construction-in-progress exceeds the billings on construction-in-progress, the billings on construction-in-progress will be the credit balance of construction-in-progress, and the excess construction-in-progress is classified under current assets; conversely, when the billings on construction-in-progress exceed construction-in-progress, construction-in-progress will be the credit balance of billings on construction-in-progress and the excess billings are classified under current liabilities. Under IFRS, construction contracts are classified as construction contract receivables if the contract cost performed plus recognized profit of the construction contract exceed the billings on the contract; otherwise, the construction contracts are classified as construction contract payable when billings on the contract exceed the contract cost performed plus recognized profit on the construction contract.

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

2) Reconciliation of the consolidated balance sheet on December 31, 2012 was as follows:

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Asset				
Cash and cash equivalents	$ 33,790,201	$ (3,145,035)	$ 30,645,166	a)
Bond investments with no active market - current	-	3,145,035	3,145,035	a)
Long-term prepayment for lease - current (prepayment)	-	85,075	85,075	c)
Deferred income tax assets - current	345,103	(345,103)	-	h)
Construction-in-progress net of billings on construction-in-progress (inventories)	2,054,054	(1,551,686)	502,368	r)
Amounts due from customers for construction contracts	-	1,551,686	1,551,686	r)
Land use rights	2,304,931	(2,304,931)	-	c)
Investments accounted for using the equity method	46,274,631	402,459	46,677,090	p)
Investment properties	-	36,155,930	36,155,930	d), e), f)
Property, plant and equipment, net	152,557,507	(35,919,717)	116,637,790	d), e), f), k), o)
Nonoperating properties, net	5,257,840	(5,257,840)	-	d)
Intangible assets - concession	4,403,689	686,760	5,090,449	k)
Deferred pension costs	20,488	(20,488)	-	i)
Deferred charges	1,333,979	(1,333,979)	-	e)
Deferred income tax assets - noncurrent	649,294	1,185,035	1,834,329	h), i)
Prepayment for equipment	-	2,881,210	2,881,210	e), o)
Farmland	276,661	(276,661)	-	f)
Long-term prepayment for lease - noncurrent	-	2,315,715	2,315,715	c)
Liabilities				
Deferred income tax liabilities - current	1,937	(1,937)	-	h)
Accrued expenses (other payables)	11,143,508	108,305	11,251,813	j), l)
Provisions - current	-	160,425	160,425	l)
Billings on construction-in-progress net of construction-in-progress	160,779	(160,779)	-	r)
Amounts due to customers for construction contracts	-	160,779	160,779	r)
Provision - noncurrent	-	654,791	654,791	l)
Reserve for the land value increment tax	8,660,653	(8,660,653)	-	g)
Deferred tax liabilities - noncurrent	1,030,467	9,236,840	10,267,307	g), h), i)
Deferred credits - gains on intercompany accounts	212,766	(62,028)	150,738	q)
Accrued pension liabilities	1,900,533	1,492,122	3,392,655	i)
Stockholders' equity				
Capital surplus - long-term investments	$ 9,138,169	$ (9,138,169)	$ -	p), q)
Capital surplus - difference between acquisition price and carrying amount from equity transaction	-	3,802,347	3,802,347	q)
Special reserve	3,152,365	22,319,229	25,471,594	p), c.
Unappropriated earnings	11,472,883	3,627,889	15,100,772	b), i), j), m), n) p), q) c.
Exchange differences on translating foreign operations	186,739	(2,721,706)	(2,534,967)	n), p), q)
Unrecognized ne loss on pension cost	(166,360)	166,360	-	i), p), q)
Unrealized gain and loss on available-for-sale/cash flow hedges financial assets	4,221,652	743,740	4,965,392	m), p)
Unrealized revaluation increment on properties	19,166,737	(19,166,737)	-	b), p), q)

3) Reconciliation of the consolidated statements of comprehensive income for the year ended December 31, 2012.

	ROC GAAP	Effect of Transition to IFRSs	IFRSs	Note
Gain on disposal of investments, net	$ 4,212,074	$ (4,108,544)	$ 103,530	q)
Income tax expense	2,640,678	(414,184)	2,226,494	i), q)
Actuarial loss on defined benefit plan (Note)	-	(508,128)	(508,128)	i), p)
Exchange differences on translating foreign operations			(1,986,944)	
Unrealized gain (loss) on available-for-sale financial assets			167,070	
Cash flow hedges			(200,397)	

a) Cash and cash equivalents

Under ROC GAAP, certificates of deposits that are cancelable without any loss of principal are recognized under cash and cash equivalents. Under IFRSs, cash equivalents are investments that can be transferred to cash at any time with immaterial risk on value. Thus, certificates of deposits with maturities of over three months from the date of acquisition will be separately disclosed from cash and cash equivalents and reclassified as bond investments without active market in the balance sheet. As of December 31, 2012, the Group had reclassified NT$3,145,035 thousand under cash and cash equivalents to bond investments with no active market - current.

b) Deemed cost

Under ROC GAAP, an entity may use as deemed cost the sum of the carrying value and revaluation increment resulting from the revaluation of property, plant, and equipment based on certain regulations. The recognized amount of the revaluation increment is net of land revaluation increments and land reserve for land value increment tax. On January 1, 2012, the date of transition to IFRSs, the Group treated the carrying amount in ROC GAAP by reference to the revaluation amount established at the date revalued the property, plant, and equipment, as the deemed cost of the property, plant, and equipment.

Thus, the adjustment of unrealized revaluation increments on properties decreased by NT$19,167,218 thousand and unappropriated earning increased by NT$19,167,218 thousand. For the year ended December 31, 2012, the Group increased depreciation expenses by NT$831 thousand because of the reversal of the remaining service years of depreciating properties; thus, the Group increased revaluation increments by NT$831 thousand each.

c) Land leasehold rights

Under ROC GAAP, land leasehold rights are classified as intangible assets. Under IAS 17 “Leases” and leasehold rights are separately disclosed as prepaid rent. Thus, the Group reclassified NT$2,304,931 thousand from land leasehold rights and NT$95,859 thousand from property, plant and equipment to prepaid rent - current and prepaid rent - noncurrent at NT$85,075 thousand and NT$2,315,715 thousand, respectively.

d) Fixed, leased and idle properties

Under ROC GAAP, the Group’s properties and buildings held to earn rentals are fixed assets for operating purposes and are thus classified under property, plant and equipment. In addition, the Group recognized idle properties and part of rental properties as non-operating assets.

Under IFRSs, fixed assets are classified as property, plant and equipment or investment properties in accordance with their nature. Thus, the Group decreased property, plant and equipment by NT$30,838,479 thousand and non-operating properties by NT$5,257,840 thousand and increased investment properties by NT$36,096,319 thousand.

e) Deferred charges

Under ROC GAAP, deferred charges are classified under other assets. Under IFRSs, deferred charges are classified under investment properties, property, plant and equipment and long-term prepayments in accordance with their nature. Thus, the Group decreased deferred charges by NT$1,333,979 thousand and increased investment properties, property, plant and equipment, intangible assets and prepayment for equipment by NT$21,380 thousand, NT$597,676 thousand, NT$611,794 thousand and NT$103,129 thousand, respectively.

f) Farmland

Under ROC GAAP, farmland is accounted for under other assets - farmland. Under IFRSs, agricultural land is classified under investment properties or property, plant and equipment in accordance with their nature. Thus, the Group reclassified farmland amounting to NT$38,231 thousand and NT$238,430 thousand to investment properties and property, plant and equipment, respectively.

g) Reserve for the land value increment tax

Under Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the reserve for the land revaluation increment tax resulting from land revaluation is classified as reserve for land value increment tax. Under IFRS, the Group chose to use book value after land revaluation as deemed cost and reclassified the reserve for land value increment tax to deferred income tax liability - noncurrent. As of December 31, 2012, the Group reclassified NT$8,660,653 thousand from the reserve for land value increment tax to deferred income tax liabilities - noncurrent.

h) Deferred income tax assets or liabilities and valuation allowance

Under ROC GAAP, valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. Under IFRSs, deferred income tax assets are recognized to the extent that it is highly probable that taxable profits will be available against which the deductible temporary differences can be used. Thus, valuation allowance is not needed.

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

Under ROC GAAP, deferred current income tax liabilities and assets belonging to the same taxable entity should be offset and settled; these offset and settlement on a net basis were also applied to deferred noncurrent income tax liabilities and assets. Under IFRS, deferred tax assets and deferred tax liabilities should be offset only if the entity has a legally enforceable right to settle on a net basis and if the income taxes on the deferred tax assets and liabilities are levied by the same taxing authority on the same taxable entity (or different taxable entities which intend either to settle material current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered).

Thus, the Group (a) decreased deferred income tax assets - current by NT$345,103 thousand and deferred income tax liabilities -current by NT$1,937 thousand and (b) increased deferred income tax assets - noncurrent by NT$915,506 thousand and deferred income tax liabilities - noncurrent by NT$576,340 thousand.

i) Employee benefits

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

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

In addition, under ROC GAAP, minimum pension liability is the present value of the defined benefit obligation in excess of the fair value of the plan assets. The entity should make up the deficit portion when the pension liabilities are less than the minimum pension liabilities. However, there is no provision on minimum pension liability under IFRSs.

As of December 31, 2012, the Company had performed actuarial valuation under IAS No. 19 “Employee Benefits” and recognized the valuation difference directly to unappropriated earnings under the requirement of IFRS 1 “First-time Adoption of International Financial Reporting Standards.” Deferred pension cost, unrecognized net loss on pension cost, unappropriated earning, noncontrolling interests and deferred tax liabilities - noncurrent were decreased by NT$20,488 thousand, NT$125,284 thousand, NT$1,190,891 thousand, NT$172,217 thousand and NT$153 thousand, respectively. Other assets - other, accrued pension liabilities and deferred income tax assets - noncurrent were adjusted for increases of NT$9,104 thousand, NT$1,492,122 thousand and NT$265,529 thousand, respectively. In addition, the Group decreased NT$32,688 thousand on pension cost and increased unrealized loss on defined benefit plan, noncontrolling interests and income tax expense by NT$472,062 thousand, NT$7,430 thousand and NT$4,021 thousand, respectively.

j) Short-term accumulating compensated absences

Short-term accumulating compensated absences are not specifically addressed under ROC GAAP and are usually recognized as salary expense when employees actually go on leave. Under IFRSs, accumulating compensated absences are recognized as salary expense when the employees render services that increase their entitlements to future compensated absences. As of December 31, 2012, the Group accrued NT$187,388 thousand as short-term accumulating compensated absences and decreased of unappropriated earnings and noncontrolling interests by NT$129,131 thousand and NT$58,257 thousand, respectively.

k) Service concession arrangements

In practice, the Group had difficulty in retrospective application of IFRIC 12 “Service Concession Arrangements” as of December 31, 2012. Thus, under IFRSs, the Group reclassified specific service concession arrangements amounting to NT$686,760 thousand from property, plant and equipment to intangible assets - service concession arrangements.

l) Product warranty and dismantling obligation

As of December 31, 2012, the Group reclassified product warranty and dismantling obligations (NT$79,083 thousand as accrued expenses, NT$2,581 thousand as other payable-current, NT$82,904 thousand as other current liabilities and NT$650,648 thousand as other liabilities - other) to provisions - current and provisions-noncurrent amounting to NT$160,425 thousand and NT$654,791 thousand, respectively.

m) Loss of significant influence

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

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

The Group accounted for equity-method investments on which significant influence had been lost under available-for-sale financial assets - noncurrent. Thus, the Group increased unrealized gain on financial instruments and decreased unappropriated earnings by NT$785,102 thousand each on December 31, 2012.

n) Cumulative translation adjustments

On January 1, 2012, the Group elected to recognize all cumulative translation adjustments arising from foreign operations as unappropriated earnings. Thus, the Group deducted the cumulative translation adjustment from other adjustments included in stockholders’ equity on the transition date while calculating the gain or loss on any foreign operations after the transition date. As of December 31, 2012, the Group had decreased cumulative translation adjustments and increased unappropriated earnings by NT$2,915,415 thousand each.

o) Prepayment for equipment disclosure

Under ROC GAAP, the prepayment for equipment is classified as prepayment for equipment under property, plant and equipment. Under IFRS, the prepayment for equipment is classified as long-term prepayment. As of December 31, 2012, the Group reclassified NT$2,778,081 thousand from prepayment for equipment to long-term prepayments.

p) Adjustment of long-term equity investments

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

Under ROC GAAP, the changes in investment percentage arising from an investor company's subscribing for new shares issued by the investee at a percentage different from its current investment percentage, the resulting increase or decrease in the investment company's equity in the investee is adjusted in "capital surplus - from long-term investments" and "equity-method investment."

Under IFRSs, changes in equity in associates in which significant influence over the associates is retained, are regarded as the acquisition or disposal of shares in associates; however, changes in equity in subsidiaries in which control over the subsidiaries is retained are regarded as equity transactions. In addition, under IFRS 1 "First-time Adoption of International Financial Reporting Standards" and "Q&A for adopting IFRSs" issued by the Taiwan Stock Exchange, the Group does not need to adjust related accounts retroactively if retroactive account adjustment is not feasible; but, it should reclassify capital surplus - from long-term investment to unappropriated earnings. As of December 31, 2012, capital surplus - from long-term investments decreased by NT$9,421,242 thousand and unappropriated earnings increased by NT$9,421,242 thousand.

As of December 31, 2012, the foregoing reclassification resulted in an increase of NT$402,459 thousand in equity-method investments and NT$2,038 thousand in capital surplus - from long-term investment and decreased unrealized gain or loss on financial instruments, unrecognized net loss of pension cost, and unrealized revaluation increments on properties by NT$41,362 thousand, NT$41,169 thousand and NT$1,535 thousand, respectively. The unappropriated earnings, special reserve, noncontrolling interests and cumulative translation adjustments increased by NT$218,866 thousand, NT$32,131 thousand, NT$5,218 thousand and NT$145,934 thousand, respectively. In addition, the Group increased the unrealized loss on defined benefit plan by NT$36,066 thousand and decreased share of the profit of associates and current profit attributable to noncontrolling interest by NT$79,888 thousand and NT$757 thousand, respectively.

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

Under ROC GAAP, the parent company does not need to identify whether the controls over subsidiaries are retained or not when recognizing any difference arising between the fair value of disposing of the interest in the subsidiaries and the carrying amount of the investment as disposal gain or loss. Under IFRSs, changes in equity in subsidiaries in which control over the subsidiaries is retained are regarded as equity transactions.

Thus, on December 31, 2012, the Group increased capital surplus - the difference between the fair value of the ownership interest disposed of and the carrying amount of the subsidiary, by NT$3,802,347 thousand; capital surplus - from long-term investments, by NT$281,035 thousand; cumulative translation adjustments, by NT$4,992 thousand, unrecognized net loss of pension cost, by NT$93 thousand, unrealized revaluation increments on properties, by NT$1,185 thousand.

The unappropriated earnings, noncontrolling interest and deferred income decreased by NT$3,691,403 thousand, NT$336,035 thousand and NT$62,028 thousand, respectively. In addition, for the year ended December 31, 2012, gain on disposal of investments, net and income tax expense decreased by NT$4,108,544 thousand and NT$418,205 thousand, respectively.

r) Construction contracts

Under ROC GAAP, when the construction-in-progress exceeds the billings on construction-in-progress, the billings on construction-in-progress will be the credit balance of construction-in-progress, and the excess construction-in-progress is classified under current assets; conversely, when the billings on construction-in-progress exceed construction-in-progress, construction-in-progress will be the credit balance of billings on construction-in-progress and the excess billings are classified under current liabilities. Under IFRS, construction contracts are classified as construction contract receivables if the contract cost performed plus recognized profit of the construction contract exceed the billings on the contract; otherwise, the construction contracts are classified as construction contract payable when billings on the contract exceed the contract cost performed plus recognized profit on the construction contract.

As of December 31, 2012, the Group reclassified NT$1,551,686 thousand from the construction-in-progress, net of billings on construction-in-progress to construction contract receivables, and reclassified NT$160,779 thousand from billings on construction-in-progress net of construction-in-progress to construction contract payable.

4) Explanation of material adjustments to the statement of cash flows.

According to ROC GAAP, interest paid and received, income tax and dividends received are classified as operating activities. Additional disclosure is required for interest expenses when reporting cash flow using indirect method. However, under IAS 7” Statement of Cash Flow”, cash flows from interest and dividends received and paid shall each be disclosed separately. Therefore, for the year ended December 31, 2012, interests and dividends received by the Group were NT$453,958 thousand and NT$3,199,261 thousand, respectively, and income tax and interest paid by the Group wereNT$1,726,826, NT$1,324,756 thousand, respectively, presented separately at the date of transition to IFRSs.

Except for the above differences, there are no other significant differences between ROC GAAP and IFRSs in the consolidated statement of cash flows.

5) Exemptions from IFRS 1

IFRS 1 establishes the procedures for the Group’s first consolidated financial statements prepared in accordance with IFRSs. According to IFRS 1, the Group is required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs, January 1, 2012; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The major optional exemptions the Group adopted are summarized as follows:

<u>Business combinations</u>

The Group elected not to apply IFRS 3, “Business Combinations,” retrospectively to business combinations that occurred before the date of transition. Therefore, in the opening balance sheet, the amount of goodwill generated from past business combinations remains the same compared with the one under ROC GAAP as of December 31, 2011.

The exemption of not elected to apply IFRS 3 “Business Combinations” also applied to investments in associates acquired in the past.

Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses in retained earnings as of the date of transition. In addition, the Group elected to apply the exemption disclosure requirement provided by IFRS 1, in which the experience adjustments are determined for each accounting period prospectively from the transition date.

Cumulative translation differences

The Group elected to reset the cumulative translation differences to zero at the date of transition to IFRSs and adjusted retained earnings accordingly. Gains or losses of a subsequent disposal of any foreign operations will exclude the translation differences that arose before the date of transition to IFRSs.

Deemed cost

For certain freehold lands and buildings the Group elected to use the ROC GAAP revalued amount at the date of transition to IFRSs as their deemed cost under IFRSs.

Compound financial instruments

As the liability component was no longer outstanding at the date of transition to IFRSs, the Group elected not to split the compound financial instruments issued before the date of transition to IFRSs into separate two portions of equity.

Service concession arrangements

For particular service concession arrangements, it is impracticable for the Group to apply IFRIC 12 "Service Concession Arrangements" retrospectively at the date of transition to IFRSs. The Group recognized financial assets and intangible assets using the previous carrying amounts under ROC GAAP as their carrying amounts as at that date, and tested those financial and intangible assets recognized at that date for impairment.

c. Special reserve recognized at the date of transition

According to Rule No. 1010012865 issued by the Financial Supervisory Commission (FSC) on April 6, 2012, on the first-time adoption of IFRSs, the Company is required to record special reserve equal to the amount of unrealized revaluation increments and cumulative translation adjustments (gain) under stockholders` equity reclassified to unappropriated earnings in accordance with IFRS 1; however, if the increase in retained earnings that resulted from all IFRSs adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve may be reversed to retained earnings in proportion to the use, disposal or reclassification of the related assets and thereafter distributed. On January 1, 2011, unrealized revaluation increments, cumulative translation adjustments and unappropriated earnings arising from the investment properties of equity-method investees which used revalued fair value as deemed cost amounted to NT$19,167,218 thousand, NT$2,915,415 thousand and NT$205,296 thousand, respectively; and, the Group recorded these amounts under special reserve. For the year ended December 31, 2012, the Group decreased special reserve by NT$831 thousand and increased unappropriated earnings by NT$831 thousand, on the basis of the remaining service years of property, plant and equipment being depreciated.

The Company's shares held by subsidiaries were previously treated as treasury stock. Under the "Questions and Answers -Treasury stock method" issued by the authorities on August 8, 2012, the Company's shares held by subsidiaries should not be treated as treasury stock. Thus, the consolidated financial statements as of January 1, 2012 show the Group's retrospective application of the change of accounting treatment for the subsidiaries' holdings of the Company's shares,

42. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau for the Company and investees and b. Reinvestment information:

1) Financing provided: Schedule D (attached)

2) Endorsement/guarantee provided: Schedule E (attached)

3) Marketable securities and investments in share of stock held: Schedule F (attached)

4) Securities acquired and disposed of at costs or prices of at least NT$100 million or 20% of the capital stock: Schedule G (attached)

5) Acquisition of individual real states at costs of at least NT$100 million or 20% of the capital stock: None

6) Disposal of individual real states at prices of at least NT$100 million or 20% of the capital stock: None

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

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

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

10) Derivative financial transactions: Notes 7 and 34

c. Investments in Mainland China

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

2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Note 35 and Schedules J and K (attached)

d. Additional disclosure for consolidated financial statements:

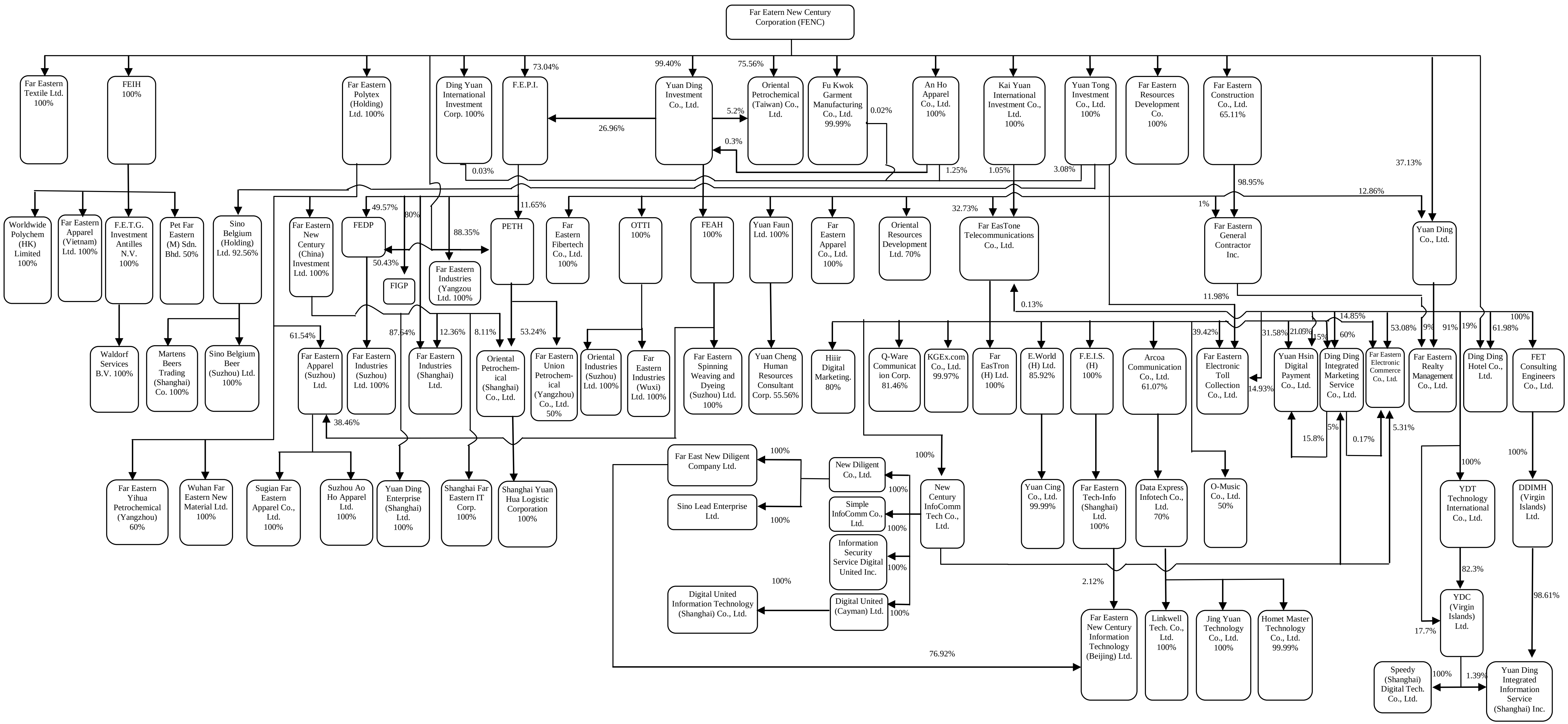
1) Significant transactions between the Group and among subsidiaries: Schedule L (attached)

2) Reasons, amounts, number of shares held and subsidiaries' names, which owns FENC's shares: None

SCHEDULE A

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2013



SCHEDULE B

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31 2013 AND 2012
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
Sales				
Investors that have significant influence over the Group	$ 2,763,653	1	$ 2,838,313	1
Others	1,382,997	1	3,428,804	2
	$ 4,146,650	2	$ 6,267,117	3
Operating cost	$ 220,717	-	$ 1,255,809	-
Investors that have significant influence over the Group	1,280,691	1	1,397,282	1
Others				
	$ 1,501,408	1	$ 2,653,091	1
Operating expense				
Investors that have significant influence over the Group	$ 59,934	-	$ 50,853	-
Others	355,316	1	334,749	1
	$ 415,250	1	$ 385,602	1
Rental revenue				
Investors that have significant influence over the Group	$ 232,470	-	$ 183,313	-
Others	309,729	-	310,753	-
	$ 542,199	-	$ 494,066	-
Rental expense (recognized as operating cost and expense)				
Investors that have significant influence over the Group	$ 111,324	-	$ 112,159	-
Others	181,266	-	181,309	-
	$ 292,590	-	$ 293,468	-

Note:

a. The terms of sales to and purchases from the related parties were based on agreements.

(Continued)

b. The Group had donated NT$1,050 thousand to Far Eastern Memorial Foundation as of December 31, 2013 and NT$1,773 thousand to Yuan Ze University as of December 31, 2012. An FENC subsidiary, Far EasTone Telecommunications Co., Ltd. had donated NT$1,000 thousand and NT$7,000 thousand to the Telecommunication and Transportation Foundation (TTF) for telecommunications technology studies as of December 31, 2013 and 2012, respectively.

c. The fund transactions between the Group and Opas Fund Segregated Porfolio Company ("Opas Company") involved the acquisition and disposal of the Opas Fund Segregated Portfolio Tranches B, C, D and E through the trading platform of Opas Company. The decisions on these overseas mutual funds with different tranches were made by the investment committee formed by the Group and other investors. As of December 31, 2013 and 2012, the Group acquired Opas Fund Segregated Portfolio Tranches for NT$653,928 thousand and NT$87,507 thousand, respectively and disposed of funds with a carrying amount of NT$1,817,135 thousand and NT$477,750 thousand, respectively. For 2013 and 2012, the disposal proceeds were NT$2,017,732 thousand and NT$567,434 thousand, respectively, and the gains on fund disposal were NT$200,597 thousand and NT$89,684 thousand, respectively.

d. As of December 31, 2013, the Company had sold 5,502 thousand common shares of Yuan Ding Investment Co., Ltd. (YDI) to Da Ju Fiber Co., Ltd. for a gain of NT$235,491 thousand.

e. As of December 31, 2013, the Company purchased the land use right from Oriental Petrochemical (Yangzhou) Corp. amounting to NT$141,089 thousand recognized as long-term prepayments for lease.

f. The rental expense incurred for rental agreements on factories in Hukou and Hsinchu, office and equipment rooms in Tainan, base stations and departments around Taiwan. The term of the rental agreements was from January 2009 to December 2028. The revenue from renting out some of the floors of the Taipei Metro Tower building, buildings located in the Chen-Chung Section in Taipei City and building located in the Hsin-ban Section in New Taipei City; the related lease term was from January 2010 to December 2026. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.

g. Compensation of key management personnel:

	For the Year Ended December 31	
	2013	**2012**
Short-term employee benefits	$ 432,418	$ 457,090
Post-employment benefits (Note)	(1,368)	(845)
	$ 431,050	$ 456,245

Note: The post-employment benefit were gain for the years ended December 31, 2013 and 2012 based on the actuarial result applied by IAS 19 "Employee Benefits".

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS
AS OF DECEMBER 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars)

	December 31, 2013		December 31, 2012		January 1, 2012	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Notes and accounts receivable from affiliates						
Investors that have significant influence over the Group	$ 355,986	42	$ 381,097	52	$ 352,651	52
Others	500,768	58	350,329	48	331,453	48
	$ 856,754	100	$ 731,426	100	$ 684,104	100
Other receivable from affiliates						
Investors that have significant influence over the Group	$ 42,450	3	$ 67,181	5	$ 56,694	5
Others	295,384	24	239,023	19	214,085	20
	$ 337,834	27	$ 306,204	24	$ 270,779	25
Notes and accounts payable from affiliates						
Investors that have significant influence over the Group	$ 34,554	13	$ 22,702	8	$ 107,404	25
Others	227,017	87	269,581	92	324,674	75
	$ 261,571	100	$ 292,283	100	$ 432,078	100
Other payable from affiliates						
Investors that have significant influence over the Group	$ 12,361	16	$ 14,764	34	$ 74	-
Others	63,616	84	28,355	66	27,897	100
	$ 75,977	100	$ 43,119	100	$ 27,971	100
Advance on real estate receipts						
Others	$ -	-	$ -	-	$ 935,000	43
Billing on construction-in-progress						
Investors that have significant influence over the Group	$ 3,055,966	19	$ 2,202,643	10	$ 1,376,981	5
Others	512,719	3	728,229	3	512,793	3
	$ 3,568,685	22	$ 2,930,872	13	$ 1,889,774	8
Guarantee deposits received						
Investors that have significant influence over the Group	$ 18,915	2	$ 11,026	1	$ 10,955	1
Others	166,844	17	163,203	14	156,279	14
	$ 185,759	19	$ 174,229	15	$ 167,234	15
Deferred credit - gains on inter - affiliates accounts	$ 141,063	94	$ 141,616	94	$ 142,174	94
Investors that have significant influence over the Group	9,122	6	9,122	6	9,122	6
Others						
	$ 150,185	100	$ 150,738	100	$ 151,296	100

(Continued)

Financing to affiliates

Loans to related parties

	December 31, 2013		December 31, 2012		January 1, 2012	
	Carrying Amount	**%**	**Carrying Amount**	**%**	**Carrying Amount**	**%**
Investors that have significant influence over the Group	$ 921,000	73	$ 977,640	76	$ 813,886	75

Loans from related parties

	December 31, 2013		December 31, 2012		January 1, 2012	
	Carrying Amount	**%**	**Carrying Amount**	**%**	**Carrying Amount**	**%**
Others	$ 3,480,995	12	$ 598,224	2	$ 623,665	2

Note:

a. The terms of sales to and purchases from the related parties were based on the agreement.

b. The Group subscribed 17,500 new common shares issued by Air Liquide Far Eastern Ltd.'s amounted to NT$174,997 thousand in September 2013.

c. To expedite the development of multimedia services, mobile advertising and mobile commerce business, the Group acquired 2,786 thousand shares of Hiiir amounting to NT$54,000 thousand from other related parties in 2013.

d. To expand the Group's future business, the Group subscribed for the shares of Alliance Digital Technology Co., Ltd. shares for NT$30,000 thousand in 2013 and acquired 19.23% ownership.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2013
(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	PET Far Eastern (Holding) Ltd.	Receivables from affiliates	Yes	$ 1,926,210	$ 1,926,210	$ 1,926,210	3.35	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 5,641,587	$ 56,415,865	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C).
		Far Eastern Polychem Industries Ltd.	Receivables from affiliates	Yes	2,078,270	1,972,790	1,972,790	1.6428-3.35	2	-	For revolving fund	-	Promissory note	-	5,641,587	56,415,865	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C).
1	Far EasTone Telecommunications Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	250,000	241,000	1.24-1.63	2	-	For revolving fund	-	-	-	7,279,321	10,918,981	Amounts allowed for ending period (Note D); 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	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	170,000	170,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Far Eastern Resources Development Co.	Receivables from affiliates	Yes	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		An Ho Garment Co., Ltd.	Receivables from affiliates	Yes	230,000	230,000	-	1.66-1.79	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Kai Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	400,000	400,000	-	1.66-1.79	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	460,000	460,000	-	1.66-1.79	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	400,000	245,000	245,000	1.66-1.79	2	-	For revolving fund	-	Promissory note	-	4,011,049	20,055,246	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
3	Far Eastern Resources Development Co.	Ding Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	200,000	-	-	-	2	-	For revolving fund	-	-	-	2,574,046	12,870,229	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).

(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.	Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	$ 200,000	$ -	$ -	-	2	-	For revolving fund	$ -	-	$ -	$ 791,114	$ 3,955,569	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Far Eastern Resources Development Co.	Receivables from affiliates	Yes	200,000	-	-	-	2	-	For revolving fund	-	-	-	791,114	3,955,569	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	155,000	155,000	155,000	1.20-1.45	2	-	For revolving fund	-	Promissory note	-	791,114	3,955,569	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
5	Far Eastern Polychem Industries Ltd.	Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	118,960	118,960	-	-	2	-	For revolving fund	-	Promissory note	-	4,244,269	4,244,269	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
		Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	297,400	297,400	-	-	2	-	For revolving fund	-	Promissory note	-	5,305,336	9,549,605	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern Industries (Yangzhou) Ltd.	Receivables from related parties	Yes	4,223,080	4,223,080	-	-	2	-	For revolving fund	-	Promissory note	-	5,305,336	9,549,605	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern Ishizuka Green Pet Corporation	Receivables from related parties	Yes	451,840	451,840	-	-	2	-	For revolving fund	-	Promissory note	-	4,244,269	4,244,269	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
		Far Eastern Industries (Shanghai) Ltd.	Receivables from related parties	Yes	1,962,840	1,962,840	208,180	-	1	6712318	-	-	Promissory note	-	6,712,318	7,427,470	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note I).
		Far Eastern Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,040,900	1,040,900	820,824	-	2	-	For revolving fund	-	Promissory note	-	5,305,336	9,549,605	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern Industries (Shanghai) Ltd.	Receivables from related parties	Yes	2,914,520	2,914,520	2,141,280	-	2	-	For revolving fund	-	Promissory note	-	5,305,336	9,549,605	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
7	Far Eastern Investment (Holding) Ltd.	Malaysia Garment Manufactures Pte. Ltd.	Receivables from related parties	Yes	297,400	297,400	-	0-1.51450	2	-	For revolving fund	-	Promissory note	-	2,764,114	2,764,114	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
		FEDP (Holding) Ltd.	Receivables from related parties	Yes	594,800	297,400	-	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		PET Far Eastern (Holding) Ltd.	Receivables from related parties	Yes	594,800	297,400	-	1.5145	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).

(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			
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	$ 892,200	$ 743,500	$ -	-	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 2,764,114	$ 2,764,114	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
		Far Eastern Polychem Industries Ltd.	Receivables from related parties	Yes	2,379,200	297,400	98,142	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	1,070,640	1,070,640	234,351	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	2,764,114	2,764,114	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from related parties	Yes	267,660	267,660	236,730	-	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		PET Far Eastern (M) Sdn. Bhd.	Receivables from related parties	Yes	297,400	297,400	263,675	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	2,764,114	2,764,114	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
		Far Eastern Apparel (Holding) Ltd.	Receivables from related parties	Yes	1,487,000	446,100	362,828	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern Polytex (Holding) Ltd.	Receivables from related parties	Yes	1,933,100	1,933,100	1,754,660	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Oriental Textile (Holding) Ltd.	Receivables from related parties	Yes	2,379,200	2,081,800	1,837,932	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	3,455,142	6,219,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
8	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	1,249,080	1,249,080	972,498	-	2	-	For revolving fund	-	Promissory note	-	2,611,293	2,611,293	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
9	Kai Yuan International Investment Co., Ltd.	Ding Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	100,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	485,477	2,427,383	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	200,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	485,477	2,427,383	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yuan Ding Investment Co., Ltd.	Receivables from affiliates	Yes	600,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	485,477	2,427,383	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	400,000	281,000	281,000	1.20-1.53	2	-	For revolving fund	-	Promissory note	-	485,477	2,427,383	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).

(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			
10	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	$ 297,400	$ 297,400	$ -	1.5145	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 4,108,825	$ 7,395,884	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Wuhan Far Eastern New Material Ltd.	Receivables from related parties	Yes	356,880	356,880	-	-	2	-	For revolving fund	-	Promissory note	-	4,108,825	7,395,884	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern New Century (China) Investment Ltd.	Receivables from related parties	Yes	3,866,200	3,866,200	1,891,464	-	2	-	For revolving fund	-	Promissory note	-	4,108,825	7,395,884	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
11	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,719,686	4,299,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
		Far Eastern Technical Consultants Co, Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,719,686	4,299,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
		FET Consulting Engineers Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,719,686	4,299,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
		Far Eastern Electronic Commerce Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,719,686	4,299,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
		Ding Ding Integrated Marketing Services Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	1.26	2	-	For revolving fund	-	Promissory note	-	1,719,686	4,299,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Receivables from affiliates	Yes	119,700	118,960	29,740	1.32	2	-	For revolving fund	-	Promissory note	-	1,719,686	4,299,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
13	Ding Yuan International Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	100,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	267,526	1,337,632	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yuan Ding Investment Co., Ltd.	Receivables from affiliates	Yes	250,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	267,526	1,337,632	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	100,000	1.18-1.21	2	-	For revolving fund	-	Promissory note	-	267,526	1,337,632	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	140,000	140,000	140,000	1.18-1.21	2	-	For revolving fund	-	Promissory note	-	267,526	1,337,632	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).

(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			
14	An Ho Garment Co., Ltd.	Yuan Ding Investment Co., Ltd.	Receivables from affiliates	Yes	$ 280,000	$ -	-	1.2	2	$ -	For revolving fund	$ -	-	$ -	$ 167,658	$ 838,290	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	50,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	167,658	838,290	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	80,000	-	-	1.20-1.21	2	-	For revolving fund	-	-	-	167,658	838,290	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	230,000	-	-	1.20-1.49	2	-	For revolving fund	-	-	-	167,658	838,290	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note C).
15	FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,272,872	565,060	499,632	-	2	-	For revolving fund	-	Promissory note	-	429,021	772,238	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
20	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,427,520	1,427,520	-	-	1	2160789	-	-	Promissory note	-	2,160,789	4,518,848	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note I).
		Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	178,440	178,440	-	-	2	-	For revolving fund	-	Promissory note	-	3,227,748	5,809,947	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern Industries (WuXi) Ltd.	Receivables from related parties	Yes	1,930,126	1,930,126	-	-	2	-	For revolving fund	-	Promissory note	-	3,227,748	5,809,947	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Oriental Industries (Suzhou) Ltd.	Receivables from related parties	Yes	4,104,120	2,676,600	2,230,500	-	2	-	For revolving fund	-	Promissory note	-	3,227,748	5,809,947	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from related parties	Yes	594,800	594,800	-	-	1	938446	-	-	Promissory note	-	938,446	1,628,957	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note I).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from related parties	Yes	2,974,000	892,200	321,192	-	2	-	For revolving fund	-	Promissory note	-	1,163,541	2,094,374	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Far Eastern Apparel (Suzhou) Ltd.	Receivables from related parties	Yes	892,200	892,200	535,320	-	2	-	For revolving fund	-	Promissory note	-	1,163,541	2,094,374	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
26	FETG Investment Antilles N.V.	Waldorf Services B.V.	Receivables from related parties	Yes	29,740	29,740	-	-	2	-	For revolving fund	-	Promissory note	-	319,876	575,777	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).

(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			
30	Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century (China) Investment Ltd.	Other receivables - loans to affiliates	Yes	$ 512,182	$ -	$ -	5.6	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 4,225,241	$ 7,605,434	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Martens Beers Trading (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	34,142	34,142	-	3	2	-	For revolving fund	-	Promissory note	-	4,225,241	7,605,434	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
		Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	97,547	97,547	-	-	2	-	For revolving fund	-	Promissory note	-	845,048	1,267,572	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E).
34	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	487,795	487,795	-	2.98035-3.37500	2	-	For revolving fund	-	Promissory note	-	1,901,309	4,225,131	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
36	Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	Receivables from related parties	Yes	148,700	148,700	-	-	2	-	For revolving fund	-	Promissory note	-	5,641,587	16,924,760	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	148,700	148,700	144,685	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	5,641,587	16,924,760	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
		Chuang Yuan Co., Ltd.	Other receivables	No	297,400	297,400	189,741	1.42250-1.51450	2	-	For revolving fund	-	Promissory note	-	5,641,587	16,924,760	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
38	Sino Belgium (Holding) Ltd.	Martens Beers Trading (Shanghai) Ltd.	Receivables from related parties	Yes	107,064	-	-	-	2	-	For revolving fund	-	Promissory note	-	-	-	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note N).
		FEDP (Holding) Ltd.	Receivables from related parties	Yes	594,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	-	-	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	880,304	-	-	-	2	-	For revolving fund	-	Promissory note	-	-	-	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note N).
41	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Other receivables - loans to affiliates	Yes	48,774	48,774	-	-	2	-	For revolving fund	-	Promissory note	-	478,810	1,436,430	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	97,547	97,547	-	-	2	-	For revolving fund	-	Promissory note	-	478,810	1,436,430	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to affiliates	Yes	487,795	-	-	4	2	-	For revolving fund	-	Promissory note	-	478,810	1,436,430	Amounts allowed for ending period (Note B); 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 Item	Collateral Value	Financing Limit for Each Borrower	Aggregate Financing Limits	Note
43	Far Eastern Industries (WuXi) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	$ 731,693	$ 731,693	$ -	2.79869-3.37500	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 3,073,372	$ 6,829,716	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	975,591	975,591	487,795	3.6	2	-	For revolving fund	-	Promissory note	-	3,073,372	6,829,716	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
44	Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,463,357	975,591	-	-	2	-	For revolving fund	-	Promissory note	-	3,305,520	7,345,601	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
45	Far Eastern Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	731,693	731,693	81,160	2.84692-3.37500	2	-	For revolving fund	-	Promissory note	-	570,859	1,268,575	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
46	Wuhan Far Eastern New Material Ltd.	Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	48,774	48,774	-	-	2	-	For revolving fund	-	Promissory note	-	379,183	379,183	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F).
47	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	731,693	439,022	-	3.57332-3.63548	2	-	For revolving fund	-	Promissory note	-	1,161,227	2,580,505	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	390,219	292,671	100,878	3.57332-3.63979	2	-	For revolving fund	-	Promissory note	-	1,161,227	2,580,505	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
		Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	Yes	731,693	536,569	139,035	3.57332-3.63979	2	-	For revolving fund	-	Promissory note	-	1,161,227	2,580,505	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	390,219	390,219	229,593	3.57332-3.63979	2	-	For revolving fund	-	Promissory note	-	1,161,227	2,580,505	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,463,357	975,591	618,830	3.57332-3.63979	2	-	For revolving fund	-	Promissory note	-	1,161,227	2,580,505	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L).
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	160,983	160,983	1,457	5.8	2	-	For revolving fund	-	Promissory note	-	972,468	1,750,442	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note H).
51	Sino Belgium (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	243,898	146,351	-	-	2	-	For revolving fund	-	Promissory note	-	58,753	130,563	Amounts allowed for ending period (Note H); 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			
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	$ 130,000	$ 130,000	$ 120,000	1.25-1.40	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 150,487	$ 188,109	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note C).
56	Far Eastern Technical Consultants Co, Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	12,000	-	-	-	2	-	For revolving fund	-	-	-	13,238	33,096	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note C).
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	150,000	100,000	98,000	1.25-1.40	2	-	For revolving fund	-	Promissory note	-	223,076	278,846	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note C).
64	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Receivables from affiliates	Yes	2,200,000	2,200,000	2,200,000	1.14	2	-	For revolving fund	-	-	-	2,299,160	3,448,740	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E).
		Far EasTone Telecommunications Co., Ltd.	Receivables from affiliates	Yes	3,000,000	3,000,000	3,000,000	1.14	1	3392474	-	-	-	-	3,392,474	11,495,800	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note C).
83	Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	Receivables from affiliates	Yes	61,589	-	-	6.56	2	-	For revolving fund	-	-	-	21,309	26,636	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note C).

Notes:

A. Reasons for financing are as follows:

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

B. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

C. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

D. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

E. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

F. The limit is equal to 40% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

G. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

H. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

I. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

J. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2013.

K. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2013.

L. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

M. The limit is equal to business transaction amount.

N. There was no credit as the balance sheet date; thus, there was no need to calculate the financing limit.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2013
(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 (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note N)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note N)	Endorsement/ Guarantee Given On behalf of Companies in Mainland China (Note N)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	$ 56,415,865	$ 10,001,125	$ 3,247,600	$ 1,200,000	$ -	2.88	$ 112,831,730	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
1	Far EasTone Telecommunications Co., Ltd.	Q-Ware Communication Co., Ltd.	(Note A)	36,396,603	161,020	-	-	-	-	72,793,206	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		KGEx.com Co., Ltd.	(Note A)	36,396,603	45,000	45,000	6,166	-	0.06	72,793,206	-	-	-	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.	Far Eastern Apparel Co., Ltd.	(Note A)	20,055,246	135,000	130,000	-	-	0.32	40,110,492	-	-	-	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)	20,055,246	219,000	200,000	-	-	0.50	40,110,492	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		FEDP (Holding) Ltd.	(Note C)	20,055,246	300,250	298,400	-	-	0.74	40,110,492	-	-	-	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)	20,055,246	1,050,875	1,044,400	-	-	2.60	40,110,492	-	-	-	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)	20,055,246	394,000	394,000	88,000	-	0.98	40,110,492	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee Name	Endorsee/Guarantee Relationship	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 (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note N)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note N)	Endorsement/ Guarantee Given On behalf of Companies in Mainland China (Note N)	Note
		Far Eastem Apparel (Holding) Ltd.	(Note A)	$ 20,055,246	$ 1,801,500	$ 1,790,400	$ 626,992	$ -	4.46	$ 40,110,492	-	-	-	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 B)	20,055,246	7,266,050	2,685,600	458,263	-	6.70	40,110,492	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Oriental Textile (Holding) Ltd.	(Note A)	20,055,246	3,603,000	2,685,600	749,393	-	6.70	40,110,492	-	-	-	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)	20,055,246	2,000,300	300,000	-	-	0.75	40,110,492	-	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)	20,055,246	300,250	298,400	-	-	0.74	40,110,492	-	-	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)	20,055,246	620,474	620,474	441,434	-	1.55	40,110,492	-	-	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)	20,055,246	596,800	596,800	-	-	1.49	40,110,492	-	-	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)	12,870,229	7,721,448	6,271,448	5,601,370	6,271,448	5.56	25,740,458	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
4	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	(Note A)	3,955,569	500,517	-	-	-	-	7,911,137	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
8	PET Far Eastem (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	56,415,865	250,238	250,238	250,238	-	0.22	112,831,730	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).

(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 (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note N)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note N)	Endorsement/ Guarantee Given On behalf of Companies in Mainland China (Note N)	Note
		Name	Relationship											
11	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	$ 4,299,216	$ 503,000	$ 503,000	$ 38,000	$ 50,000	0.45	$ 8,598,432	-	-	-	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)	13,175,037	300,000	300,000	95,000	-	6.83	13,175,037	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note J).
15	FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	56,415,865	244,718	-	-	-	-	112,831,730	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).
20	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note A)	56,415,865	543,118	-	-	-	-	112,831,730	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).
30	Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note C)	8,450,483	391,531	391,531	-	-	0.35	16,900,966	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note E).
33	Far Eastern General Contractor Co., Ltd.	Far Eastern Construction Co., Ltd.	(Note D)	5,626,320	-	-	-	-	-	5,626,320	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note J).
44	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	56,415,865	1,081,491	885,711	-	-	2.21	112,831,730	-	-	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, 2013.

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, 2013.

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, 2013.

(Continued)

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, 2013.

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, 2013.

J. 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, 2013.

K. 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.

L. The tariff guarantee maximum amount allowed for FENC during the period was NT$160,000 thousand, and the actual appropriation as of period end was NT$160,000 thousand.

M. 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 Apparel (Suzhou) Ltd.: RMB 0 (NT$0); the actual remittance was this same amount.
2) Oriental Petrochemical (Shanghai) Co., Ltd.: RMB 0 (NT$0); the actual remittance was this same amount.
3) Far Eastern Industries (WuXi) Ltd.: RMB11,182 thousand (NT$54,728 thousand); the actual remittance was this same amount.

N. 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 AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
DECEMBER 31, 2013
(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, 2013				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	72,459	$ 902,112	3.08	$ 902,112	
Yuan Ding Investment Co., Ltd.	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	119,327	
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - non-current	980	22,493	0.16	71,991	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	13,880	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	9,995	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	13,585	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	11	
	Gallery Management Limited	-	Financial assets carried at cost - non-current	914	6,597	9.81	1,626	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	32,233	
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	54,300	0.83	54,300	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	5,281	282,533	0.62	282,533	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	98,577	1,227,285	4.19	1,227,285	
	Financial assets under asset management contracts (Note F)							
	FuBon SS ETF	-	Financial assets at fair value through profit or loss - current	1,219	24,868	-	24,868	
	Taiwan Cement	-	Financial assets at fair value through profit or loss - current	461	21,321	-	21,321	
	F- Asia Plastic Recycle	-	Financial assets at fair value through profit or loss - current	179	17,094	-	17,094	
	Kinik	-	Financial assets at fair value through profit or loss - current	200	14,700	-	14,700	
	CCSB	-	Financial assets at fair value through profit or loss - current	97	4,976	-	4,976	
	HANPIN	-	Financial assets at fair value through profit or loss - current	254	7,772	-	7,772	
	FuBon Financial	-	Financial assets at fair value through profit or loss - current	148	6,453	-	6,453	
	CTBC Financial	-	Financial assets at fair value through profit or loss - current	877	17,847	-	17,847	
	Taiwan Tea	-	Financial assets at fair value through profit or loss - current	297	7,425	-	7,425	
	Largan Precision	-	Financial assets at fair value through profit or loss - current	17	20,655	-	20,655	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2013				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Faraday	-	Financial assets at fair value through profit or loss - current	300	$ 12,510	-	$ 12,510	
	eLaser	-	Financial assets at fair value through profit or loss - current	194	15,345	-	15,345	
	Kuenling A/C	-	Financial assets at fair value through profit or loss - current	35	1,003	-	1,003	
	Rechi	-	Financial assets at fair value through profit or loss - current	84	2,684	-	2,684	
	F-Cowealth	-	Financial assets at fair value through profit or loss - current	198	16,790	-	16,790	
	Ledlink	-	Financial assets at fair value through profit or loss - current	163	16,243	-	16,243	
	Daxin	-	Financial assets at fair value through profit or loss - current	191	12,778	-	12,778	
	Lanner	-	Financial assets at fair value through profit or loss - current	188	10,378	-	10,378	
	Taiflex	-	Financial assets at fair value through profit or loss - current	203	12,180	-	12,180	
	Arima	-	Financial assets at fair value through profit or loss - current	344	4,678	-	4,678	
	F- Kingcan	-	Financial assets at fair value through profit or loss - current	214	18,404	-	18,404	
	TSH Biopharm	-	Financial assets at fair value through profit or loss - current	69	5,658	-	5,658	
	Hon Chuan	-	Financial assets at fair value through profit or loss - current	187	11,744	-	11,744	
Ding Yuan International Investment Co., Ltd.	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	73,250	911,967	3.10	911,967	
Kai Yuan International Investment Co., Ltd.	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	88,929	1,107,167	3.76	1,107,167	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	569	30,441	0.07	30,441	
Far Eastern Polychem Industries Ltd.	Bank of Chungqing	-	Available-for-sale financial assets - non-current	8,787	185,003	0.76	185,003	
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost - non-current	4	65,089	10.00	93,287	
Far Eastern Construction Co., Ltd.	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	85,054	0.19	85,054	
Far Eastern General Contractor Co., Ltd.	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	39,937	0.09	39,937	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	7,572	48,972	2.72	81,491	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	9,274	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,993	117,172	-	117,172	
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,894	40,157	-	40,157	
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	6,605	75,459	-	75,459	
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,838	32,052	-	32,052	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2013				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,195	$ 100,270	-	$ 100,270	
	Shin Kong Chi-Shin Money-market Fund	-	Financial assets at fair value through profit or loss - current	3,960	60,004	-	60,004	
Waldorf Services B.V.	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost - current	-	34,692	25.00	539,301	
	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	9.95	(37,007)	
An Ho Garment Co., Ltd.	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	18,241	227,094	0.77	227,094	
Yuan Faun Ltd.	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	3,865	48,122	0.17	48,122	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - non-current	3,504	28,519	3.56	38,420	
Yuan Tong Investment Co., Ltd.	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	9,862	103,747	-	103,747	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	17,627	219,455	0.75	219,455	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	446,016	
	Bockhold N.V.- stock	-	Financial assets carried at cost - non-current	1	108,533	12.51	55,724	
	Bockhold N.V.- conversion option embedded into convertible bonds	-	Financial assets carried at cost - current	-	7,895	-	-	
	Bockhold N.V.- convertible bonds	-	Bond investments with no active market - current	-	267,007	-	-	
	Financial assets under asset management contracts (Note F)							
	FuBon SS ETF	-	Financial assets at fair value through profit or loss - current	1,322	26,969	-	26,969	
	Taiwan Cement	-	Financial assets at fair value through profit or loss - current	492	22,755	-	22,755	
	F- Asia Plastic Recycle	-	Financial assets at fair value through profit or loss - current	191	18,241	-	18,241	
	CCSB	-	Financial assets at fair value through profit or loss - current	104	5,335	-	5,335	
	HANPIN	-	Financial assets at fair value through profit or loss - current	291	8,905	-	8,905	
	FuBon Financial	-	Financial assets at fair value through profit or loss - current	158	6,889	-	6,889	
	CTBC Financial	-	Financial assets at fair value through profit or loss - current	939	19,109	-	19,109	
	Taiwan Tea	-	Financial assets at fair value through profit or loss - current	367	9,175	-	9,175	
	Largan Precision	-	Financial assets at fair value through profit or loss - current	19	23,085	-	23,085	
	eLaser	-	Financial assets at fair value through profit or loss - current	192	15,187	-	15,187	
	Kuenling A/C	-	Financial assets at fair value through profit or loss - current	46	1,318	-	1,318	
	Rechi	-	Financial assets at fair value through profit or loss - current	98	3,131	-	3,131	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2013 Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
	F- Cowealth	-	Financial assets at fair value through profit or loss - current	189	$ 16,027	-	$ 16,027	
	Ledlink	-	Financial assets at fair value through profit or loss - current	230	22,880	-	22,880	
	Daxin	-	Financial assets at fair value through profit or loss - current	209	13,982	-	13,982	
	Lanner	-	Financial assets at fair value through profit or loss - current	171	9,439	-	9,439	
	Taiflex	-	Financial assets at fair value through profit or loss - current	216	12,960	-	12,960	
	Arima	-	Financial assets at fair value through profit or loss - current	349	4,746	-	4,746	
	F- Kingcan	-	Financial assets at fair value through profit or loss - current	255	21,930	-	21,930	
	TSH Biopharm	-	Financial assets at fair value through profit or loss - current	64	5,248	-	5,248	
	Hon Chuan	-	Financial assets at fair value through profit or loss - current	188	11,806	-	11,806	
Yuan Ding Company Ltd.	Far Eastern New Century Corporation	(Note A)	Financial assets at fair value through profit or loss - current	749	25,769	0.01	25,769	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	6,896	85,851	0.29	85,851	
Ding Ding Integrated Marketing Services Co., Ltd.	Pacific SOGO Department Stores	-	Financial assets carried at cost - non-current	1	12	-	17	
Far Eastern Technical Consultants Co, Ltd.	Yuantai Foreign Trade	-	Financial assets carried at cost - non-current	480	4,800	4.00	8,295	
YDT Technology International Co., Ltd.	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,425	30,190	0.10	30,190	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	11	
Far EasTone Telecommunications Co., Ltd.	Stocks							
	Asia Cement Corporation	(Note B)	Available-for-sale financial assets - current	1,556	60,047	-	60,047	
	Beneficial certificate- overseas fund							
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	165,695	-	165,695	
	Bonds							
	98 Asia Cement 1 Corporate Bond	(Note B)	Held-to-maturity financial assets - current	-	99,962	-	100,757	
Arcoa Communication Co., Ltd.	Stocks							
	THI consultants Inc.	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	12,190	
	VIBO Telecom Inc.	-	Financial assets carried at cost - non-current	123	1,385	-	1,385	
	Chunghwa Int’l Communication Network Co., Ltd.	-	Financial assets carried at cost - non-current	2,087	6,714	3.98	6,714	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	1,618	
	Beneficial certificate							
	Franklin Templeton SinoAm Global High Yield Bond Fund	-	Available-for-sale financial assets - current	899	10,125	-	10,125	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2013				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
New Century InfoComm Tech Co., Ltd.	Stocks							
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	8,858	$ 50,000	3.18	$ 50,000	
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	4,500	
	Beneficial certificate- overseas fund							
	Opas Fund Segregated Portfolio Tranche B	-	Available-for-sale financial assets - current	11	470,443	-	470,443	

Notes:
A. Parent company.
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. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedule J and K.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2013
(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	Oriental Petrochemical (Taiwan) Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	578,846	$ 4,528,216	302,232	$ 3,022,326	-	$ -	$ -	$ -	$ (940,806)	881,078	$ 6,609,736
	PET Far Eastern (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	228	4,927,478	36	824,600	-	-	-	-	33,858	264	5,785,936
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Yangzhou) Ltd.	Equity-method investments	Cash capital increase	(Note A)	(Note B)	986,816	(Note B)	435,267	-	-	-	-	81,503	(Note B)	1,503,586
	Far Eastern Ishizuka Green Pet Corporation	Equity-method investments	Cash capital increase	(Note A)	-	-	120	367,500	-	-	-	-	(64,374)	120	303,126
PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Equity-method investments	Cash capital increase	(Note A)	(Note B)	400,828	(Note B)	1,002,580	-	-	-	-	2,562	(Note B)	1,405,970
Yuan Ding Company Ltd.	FET Consulting Engineers Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	39,000	275,854	46,000	460,000	-	-	-	-	(174,358)	85,000	561,496
	Ding Ding Hotel Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	17,572	(6,250)	61,994	619,937	15,064 (Note D)	-	-	-	(92,829)	64,502	520,858
New Century InfoComm Tech Co., Ltd.	Overseas fund														
	Opas Fund Segregated Portfolio Tranche D	Available-for-sale financial assets - current	-	-	10	318,300 (Note C)	-	-	10	343,547	318,300 (Note C)	25,247	-	-	-
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	-	-	11	445,500	-	-	-	-	-	11	445,500 (Note C)
	Opas Fund Segregated Portfolio Tranche E	Available-for-sale financial assets - current	-	-	28	812,657 (Note C)	6	208,428	34	1,093,564	1,021,085 (Note C)	72,479	-	-	-
	Opas Fund Segregated Portfolio Tranche C	Available-for-sale financial assets - current	-	-	15	477,750 (Note C)	-	-	15	580,621	477,750 (Note C)	102,871	-	-	-

Notes:

A. Subsidiary.

B. A private company.

C. The ending balances were shown as their investment cost without the adjustment of fair value.

D. The shares owned by Yuan Ding Company Ltd. were decreased since Ding Ding Hotel Co., Ltd. reduced its capital to offset its accumulated loss in November 2013.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2013
(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	$ (424,367)	(1)	Based on contract	$ -	-	$ -	-	$ 96,265	1	
	Far Eastern Industries (WuXi) Ltd.	(Note D)	Sales	(342,029)	(1)	Based on contract	-	-	-	-	36,985	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note D)	Purchase	11,636,655	24	Based on contract	-	-	-	-	(821,008)	(16)	
	Oriental Resources Development Ltd.	(Note D)	Purchase	258,796	1	Based on contract	-	-	-	-	(23,860)	-	
	Worldwide Polychem (HK) Ltd.	(Note D)	Sales	(1,689,648)	(3)	Based on contract	-	-	-	-	716,128	8	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	Purchase	252,315	1	Based on contract	-	-	-	-	(68,903)	(1)	
	Everest Textile Co., Ltd.	(Note A)	Sales	(439,190)	(1)	Based on contract	-	-	2,283	1	7,926	-	
	Oriental Union Chemical Corp.	(Note A)	Sales	(462,154)	(1)	Based on contract	-	-	-	-	-	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note F)	Sales	(368,550)	(1)	Based on contract	-	-	28,527	11	56,806	1	
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	Sales	(105,423)	-	Based on contract	-	-	-	-	45	-	
	Oriental Industries (Suzhou) Ltd.	(Note D)	Purchase	114,118	-	Based on contract	-	-	-	-	(9,912)	-	
	Fu-Da Transport Corporation	(Note J)	Purchase	114,931	-	Based on contract	-	-	-	-	(903)	-	
	Fu-Ming Transport Corporate	(Note J)	Purchase	105,678	-	Based on contract	-	-	-	-	(1,790)	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	Purchase	1,053,734	100	Based on contract	-	-	-	-	(125,709)	(100)	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Purchase	586,627	23	Based on contract	-	-	-	-	(221,417)	(26)	
	An Ho Garment (Suzhou) Ltd.	(Note D)	Purchase	360,229	14	Based on contract	-	-	-	-	(112,039)	(13)	
	Suqian Far Eastern Apparel Co., Ltd.	(Note D)	Purchase	121,516	5	Based on contract	-	-	-	-	-	-	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sales	(1,053,734)	(36)	Based on contract	-	-	-	-	125,709	21	
	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sales	(586,627)	(20)	Based on contract	-	-	-	-	221,417	37	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	183,219	11	Based on contract	-	-	-	-	(42,762)	(12)	
	Far Eastern New Century Corporation	(Note C)	Sales	(252,315)	(9)	Based on contract	-	-	-	-	68,903	11	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(494,360)	(2)	Based on contract	-	-	-	-	41,648	1	
	Far Eastern New Century Corporation	(Note C)	Purchase	424,367	2	Based on contract	-	-	-	-	(96,265)	(3)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sales	(8,757,059)	(32)	Based on contract	-	-	-	-	1,392,168	41	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	7,650,573	28	Based on contract	-	-	(945,083)	(82)	(895,374)	(24)	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note E)	Purchase	1,559,656	6	Based on contract	-	-	-	-	(324,613)	(9)	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	(1,624,036)	(6)	Based on contract	-	-	-	-	453,421	13	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	119,571	-	Based on contract	-	-	-	-	(19,996)	(1)	
	Worldwide Polychem (HK) Ltd.	(Note E)	Sales	(511,007)	(2)	Based on contract	-	-	-	-	137,780	4	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Sales	(183,219)	(1)	Based on contract	-	-	-	-	42,762	1	
Far Eastern Industries (WuXi) Ltd.	Far Eastern New Century Corporation	(Note C)	Purchase	342,029	9	Based on contract	-	-	-	-	(36,985)	(55)	
	Oriental Textile (Holding) Ltd.	(Note C)	Sales	(793,679)	(20)	Based on contract	-	-	-	-	102,305	34	
Far Eastern Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	494,360	11	Based on contract	-	-	-	-	(41,648)	(5)	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Purchase	821,279	19	Based on contract	-	-	-	-	(253,877)	(33)	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	655,886	15	Based on contract	-	-	(161,935)	(100)	-	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note E)	Purchase	976,384	23	Based on contract	-	-	-	-	(183,274)	(24)	
	Oriental Industries (Suzhou) Ltd.	(Note E)	Sales	(3,359,635)	(83)	Based on contract	-	-	395,769	96	378,061	75	

(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	$ 8,757,059	95	Based on contract	$ -	-	$ -	-	$ (1,392,168)	(95)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note E)	Sales	(1,338,064)	(14)	Based on contract	-	-	-	-	363,483	30	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	(387,613)	(4)	Based on contract	-	-	-	-	56,837	5	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	484,416	5	Based on contract	-	-	-	-	(67,529)	(5)	
YDT Technology International Co., Ltd.	TECO Electric and Machinery Co., Ltd.	(Note I)	Sales	(163,466)	(60)	Based on contract	-	-	-	-	32,519	28	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(821,279)	(100)	Based on contract	-	-	-	-	253,877	100	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	815,782	100	Based on contract	-	-	-	-	(34,169)	(19)	
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sales	(7,650,573)	(31)	Based on contract	-	-	945,083	35	895,374	43	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(655,886)	(3)	Based on contract	-	-	161,935	6	-	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Sales	(815,782)	(3)	Based on contract	-	-	-	-	34,169	2	
	PET Far Eastern (Holding) Ltd.	(Note C)	Purchase	5,170,021	22	Based on contract	-	-	-	-	(1,638,756)	(66)	
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sales	(1,559,656)	(7)	Based on contract	-	-	-	-	324,613	17	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(976,384)	(4)	Based on contract	-	-	-	-	183,274	9	
	Far Eastern New Century Corporation	(Note C)	Sales	(11,636,655)	(49)	Based on contract	-	-	-	-	821,008	42	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note C)	Sales	(258,796)	(45)	Based on contract	-	-	-	-	23,860	38	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note H)	Sales	(183,492)	(32)	Based on contract	-	-	15,842	99	19,154	31	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Purchase	3,359,635	70	Based on contract	-	-	(395,769)	(100)	(378,061)	(70)	
	Oriental Textile (Holding) Ltd.	(Note C)	Sales	(2,522,385)	(38)	Based on contract	-	-	-	-	463,260	41	
	Far Eastern New Century Corporation	(Note C)	Sales	(114,118)	(2)	Based on contract	-	-	-	-	9,912	1	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note D)	Purchase	793,679	24	Based on contract	-	-	-	-	(102,305)	(18)	
	Oriental Industries (Suzhou) Ltd.	(Note D)	Purchase	2,522,385	76	Based on contract	-	-	-	-	(463,260)	(82)	
Far Eastern Investment (Holding) Ltd.	Oriental Union Chemical Corp.	(Note H)	Sales	(177,611)	(7)	Based on contract	-	-	-	-	-	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note D)	Sales	(5,170,021)	(100)	Based on contract	-	-	-	-	1,638,756	100	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	1,338,064	93	Based on contract	-	-	-	-	(363,483)	(64)	
	Far Eastern New Century Corporation	(Note C)	Purchase	105,423	7	Based on contract	-	-	-	-	(45)	-	
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sales	(360,229)	(100)	Based on contract	-	-	-	-	112,039	100	
Suqian Far Eastern Apparel Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sales	(121,516)	(100)	Based on contract	-	-	-	-	-	-	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	1,624,036	71	Based on contract	-	-	-	-	(453,421)	(89)	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sales	(119,571)	(5)	Based on contract	-	-	-	-	19,996	12	
	Far Eastern Polychem Industries Ltd.	(Note E)	Sales	(484,416)	(20)	Based on contract	-	-	-	-	67,529	40	
	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	387,613	17	Based on contract	-	-	-	-	(56,837)	(11)	
Worldwide Polychem (HK) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	511,007	23	Based on contract	-	-	-	-	(137,780)	(16)	
	Far Eastern New Century Corporation	(Note C)	Purchase	1,689,648	77	Based on contract	-	-	-	-	(716,128)	(83)	
Far Eastern Electronic Toll Collection Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note E)	Purchase	454,970	19	Based on contract	-	-	-	-	(118,906)	(32)	
	TECO Electric and Machinery Co., Ltd.	(Note I)	Purchase	167,522	7	Based on contract	-	-	-	-	-	-	
	MiTAC Information Technology Corp.	(Note I)	Purchase	100,973	4	Based on contract	-	-	-	-	-	-	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note D)	Purchase	265,932	41	Based on contract	-	-	-	-	(64,026)	(18)	

(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 General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp.	(Note J)	Purchase	$ 384,830	10	Based on contract	$ -	-	$ (24,943)	(12)	$ (126,183)	(17)	
	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(437,669)	(11)	Based on contract	-	-	-	-	64,026	15	
											Billings on construction-in-progress 1,703,260	10	
	Far Eastern Department Stores Co., Ltd.	(Note H)	Construction revenue	(602,772)	(15)	Based on contract	-	-	-	-	23,031	5	
											Billings on construction-in-progress 3,055,966	17	
	Far Eastern Memorial Hospital	(Note J)	Construction revenue	(147,172)	(4)	Based on contract	-	-	-	-	4,983	1	
											Billings on construction-in-progress 512,719	3	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note H)	Sales	(211,743)	(9)	Based on contract	-	-	-	-	9,260	5	
Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Operating revenue	(120,770)	(33)	Based on contract	-	-	-	-	9,688	100	
Far Eastern Apparel Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note H)	Sales	(188,922)	(14)	Based on contract	-	-	-	-	53,687	22	
	Pacific SOGO Department Stores	(Note J)	Sales	(154,813)	(12)	Based on contract	-	-	-	-	80,953	33	
Far EasTone Telecommunications Co., Ltd.	Arcoa Communication Co., Ltd.	(Note D)	Cost of telecommunications services, marketing expense and purchase	14,841,805	27	Based on contract	-	-	-	-	(1,116,586)	(8)	
			Operating revenue	(306,074)	-	Based on contract	-	-	-	-	220,664	4	
	New Century InfoComm Tech Co., Ltd.	(Note D)	Operating revenue	(1,243,727)	(2)	Based on contract	-	-	-	-	2,364	-	
			Cost of telecommunications services	2,148,747	5	Based on contract	-	-	-	-	(Note B) (419,996)	(3)	
	KGEx.com Co., Ltd.	(Note D)	Operating revenue	(136,611)	-	Based on contract	-	-	-	-	36,837	-	
	O-music Co., Ltd.	(Note D)	Cost of telecommunications services	101,429	-	Based on contract	-	-	-	-	(25,532)	-	
	Yuan Cheng Human Resources Consultant Corp.	(Note E)	Professional services fee	120,770	1	Based on contract	-	-	-	-	(9,688)	-	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(2,148,747)	(16)	Based on contract	-	-	-	-	(Note G) 419,996	35	
			Cost of telecommunications services	1,243,727	13	Based on contract	-	-	-	-	(2,364)	-	
	KGEx.com Co., Ltd.	(Note E)	Cost of telecommunications services	181,635	2	Based on contract	-	-	-	-	(17,030)	(2)	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note E)	Operating revenue	(454,970)	(3)	Based on contract	-	-	-	-	118,906	10	
	Sino Lead Enterprise Ltd.	(Note D)	Cost of telecommunications services	131,123	1	Based on contract	-	-	-	-	(60,399)	(8)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Arcoa Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	$(14,841,805)	(77)	Based on contract	$ -	-	$ -	-	$ 1,116,586	89	
			Purchase and Cost of telecommunications services	306,074	2	Based on contract	-	-	-	-	(220,664)	(16)	
	Linkwell Tech Co., Ltd.	(Note E)	Operating revenue	(177,284)	(1)	Based on contract	-	-	-	-	8,020	1	
	Homet Master Technology Co., Ltd.	(Note E)	Operating revenue	(213,615)	(1)	Based on contract	-	-	-	-	25,058	2	
KGEx.com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of telecommunications services	101,429	15	Based on contract	-	-	-	-	(36,837)	(38)	
	New Century InfoComm Tech Co., Ltd.	(Note E)	Operating revenue	(181,635)	(27)	Based on contract	-	-	-	-	17,030	17	
Linkwell Tech Co., Ltd.	Arcoa Communication Co., Ltd.	(Note E)	Purchase	177,284	16	Based on contract	-	-	-	-	(8,020	(9)	
Homet Master Technology Co., Ltd.	Arcoa Communication Co., Ltd.	(Note E)	Purchase	213,615	93	Based on contract	-	-	-	-	(25,058)	(86)	
O-music Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(101,429)	(99)	Based on contract	-	-	-	-	25,532	99	

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.

G. The receivables collected by Far EasTone for NCIC.

H. Equity-method investee equity-method of FENC.

I. The board of directors of are the board of directors of FENC's subsidiary, Far Eastern Electronic Toll Collection Co., Ltd.

J. The chairman of the ultimate parent company is the chairman of FENC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2013
(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)	$ 716,128	2.92	$ -	-	$ 483,667	$ -
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	537,557	(Note F)	-	-	US$ 16,960	-
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note E)	1,392,168	7.37	-	-	RMB 283,249	-
	Wuhan Far Eastern New Material Ltd.	(Note C)	453,421	2.97	-	-	RMB 75,151	-
	Worldwide Polychem (HK) Ltd.	(Note C)	137,780	3.51	-	-	RMB 13,931	-
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	102,305	4.87	-	-	RMB 20,360	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	773,830	5.11	-	-	773,830	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	363,483	3.54	-	-	HK$ 72,981	-
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	(Note C)	253,877	6.47	-	-	RMB 28,157	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	1,840,457	4.29	-	-	1,840,457	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	161,935	3.64	-	-	161,935	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	324,613	2.94	-	-	324,613	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	183,274	6.23	-	-	183,274	-
	Far Eastern New Century Corporation	(Note E)	821,008	13.85	-	-	821,008	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	463,260	6.27	-	-	463,260	-
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note D)	1,638,756	2.86	-	-	RMB 115,111 US$ 20,739	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel Holding Ltd.	(Note E)	125,709	9.44	-	-	US$ 3,573	-
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	221,417	3.73	-	-	RMB 44,332	-
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	112,039	3.27	-	-	RMB 22,795	-
Far EasTone Telecommunications Co., Ltd.	Arcoa Communication Co., Ltd.	(Note D)	220,664	8.62	-	-	162,663	-
	New Century InfoComm Tech Co., Ltd.	(Note D)	295,267	(Note B)	-	-	106,473	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	5,727,218	(Note G)	-	-	465,929	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note C)	118,906	7.59	-	-	48,874	-
Arcoa Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	1,116,586	13.63	-	-	1,094,085	-

(Continued)

Notes: A. For the receivables from the financier in the Group, 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 AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	$ 2,652,282	$ 2,652,282	735,795	22.33	$ 13,152,974	$ 6,806,043	$ 1,176,382	Gain or loss recognized under the treasury stock method. 19,900 thousand shares pledged or mortgaged as collaterals for loans (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	237,029	16.80	4,669,823	2,165,564	363,815	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,468,586	1,265,295	116,142	Including write off and reversed by upstream transactions $114 (Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,417	229,727	69	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	159,823	159,823	140,278	19.65	2,050,493	342,571	67,315	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	810,000	810,000	67,500	16.83	1,763,666	989,253	166,491	(Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,041	100,019	1,822,821	99.40	39,521,606	5,875,625	5,844,998	Including write off and reversed by upstream and sidestream transactions $4,627 (Note B)
	Far Eastern Resources Development Co.	Taiwan	Real estate leasing and development service	14,931,733	14,931,733	557,354	100.00	25,484,146	(158,586)	(140,255)	Including write off and reversed by sidestream transactions NT$18,331 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,195,409	7,165,924	116	100.00	8,298,825	(38,653)	(38,653)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	7,750,790	(155,313)	(113,441)	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,591,280	279,284	288,874	Including write off and reversed by upstream and sidestream transactions $9,590 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	302,844	100.00	5,037,632	408,187	408,227	Including write off and reversed by upstream transactions $40 (Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	6,910,285	497,877	497,877	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	4,245,203	3,420,603	264	88.35	5,785,936	(341,321)	(287,222)	Including premium and discount amortization $9,727 (Note B)
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taiwan	Petrochemical materials production	7,897,641	4,875,315	881,078	75.56	6,609,736	(1,267,186)	(957,350)	Including write off and reversed by upstream transactions NT$136 (Note B)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and selling	143,450	143,450	188,875	65.11	2,802,883	386,894	251,907	(Note B)
	Yuan Ding Company Ltd.	Taiwan	Real estate construction and selling	857,511	857,447	186,929	37.13	3,089,946	538,683	199,117	Gain or loss recognized under the treasury stock method (Note B)
	An Ho Garment Co., Ltd.	Taiwan	Investment	1,023	1,023	66,346	100.00	1,670,580	210,870	210,871	Including write off and reversed by upstream transactions $1 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,664,434	145,908	135,243	Including write off and reversed by sidestream transactions $(10,665) (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	432,711	(315,157)	(158,934)	(Note B)
	Fu Kwok Garment Manufacturing Co., Ltd.	Taiwan	Garment production	9,129	9,129	3,999	99.99	159,971	11,778	11,777	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	393,651	249,795	19,772	19.00	159,694	(164,448)	(31,245)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Chemical fiber production	1,000	1,000	100	100.00	1,235	92	92	(Note B)
Yuan Ding Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,779,149	11,770,520	-	43,145 thousand shares pledged or mortgaged as collaterals for loans (Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,041,479	1,169,816	72,915	8.23	1,411,485	1,265,295	-	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,053,103	229,727	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	263,935	419,748	9,510	0.29	262,849	6,806,043	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	123,123	123,123	5,593	0.40	151,511	2,165,564	-	(Note A)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,860,916	(155,313)	-	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	255,424	255,424	185,247	25.96	2,814,232	342,571	-	78,125 thousand shares pledged or mortgaged as collaterals for loans (Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount December 31, 2013	Investment Amount December 31, 2012	Balance as of December 31, 2013 Shares (Thousands)	Balance as of December 31, 2013 Percentage of Ownership	Balance as of December 31, 2013 Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	$ 796,491	$ 796,491	59,827	14.92	$ 1,476,822	$ 989,253	$ -	(Note A)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	504,806	329,809	86,615	35.00	1,442,695	577,156	-	(Note A)
	Yuan Ding Company Ltd.	Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,077,243	538,683	-	16,500 thousand shares pledged or mortgaged as collaterals for loans (Note A)
	Far Eastern International Leasing Corp.	Taiwan	Leasing	1,012,057	1,012,057	75,269	16.87	1,149,053	175,978	-	(Note A)
	Yu Yuan Investment Co.	Taiwan	Investment	673,704	673,704	98,198	18.96	983,313	1,692,651	-	(Note A)
	Da Ju Fiber Co., Ltd.	Taiwan	Polyester production	263,790	263,790	20,282	41.86	596,475	76,711	-	(Note A)
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taiwan	Petrochemical materials production	207,839	-	60,590	5.20	448,658	(1,267,186)	-	(Note A)
	Yuan Ding Leasing Corp.	Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	420,032	21,255	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,797	13,052	29.80	316,540	228,626	-	(Note A)
	Yue Ming Corp.	Taiwan	Trading	97,852	97,852	1,468	45.50	71,004	54,503	-	(Note A)
	Far Eastern General Contractor Co., Ltd.	Taiwan	Real estate construction	14,682	14,682	1,400	1.00	20,103	240,853	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment	5,842,331	5,606,913	89	100.00	6,592,725	457,939	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Sale of textile, garments, and clothing	2,179,442	2,179,442	111	100.00	2,370,356	(6,526)	-	(Note B)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	585,000	585,000	79,241	100.00	1,025,910	203,534	-	(Note B)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	363,484	11,558	-	(Note B)
	Oriental Resources Development Ltd.	Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	348,109	16,090	-	(Note B)
	Yuan Faun Ltd.	Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	122,768	4,305	-	(Note B)
Far Eastern Investment (Holding) Ltd.	FETG Investment Antilles N.V.	Netherlands Antilles	Investment	US$ 6	US$ 6	6	100.00	639,740	71,384	-	(Note B)
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	(19,838)	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50.00	160,509	69,689	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US$ 3,375	US$ 3,375	9,000	20.00	15,816	(126,621)	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US$ 9,000	US$ 9,000	-	100.00	273,889	3,449	-	(Notes B and D)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Polyester production	US$ 3,500	US$ 3,500	2,700	100.00	86,063	(18,694)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US$ 51	US$ 51	-	34.00	1,549	20	-	(Note A)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	375,512	375,512	12,962	0.39	389,278	6,806,043	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	53,506	53,506	2,562	0.18	67,220	2,165,564	-	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	149,480	149,122	8,958	19.00	70,670	229,727	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	387,687	387,687	16,183	1.83	444,871	1,265,295	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	41,430	11,770,520	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	9,000	2.24	215,909	989,253	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	9,057	13.20	220,263	94,264	-	(Note A)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	483,448	576,395	19,811	0.60	536,815	6,806,043	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	702,436	34,149	1.05	1,154,845	11,770,520	-	24,868 thousand shares pledged or mortgaged as collaterals for loans (Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	526,597	570,251	25,834	2.92	531,704	1,265,295	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	488,020	20,267	1.44	563,004	2,165,564	-	(Note A)
	Kowloon Cement Corp.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	389,516	52,752	-	(Note A)
	Far Eastern International Leasing Corp.	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,149,231	175,978	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	9,000	2.24	215,909	989,253	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US$ 17,622	US$ 17,622	35	11.65	807,754	(341,321)	-	(Note A)
	FEDP (Holding) Ltd.	Bermuda	Investment	US$ 29,240	US$ 29,240	240	49.57	425,332	(315,157)	-	(Note A)
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET bottle production and selling	JPY 1,200,000	-	120	80.00	303,126	(49,985)	-	(Note B)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Taiwan	Real estate construction	271,587	271,587	138,507	98.95	1,805,635	240,853	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,379	0.53	461,190	6,806,043	-	(Note A)
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	5	0.01	88	94,264	-	(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	9.00	4,236	9,579	-	(Note A)
FETG Investment Antilles N.V.	Waldorf Services B.V.	Netherlands	Investment	US$ 19	US$ 19	2	100.00	637,497	71,520	-	(Note B)
Waldorf Services B.V.	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	(10,853)	(2,462)	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production	SGD 3,000	SGD 3,000	30	37.92	58,839	5,768	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US$ 290	US$ 290	59	41.00	(11,752)	(782)	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	$ 748,158	$ 748,158	40,818	1.25	$ 1,089,543	$ 11,770,520	$ -	26,750 thousand shares pledged or mortgaged as collaterals for loans (Note A)
	Asia Cement Corporation	Taiwan	Cement production	206,551	154,847	5,974	0.18	215,568	6,806,043	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	4,814	4,814	154	0.02	4,796	1,265,295	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	363	0.03	10,912	2,165,564	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	10,751	15.66	163,202	94,264	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	67,285	67,285	4,841	1.21	121,814	989,253	-	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	95,103	95,103	5,890	0.83	89,825	342,571	-	(Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	162,999	5,875,625	-	(Note A)
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Taiwan	Personnel recruitment	7,304	7,304	750	55.56	12,686	5,029	-	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,831	11,770,520	-	(Note A)
Yuan Tong Investment Co., Ltd.	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	9,000	2.24	215,909	989,253	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,840,643	11,770,520	-	37,500 thousand shares pledged or mortgaged as collaterals for loans (Note A)
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,019	0.85	926,190	6,806,043	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,350,827	1,217,558	35,939	4.06	1,408,742	1,265,295	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,159,521	1,038,926	38,842	2.75	1,221,427	2,165,564	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	382,701	(258,552)	-	(Note A)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	20	17	1	-	21	577,156	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	-	1	-	33	228,626	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	1,874,310	1,615,490	30	92.56	30,320	(221,938)	-	(Note B)
Yuan Ding Company Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	112,984	11,770,520	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	471,643	(258,552)	-	(Note A)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	645,021	175,722	64,502	61.99	520,858	(164,448)	-	(Note B)
	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	372,207	109,515	-	(Note B)
	Far Eastern Technical Consultants Co, Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	54,831	9,579	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taiwan	Business consulting	822,701	362,701	85,000	100.00	561,496	(178,702)	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	240,000	240,000	8,577	60.00	115,927	46,864	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	239,130	150,250	23,913	53.08	87,334	(125,440)	-	(Note B)
	Yu Yuan Investment Co.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,376,988	1,692,651	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,350	5.00	126,782	168,363	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	200	200	200	17.7	7,591	(631)	-	(Note B)
	Yue Ming Corp.	Taiwan	Trading	787	787	32	1.00	755	54,503	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	1,779	2.59	26,622	94,264	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,224	0.16	167,855	6,806,043	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	60,000	-	6,000	21.05	52,576	(37,119)	-	(Note A)
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	745	289	96	0.18	289	(125,440)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	45,030	-	4,503	15.80	39,482	(37,119)	-	(Note A)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	237,000	-	100.00	81,105	(181,574)	-	(Notes B and D)
YDT Technology International Co., Ltd.	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	930	930	930	82.30	35,298	(631)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	862	862	59	-	1,906	6,806,043	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,710	0.19	94,077	2,165,564	-	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	16,173	16,173	793	0.17	6,459	229,727	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2013			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I & II telecommunications services	$ 22,249,283	$ 27,243,773	2,100,000	100.00	$ 25,163,575	$ 1,853,999	$ -	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,295,035	1,295,035	82,009	61.07	1,279,810	267,556	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,540,442	2,540,315	112,391	99.99	855,232	(12,078)	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	5,358	(139,274)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	101,371	96,379	19,350	99.99	111,363	10,120	-	(Note B)
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	93,188	3,256	-	(Note B)
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	25,590	485	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	(152)	(16,162)	-	(Note B)
	Hiiir Digital Marketing Co., Ltd.	Taiwan	Electronic information providing services	80,000	-	8,000	80.00	59,580	(20,336)	-	(Note B)
	Q-Ware Communication Co., Ltd.	Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(29,304)	(42,701)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	80,893	42,020	6,691	14.85	24,064	(125,440)	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	2,542,396	2,542,396	254,240	39.42	844,978	(258,552)	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	90,000	-	9,000	31.58	78,330	(37,119)	-	(Note A)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	60,000	60,000	2,144	15.00	28,353	46,864	-	(Note A)
	iScreen Corporation	Taiwan	Information services	100,000	100,000	4,000	40.00	15,587	(7,458)	-	(Note A)
	Alliance Digital Technology	Taiwan	Electronic information providing services	30,000	-	3,000	19.23	28,514	(7,729)	-	(Note A)
Arcoa Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	141,750	9,214	70.00	192,236	15,322	-	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	800,000	800,000	80,000	100.00	691,645	(21,877)	-	(Note B)
	Information Security Service Digital United Co., Ltd.	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	98,435	1,265	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	102,442	4,320	100.00	50,316	(8,029)	-	(Note B)
	Simple InfoComm Co., Ltd.	Taiwan	Type II telecommunications services	34,000	34,000	3,400	100.00	20,887	157	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	28,922	15,030	2,392	5.31	8,603	(125,440)	-	(Note A)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	20,000	20,000	715	5.00	9,451	46,864	-	(Note A)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	317	(82)	-	(Note B)
	Far Eastern New Diligent Company Ltd.	British Virgin Islands	Investment	4,500	-	-	100.00	84,482	(28,711)	-	(Note B)
Data Express Infotech Co., Ltd.	Linkwell Tech. Ltd.	Taiwan	Sale of communications products	10,000	10,000	-	100.00	43,902	1,945	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Sale of communications products	9,999	9,999	-	99.99	12,889	5,824	-	(Note B)
	Jing Yuan Technology Ltd.	Taiwan	Data processing service	10,000	10,000	-	100.00	9,330	(665)	-	(Note B)

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 thousand.

G. Investment in mainland china, please refer to Schedule K.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2013
(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, 2013	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2013	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2013 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2013	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.	$ 9,242,163	2	$ 3,700,967	$ -	$ -	$ 3,700,967	$ 273,883	100.00	$ 273,883	$ 8,483,067	$ 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.	1,005,497	2	1,010,901	-	-	1,010,901	(52,195)	100.00	(52,195)	1,318,906	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.	2,366,428	2	2,018,430	-	-	2,018,430	173,979	100.00	173,979	3,414,857	96,245	Notes H and I
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products.	7,381,689	2	2,976,148	-	-	2,976,148	(640,780)	61.35	(393,118)	5,670,548	951,077	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.	1,814,977	2	1,342,854	-	-	1,342,854	61,765	100.00	61,765	2,112,558	44,289	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	1,938,327	2	1,765,319	-	-	1,765,319	(326,865)	100.00	(326,865)	634,287	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products	840,699	2	724,110	-	-	724,110	358	100.00	358	947,958	-	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	4,113,101	2	3,421,559	235,418	-	3,656,977	357,432	100.00	357,432	3,672,809	-	Note H

(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, 2013	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2013	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2013 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2013	Note
					Outflow	Inflow							
Far Eastern New Century (China) Investment Ltd.	Investment	$ 1,821,900	2	$ 1,577,040	$ 29,485	$ -	$ 1,606,525	$ 20,552	100.00	$ 20,552	$ 2,094,308	$ -	
Sino Belgium (Suzhou) Ltd.	Brewery	1,572,569	2	1,446,552	-	-	1,446,552	(171,076)	100.00	(171,076)	65,281	-	Note L
Martens Beers Trading (Shanghai) Ltd.	Brewery	355,385	2	168,938	31,535	-	200,473	(16,371)	100.00	(16,371)	17,685	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,143,221	2	4,181,323	-	-	4,181,323	796	60.00	478	4,311,642	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,518,255	2	1,436,190	-	-	1,436,190	2,038	100.00	2,038	1,503,586	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	2,927,462	2	592,750	824,600	-	1,417,350	(96,215)	50.00	(48,108)	1,405,970	-	
Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	62,470	3	-	-	-	-	67	100.00	67	65,414	-	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	93,385	3	-	-	-	-	6,475	100.00	6,475	97,671	-	
An Ho Garment (Suzhou) Ltd.	Garment production	4,915	3	-	-	-	-	6,492	100.00	6,492	43,935	-	
Suqian Far Eastern Apparel Co., Ltd.	Garment production and accessories	117,960	3	-	-	-	-	(71,020)	100.00	(71,020)	50,295	-	
Yuan Ding Enterprise (Shanghai) Ltd.	Software development	29,485	3	-	-	-	-	-	100.00	-	29,490	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	396,410	2	240,330	-	-	240,330	(184,100)	100.00	(184,100)	81,178	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	32,140	2	24,220	-	-	24,220	1,968	100.00	1,968	40,544	-	Note N
Far Eastern Tech-Info Ltd. (Shanghai)	Computer software, data processing and provision of network information.	74,513	2	92,616	-	-	92,616	(119,963)	100.00	(119,963)	53,278	-	Note O
Digital United Information Technologies (Shanghai) Co., Ltd.	Research and design of computer system	92,396	2	62,591	29,805	-	92,396	(8,211)	100.00	(8,211)	30,572	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	154,986	2	-	119,220	-	119,220	(38,961)	79.04	(30,298)	218,320	-	Notes Q and R
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment.	33,590	1	33,590	-	-	33,590	-	-	-	-	-	Note R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2013	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. (Notes U and V)	$ 16,420,516	$ 20,159,599	$ -

(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., Suqian Far Eastern Apparel Co., Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.

C. The ending balance of investment recognized by parent company.

D. As of December 31, 2013, the accumulated outflow of investment from Taiwan was NT$3,700,967 thousand, of which NT$3,134,807 thousand came from FGar Eastern New Century Corporation (FENC) and the rest was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2013, the remitted investment profit 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, 2013, the accumulated investment from Taiwan was NT$1,010,901 thousand, of which NT$509,725 thousand was remitted by FENC and the rest, by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2013, the investment profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2013, the accumulated investment from Taiwan had been remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2013, the investment profit was a cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2013, the investment profit of investment was a cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiary, PET Far Eastern (Holding) Ltd.

K. As of December 31, 2013, the accumulated investment from Taiwan had been NT$1,765,319 thousand, of which NT$1,099,293 thousand was remitted by FENC, and the rest, by FENC subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.

L. As of December 31, 2013, the accumulated investment from Taiwan had been remitted by an FENC subsidiary, Yuan Tong Investment Corporation.

M. As of December 31, 2013, the accumulated investment from Taiwan had been remitted by FENC subsidiaries, YDT Technology International Co., Ltd. and FET Consulting Engineers Co., Ltd.

N. As of December 31, 2013, the accumulated investment from Taiwan had been remitted by an FENC subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2013, the accumulated investment from Taiwan hjad been remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.

P. As of December 31, 2013, the accumulated investment from Taiwan had been 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, 2013, the accumulated investment from Taiwan had been remitted by an FENC subsidiary, New Diligent Co., Ltd.

S. As of December 31, 2013, the profit of investment was a cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. and remitted through an FENC subsidiary, Far Eastern Apparel (Holding) Ltd.

T. The accumulated investment in mainland China of US$551,209 thousand was the actual amount remitted from Taiwan by FENC.

U. Investment amounts authorized by Investment Commission, MOEA were included by US$662,915 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.

V. 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 AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013
(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				
	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. PET Far Eastern (Holding) Ltd.	1,228				$ 1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936 (Note F)				

(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 New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	$ 41,171	$ 41,171			
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd. 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			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
Oriental Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
				Bockhold N.V. Martens HK Ltd. Sino Belgium (Holding) Ltd.	38	38			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type				
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US$)	Financed from Financial Institutions in Third Area (US$)	Investor Company in Third Area Using Its Own Capital to Invest (US$)
Martens Beers Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd.	$ 3,800	$ 3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V. Martens HK Ltd. Sino Belgium (Holding) Ltd.	4,304				$ 4,304
		2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd.	1,500	1,500			
				Bockhold N.V. Martens HK Ltd. Sino Belgium (Holding) Ltd.	282	282			
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone 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. Far Eastern New Century (China) Investment Ltd.	1,000	1,000			
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			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
		2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			

(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$)	Investor Company in Third Area Using Its Own Capital to Invest (US$)
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 antidilutive 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 antidilutive 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 antidilutive 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).

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 September 30, 2013, 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 June 30, 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, 2013, FENC paid 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, 2013, FENC remitted US$48,000 thousand to this indirect investment.

(Continued)

N. After obtaining MOEA approval (No. 10200451570), FENC made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of December 31, 2013, 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 December 31, 2013, FENC has yet to make any remittance to 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.

(Concluded)

SCHEDULE L

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
0	Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	1	Accounts receivable	$ 716,128	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Sales revenue	1,689,648	Based on agreement	1
		Far Eastern Polychem Industries Ltd.	1	Other receivables	1,997,702	Based on agreement	1
		Far Eastern Polychem Industries Ltd.	1	Interest revenue	26,841	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interests receivable	26,841	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Other receivables	1,916,850	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest revenue	39,583	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interests receivable	40,072	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales revenue	424,367	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Sales revenue	342,029	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Other receivables	114,274	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Miscellaneous income	162,791	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Sales revenue	105,423	Based on agreement	-
2	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Interest revenue	1,687	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Interest revenue	204	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	393	Based on agreement	-
5	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	363,483	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales revenue	1,338,064	Based on agreement	1
		Wuhan Far Eastern New Material Ltd.	3	Sales revenue	387,613	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Other receivables	2,367,440	Based on agreement	1
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	827,106	Based on agreement	-
		Far Eastern Ishizuka Green Pet	1	Interest revenue	57	Based on agreement	-
		Far Eastern Industries (Yangzhou) Ltd.	1	Other receivables	347,230	Based on agreement	-
6	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	821,008	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales revenue	11,636,655	Based on agreement	5
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	324,613	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales revenue	1,559,656	Based on agreement	1
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	183,274	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	976,384	Based on agreement	-
7	Far Eastern Investment (Holding) Ltd.	Pet Far Eastern (M) Sdn. Bhd.	1	Interest revenue	3,722	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	312,463	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	234,949	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interests receivable	204	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	4,858	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Oriental Petrochemical (Shanghai) Corp.	3	Interest revenue	$ 30	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	31,525	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	1,841,095	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	3,562	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	537,557	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	98,311	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interests receivable	4	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	3,115	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interest revenue	3,524	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other receivables	363,510	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interests receivable	72	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest revenue	4,375	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Other receivables	237,128	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest revenue	10,261	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interests receivable	4,460	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other receivables	1,762,076	Based on agreement	-
8	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	1	Accounts receivable	1,638,756	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Sales revenue	5,170,021	Based on agreement	2
		Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	974,133	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	305,283	Based on agreement	-
9	Kai Yuan International Investment Co., Ltd.	Ding Yuan International Investment Co., Ltd.	3	Interest revenue	550	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	1,100	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	1,117	Based on agreement	-
10	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest revenue	276	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	1	Other receivables	1,894,644	Based on agreement	-
11	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	1	Rent revenue	391,940	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Other receivables	29,790	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Interests receivable	741	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Interest revenue	741	Based on agreement	-
		Far Eastern New Century Corporation	2	Rent revenue	166,449	Based on agreement	-
		Ding Ding Integrated Marketing Services Co., Ltd.	1	Interest revenue	5	Based on agreement	-
13	Ding Yuan International Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Interest revenue	550	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	1,008	Based on agreement	-
14	An Ho Garment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Interest revenue	579	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	304	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
15	FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	1	Other receivables	$ 500,472	Based on agreement	-
20	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	1	Other receivables	2,234,250	Based on agreement	1
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1	Other receivables	321,732	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Other receivables	536,220	Based on agreement	-
24	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales revenue	258,796	Based on agreement	-
28	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Processing revenue	735,308	Based on agreement	-
30	Far Eastern Industries (Shanghai) Ltd.	Worldwide Polychem (HK) Ltd.	3	Sales revenue	511,007	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	3	Accounts receivable	137,780	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales revenue	1,624,036	Based on agreement	1
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	453,421	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Accounts receivable	1,392,168	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Sales revenue	8,757,059	Based on agreement	4
		Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	494,360	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales revenue	183,219	Based on agreement	-
33	Far Eastern General Contractor Co., Ltd.	Far Eastern Construction Co., Ltd.	2	Construction revenue	437,669	Based on agreement	-
34	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern New Century Corporation	2	Sales revenue	252,315	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Sales revenue	586,627	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Accounts receivable	221,417	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest revenue	1,129	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Sales revenue	1,053,734	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Accounts receivable	125,709	Based on agreement	-
36	Waldorf Services B.V.	Far Eastern Investment (Holding) Ltd.	2	Interest revenue	1,849	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Interests receivable	2,001	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Other receivables	144,928	Based on agreement	-
37	Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	120,770	Based on agreement	-
39	An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Accounts receivable	112,039	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	2	Sales revenue	360,229	Based on agreement	-
40	Suqian Far Eastern Apparel Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales revenue	121,516	Based on agreement	-
41	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	3	Sales revenue	815,782	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	945,083	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	895,374	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales revenue	7,650,573	Based on agreement	3

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	$ 655,886	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Notes receivable	161,935	Based on agreement	-
43	Far Eastern Industries (WuXi) Ltd.	Sino Belgium (Suzhou) Ltd.	3	Interest revenue	13,569	Based on agreement	-
		Sino Belgium (Suzhou) Ltd.	3	Other receivables	491,500	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Accounts receivable	102,305	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales revenue	793,679	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest revenue	5,343	Based on agreement	-
44	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	463,260	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales revenue	2,522,385	Based on agreement	1
		Far Eastern New Century Corporation	2	Sales revenue	114,118	Based on agreement	-
45	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Sales revenue	3,359,635	Based on agreement	1
		Oriental Industries (Suzhou) Ltd.	3	Notes receivable	395,769	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	378,061	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Other receivables	82,142	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest revenue	1,830	Based on agreement	-
46	Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Sales revenue	484,416	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales revenue	119,571	Based on agreement	-
47	Far Eastern Apparel (Suzhou) Ltd.	Sino Belgium (Suzhou) Ltd.	3	Other receivables	232,046	Based on agreement	-
		Sino Belgium (Suzhou) Ltd.	3	Interest revenue	6,659	Based on agreement	-
		Sino Belgium (Suzhou) Ltd.	3	Interests receivable	705	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	625,940	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	26,909	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	3	Other receivables	140,489	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	3	Interest revenue	4,383	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	101,980	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest revenue	2,713	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Interest revenue	5,146	Based on agreement	-
48	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	253,877	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	821,279	Based on agreement	-
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	1	Other receivables	4,779,149	Based on agreement	1
		Yuan Ding Enterprise (Shanghai) Ltd.	1	Other receivables	1,475	Based on agreement	-
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	120,000	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interests receivable	147	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interest revenue	597	Based on agreement	-
		Far Eastern Electronic Toll Collection Co., Ltd.	3	Construction income	178,582	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	$ 98,000	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interests receivable	117	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interest revenue	917	Based on agreement	-
64	New Century InfoComm Tech Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	3	Operating revenue	454,970	Based on agreement	-
		Far Eastern Electronic Toll Collection Co., Ltd.	3	Accounts receivable	118,906	Based on agreement	-

Note A: How the Company and subsidiaries are identified:

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

Note B: Flow of transaction:

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

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