

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2014 and 2013 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013 and the related consolidated statements of comprehensive income for the three months ended June 30, 2014 and 2013 and six months ended June 30, 2014 and 2013, and changes in equity and cash flows for the six months ended June 30, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except for the matter stated in the next paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As stated in Note 4 to the consolidated financial statements, the financial statements as of June 30, 2014 and 2013 of some immaterial subsidiaries, with combined total assets that were 33.83% (NT\$168,205,313 thousand) and 38.94% (NT\$173,906,258 thousand), respectively, of the consolidated total assets and with combined total liabilities that were 21.60% (NT\$53,105,876 thousand) and 27.60% (NT\$55,196,003 thousand), respectively, of the consolidated total liabilities, had not been reviewed. In the three months ended June 30, 2014 and 2013 and the six months ended June 30, 2014 and 2013, these subsidiaries' combined comprehensive incomes were 65.42% (NT\$3,012,886 thousand), 7.08% (NT\$457,782 thousand), 31.80% (NT\$2,487,907 thousand) and 17.73% (NT\$2,043,322 thousand), respectively, of the consolidated comprehensive income. In addition, as stated in Note 16 to the consolidated financial statements, the financial statements of certain equity-method investees, with carrying values of NT\$23,282,790 thousand and NT\$18,919,709 thousand, as of June 30, 2014 and 2013, respectively, had not been reviewed. The Company's equity of NT\$188,084 thousand, NT\$364,678 thousand, NT\$981,409 thousand and NT\$1,182,865 thousand in the comprehensive incomes of these investees was included in the consolidated comprehensive incomes for the three months ended June 30, 2014 and 2013 and six months ended June 30, 2014 and 2013, respectively, and relevant information as disclosed in Note 38 was also based on these equity-method investees' unreviewed financial statements.

Based on our reviews, except for the effects of any adjustments as might have been determined to be necessary had the financial statements of the subsidiaries and equity-method investees described in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Far Eastern New Century Corporation and subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

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

August 8, 2014

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2014 (Reviewed)		December 31, 2013 (Audited after Restated)		June 30, 2013 (Reviewed after Restated)		January 1, 2013 (Audited after Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS								
Cash and cash equivalents (Note 6)	\$ 37,077,532	7	\$ 26,645,574	6	\$ 37,188,540	8	\$ 30,645,166	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,326,094	-	1,191,688	-	689,176	-	1,058,519	-
Available-for-sale financial assets - current (Notes 4, 8 and 35)	930,314	-	989,348	-	2,792,773	1	2,272,149	1
Held-to-maturity financial assets - current (Notes 4 and 9)	99,988	-	99,962	-	100,000	-	100,000	-
Hedging derivative financial assets - current (Notes 4 and 10)	7,740	-	4,442	-	3,731	-	21,962	-
Financial assets carried at cost - current (Notes 4 and 11)	11,409	-	42,587	-	7,895	-	-	-
Bond investments with no active market (Notes 4, 6 and 12)	2,493,351	1	2,606,689	1	1,541,311	-	3,145,035	1
Notes and accounts receivable, net (Notes 4 and 13)	28,507,639	6	26,884,947	6	29,715,046	7	27,892,166	7
Notes and accounts receivable from affiliates (Notes 4 and 34)	601,297	-	856,754	-	726,352	-	731,426	-
Amounts due from customers for construction contracts (Notes 4 and 15)	2,436,516	1	1,473,786	-	1,551,605	-	1,551,686	-
Other receivables	5,358,342	1	1,641,758	-	4,349,059	1	1,837,097	1
Other receivables from affiliates (Note 34)	1,206,789	-	1,258,834	-	1,654,428	1	1,283,844	-
Current tax assets (Notes 4, 5 and 29)	34,018	-	48,216	-	49,532	-	114,392	-
Inventories, net (Notes 4, 14 and 35)	22,448,478	5	24,184,972	5	23,577,505	5	21,617,120	5
Prepayments	4,308,105	1	3,799,470	1	4,726,107	1	2,817,079	1
Other financial assets - current (Note 35)	4,399,819	1	3,946,576	1	3,393,350	1	2,874,067	1
Refundable deposits - current	47,954	-	52,292	-	1,050,177	-	48,207	-
Other current assets	2,435,689	-	1,934,219	1	1,792,012	1	1,269,243	-
Total current assets	113,731,074	23	97,662,114	21	114,908,599	26	99,279,158	24
NONCURRENT ASSETS								
Available-for-sale financial assets - noncurrent, net of current portion (Notes 4, 8 and 35)	4,685,309	1	5,257,220	1	4,674,550	1	4,489,491	1
Held-to-maturity financial assets - noncurrent, net of current portion (Notes 4 and 9)	-	-	-	-	99,923	-	99,871	-
Financial assets carried at cost - noncurrent, net of current portion (Notes 4 and 11)	932,541	-	926,908	-	1,211,728	-	1,130,424	-
Bond investment with no active market - noncurrent, net of current portion (Notes 4 and 12)	269,503	-	-	-	-	-	256,508	-
Investments accounted for using the equity method (Notes 4, 16 and 35)	57,643,685	12	55,870,243	12	53,329,234	12	54,076,870	13
Property, plant and equipment (Notes 4, 5, 17 and 35)	128,611,541	26	124,767,713	26	120,657,028	27	116,637,790	28
Investment properties, net (Notes 4, 18 and 35)	116,595,948	23	113,458,525	24	109,695,196	25	108,008,458	26
Concession (Notes 20 and 35)	38,199,785	8	37,734,135	8	5,541,193	1	5,090,449	1
Goodwill (Notes 4 and 19)	11,927,767	2	11,928,782	2	11,983,297	3	11,980,944	3
Other intangible assets (Notes 4 and 20)	3,923,640	1	4,184,122	1	4,000,317	1	3,818,998	1
Deferred tax assets, net (Notes 4, 5 and 29)	2,686,806	1	2,812,572	1	1,991,446	-	1,834,329	-
Prepayment for equipment (Note 17)	6,704,828	1	6,103,204	1	4,181,662	1	2,881,210	1
Refundable deposits	623,203	-	576,314	-	659,081	-	659,788	-
Other financial assets - noncurrent, net of current portion (Note 35)	3,511,558	1	4,071,707	1	6,153,234	1	7,543,319	2
Long-term prepayments for lease	6,874,197	1	7,406,266	2	7,258,130	2	2,315,715	-
Other noncurrent assets	304,411	-	239,647	-	283,938	-	314,901	-
Total noncurrent assets	383,494,722	77	375,337,358	79	331,719,957	74	321,062,065	76
TOTAL	\$ 497,225,796	100	\$ 472,999,472	100	\$ 446,628,556	100	\$ 420,341,223	100
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Short-term borrowings (Notes 21 and 34)	\$ 26,736,070	5	\$ 28,053,848	6	\$ 26,073,132	6	\$ 25,807,392	6
Short-term bills payable (Note 21)	3,731,757	1	5,117,694	1	8,254,220	2	6,286,740	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	6,459	-	590	-	15,685	-	619	-
Derivative financial liabilities for hedging - current (Notes 4 and 10)	-	-	-	-	26,725	-	-	-
Notes and accounts payable (Note 4)	17,581,648	4	17,452,151	4	19,909,804	4	19,253,330	5
Notes and accounts payable to affiliates (Notes 4 and 34)	542,251	-	261,571	-	164,638	-	292,283	-
Amounts due to customers for construction contracts (Notes 4 and 15)	784,406	-	412,498	-	432,303	-	160,779	-
Payables to suppliers of machinery and equipment	2,248,574	-	3,133,810	1	3,976,975	1	4,012,183	1
Other payable	27,157,037	5	12,595,337	3	25,586,944	6	11,243,873	3
Other payable to affiliates (Note 34)	95,677	-	75,977	-	73,612	-	43,119	-
Current tax liabilities (Notes 4, 5 and 29)	3,437,306	1	3,115,500	1	2,632,199	1	2,688,208	1
Provisions - current (Notes 4 and 22)	226,163	-	193,328	-	178,662	-	160,425	-
Guarantee deposits received - current	379,294	-	334,939	-	440,209	-	401,798	-
Receipts in advance	999,822	-	1,199,481	-	943,600	-	1,107,451	-
Unearned revenue	2,826,625	1	2,667,808	-	3,096,731	1	2,643,111	1
Current portion of long-term liabilities (Note 23)	11,438,008	2	8,845,696	2	6,429,668	1	3,991,578	1
Other current liabilities	3,474,845	1	2,317,709	-	2,271,988	1	1,807,603	-
Total current liabilities	101,665,942	20	85,777,937	18	100,507,095	23	79,900,492	19
NONCURRENT LIABILITIES								
Derivative financial liabilities for hedging - noncurrent, net of current portion (Notes 4 and 10)	482,790	-	421,280	-	370,732	-	287,522	-
Bonds payable (Note 23)	64,001,564	13	65,638,787	14	47,945,800	11	41,726,021	10
Long-term borrowings (Note 23)	60,575,260	12	43,622,704	9	32,924,008	7	32,232,012	8
Provisions - noncurrent, net of current portion (Notes 4 and 22)	734,222	-	705,863	-	675,383	-	654,791	-
Deferred tax liabilities (Notes 4, 5 and 29)	14,630,318	3	13,329,928	3	13,108,165	3	12,429,643	3
Accrued pension liabilities (Note 25)	2,643,454	1	2,781,776	1	3,156,226	1	3,392,655	1
Guarantee deposits received - noncurrent, net of current portion	634,864	-	645,013	-	679,270	-	739,923	-
Deferred credit-gains on related-party accounts (Note 34)	149,907	-	150,185	-	150,461	-	150,738	-
Other noncurrent liabilities	397,939	-	476,788	-	484,838	-	509,628	-
Total noncurrent liabilities	144,250,318	29	127,772,324	27	99,494,883	22	92,122,933	22
Total liabilities	245,916,260	49	213,550,261	45	200,001,978	45	172,023,425	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY								
Capital stock								
Common stock	51,450,165	11	51,450,165	11	50,441,338	11	50,441,338	12
Stock dividends to be distributed	1,029,003	-	-	-	1,008,827	-	-	-
Capital surplus	3,674,693	1	4,681,042	1	4,680,957	1	4,744,045	1
Retained earnings								
Legal reserve	13,408,217	3	12,687,509	3	12,687,509	3	11,820,720	3
Special reserve	105,911,942	21	25,449,697	5	25,462,555	6	25,472,425	6
Unappropriated earnings	12,846,236	3	94,418,185	20	87,165,960	19	89,555,174	21
Total retained earnings	132,166,395	27	132,555,391	28	125,316,024	28	126,848,319	30
Other stockholders' equity	2,101,027	-	4,653,726	1	3,920,293	1	2,430,425	1
Treasury stocks	(25,063)	-	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	190,396,220	39	193,315,261	41	185,342,376	41	184,439,064	44
NONCONTROLLING INTERESTS (NOTE 26)	60,913,316	12	66,133,950	14	61,284,202	14	63,878,734	15
Total equity	251,309,536	51	259,449,211	55	246,626,578	55	248,317,798	59
TOTAL	\$ 497,225,796	100	\$ 472,999,472	100	\$ 446,628,556	100	\$ 420,341,223	100

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

(With Deloitte & Touche review report dated August 8, 2014)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES								
(Notes 4,10 and 30)								
Net sales	\$ 37,796,405	65	\$ 40,142,984	66	\$ 74,567,850	64	\$ 78,085,180	66
Telecommunications service income	17,279,046	29	17,004,900	28	34,352,226	29	33,668,870	28
Gain on disposal of investments, net	21,907	-	31,241	-	57,967	-	202,441	-
Construction income	175,714	-	1,289,634	2	2,365,907	2	1,750,008	2
Other operating revenue	<u>3,303,079</u>	<u>6</u>	<u>2,611,784</u>	<u>4</u>	<u>5,475,740</u>	<u>5</u>	<u>4,994,537</u>	<u>4</u>
Total operating revenues	<u>58,576,151</u>	<u>100</u>	<u>61,080,543</u>	<u>100</u>	<u>116,819,690</u>	<u>100</u>	<u>118,701,036</u>	<u>100</u>
OPERATING COSTS (Notes 4, 14, 28 and 34)								
Cost of sales	36,832,667	63	39,498,589	65	73,368,695	63	77,267,935	65
Cost of telecommunications services	6,612,659	12	6,957,817	11	13,173,531	11	13,757,134	12
Construction cost	151,178	-	1,127,562	2	2,247,556	2	1,624,642	1
Other operating cost	<u>2,381,858</u>	<u>4</u>	<u>1,867,024</u>	<u>3</u>	<u>3,495,194</u>	<u>3</u>	<u>3,447,005</u>	<u>3</u>
Total operating costs	<u>45,978,362</u>	<u>79</u>	<u>49,450,992</u>	<u>81</u>	<u>92,284,976</u>	<u>79</u>	<u>96,096,716</u>	<u>81</u>
GROSS PROFIT	<u>12,597,789</u>	<u>21</u>	<u>11,629,551</u>	<u>19</u>	<u>24,534,714</u>	<u>21</u>	<u>22,604,320</u>	<u>19</u>
REALIZED CONSTRUCTION INCOME	<u>278</u>	<u>-</u>	<u>277</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>277</u>	<u>-</u>
OPERATING EXPENSES								
(Notes 4, 28 and 34)								
Selling	5,275,205	9	5,379,662	9	10,708,886	9	10,531,992	9
General and administrative	2,940,793	5	2,645,689	5	5,691,904	5	5,097,963	4
Research and development	<u>181,162</u>	<u>-</u>	<u>148,124</u>	<u>-</u>	<u>343,877</u>	<u>-</u>	<u>322,968</u>	<u>-</u>
Total operating expenses	<u>8,397,160</u>	<u>14</u>	<u>8,173,475</u>	<u>14</u>	<u>16,744,667</u>	<u>14</u>	<u>15,952,923</u>	<u>13</u>
OPERATING INCOME	<u>4,200,907</u>	<u>7</u>	<u>3,456,353</u>	<u>5</u>	<u>7,790,325</u>	<u>7</u>	<u>6,651,674</u>	<u>6</u>
NONOPERATING INCOME								
Share of the profit or loss of associates (Note 16)	1,341,357	2	1,186,516	2	2,586,387	2	2,486,558	2
Interest income	395,270	1	142,130	-	205,705	-	245,547	-
Other income - other	561,935	1	533,869	1	735,145	1	820,275	1
Exchange gain, net	-	-	144,196	-	-	-	63,102	-
Gain (loss) on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	(6,678)	-	115,439	-	60,057	-	208,156	-
Valuation gain on investment properties	3,186,449	5	2,569,690	4	3,186,449	3	2,569,172	2
Interest expense (Note 28)	(757,581)	(1)	(384,861)	-	(907,016)	(1)	(705,984)	(1)
Other expense	(29,368)	-	(19,075)	-	(121,588)	-	(202,868)	-
Loss on disposal of property, plant and equipment, net (Note 17)	(222,722)	-	(211,313)	-	(464,529)	(1)	(423,738)	-
Loss on disposal of intangible properties, net (Note 20)	-	-	(40)	-	(1,329)	-	(265)	-
Exchange loss, net (Note 4)	(113,140)	-	-	-	(197,428)	-	-	-
Impairment loss on assets (reversal of impairment loss)	<u>(10,052)</u>	<u>-</u>	<u>(3,412)</u>	<u>-</u>	<u>(19,792)</u>	<u>-</u>	<u>(10,046)</u>	<u>-</u>
Total nonoperating incomes and expenses	<u>4,345,470</u>	<u>8</u>	<u>4,073,139</u>	<u>7</u>	<u>5,062,061</u>	<u>4</u>	<u>5,049,909</u>	<u>4</u>

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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) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
CONSOLIDATED INCOME BEFORE INCOME TAX	\$ 8,546,377	15	\$ 7,529,492	12	\$ 12,852,386	11	\$ 11,701,583	10
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(2,087,783)</u>	<u>(4)</u>	<u>(1,483,992)</u>	<u>(2)</u>	<u>(2,801,420)</u>	<u>(2)</u>	<u>(2,037,777)</u>	<u>(2)</u>
NET PROFIT	<u>6,458,594</u>	<u>11</u>	<u>6,045,500</u>	<u>10</u>	<u>10,050,966</u>	<u>9</u>	<u>9,663,806</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Exchange differences on translating foreign operations	(1,400,528)	(2)	627,442	1	(953,678)	(1)	2,230,743	2
Unrealized gain (loss) on available-for-sale financial assets	3,821	-	(52,655)	-	(579,642)	-	243,883	-
Cash flow hedges	(20,280)	-	(1,302)	-	(67,715)	-	(151,022)	-
Gain on revaluation	-	-	-	-	-	-	4,928	-
Actuarial gain on defined benefit plans	-	-	-	-	39	-	-	-
Share of the other comprehensive loss of associates	<u>(436,377)</u>	<u>(1)</u>	<u>(148,583)</u>	<u>-</u>	<u>(625,685)</u>	<u>(1)</u>	<u>(467,973)</u>	<u>-</u>
Total other comprehensive income (loss)	<u>(1,853,364)</u>	<u>(3)</u>	<u>424,902</u>	<u>1</u>	<u>(2,226,681)</u>	<u>(2)</u>	<u>1,860,559</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 4,605,230</u>	<u>8</u>	<u>\$ 6,470,402</u>	<u>11</u>	<u>\$ 7,824,285</u>	<u>7</u>	<u>\$ 11,524,365</u>	<u>10</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 4,443,238	8	\$ 4,119,814	7	\$ 6,304,227	6	\$ 6,031,851	5
Noncontrolling interests	<u>2,015,356</u>	<u>3</u>	<u>1,925,686</u>	<u>3</u>	<u>3,746,739</u>	<u>3</u>	<u>3,631,955</u>	<u>3</u>
	<u>\$ 6,458,594</u>	<u>11</u>	<u>\$ 6,045,500</u>	<u>10</u>	<u>\$ 10,050,966</u>	<u>9</u>	<u>\$ 9,663,806</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,591,795	4	\$ 4,347,916	7	\$ 3,751,567	3	\$ 7,521,719	6
Noncontrolling interests	<u>2,013,435</u>	<u>4</u>	<u>2,122,486</u>	<u>4</u>	<u>4,072,718</u>	<u>4</u>	<u>4,002,646</u>	<u>4</u>
	<u>\$ 4,605,230</u>	<u>8</u>	<u>\$ 6,470,402</u>	<u>11</u>	<u>\$ 7,824,285</u>	<u>7</u>	<u>\$ 11,524,365</u>	<u>10</u>
CONSOLIDATED EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)								
Basic	<u>\$ 0.92</u>		<u>\$ 0.86</u>		<u>\$ 1.31</u>		<u>\$ 1.25</u>	
Diluted	<u>\$ 0.92</u>		<u>\$ 0.85</u>		<u>\$ 1.31</u>		<u>\$ 1.25</u>	

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

(With Deloitte & Touche review report dated August 8, 2014)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company											Noncontrolling Interests (Note 26)	Total Equity	
	Common Stock	Stock Dividend to be Distributed	Capital Surplus	Retained Earnings			Other Equity				Total Equity Attributable to Owners of the Company			
				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)	Unrealized Loss on Cash Flow Hedge (Notes 4 and 26)	Unrealized Revaluation Increments (Note 26)				Treasury Stocks (Note 26)
BALANCE AT JANUARY 1, 2013	\$ 50,441,338	\$ -	\$ 4,744,045	\$ 11,820,720	\$ 25,471,594	\$ 15,100,772	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$ -	\$ (25,063)	\$ 109,983,831	\$ 61,243,995	\$ 171,227,826
Effect of the retrospective application of an accounting policy and financial statement restatement	-	-	-	-	831	74,454,402	-	-	-	-	-	74,455,233	2,634,739	77,089,972
BALANCE AT JANUARY 1, 2013 AS RESTATED	<u>50,441,338</u>	<u>-</u>	<u>4,744,045</u>	<u>11,820,720</u>	<u>25,472,425</u>	<u>89,555,174</u>	<u>(2,534,967)</u>	<u>5,038,679</u>	<u>(73,287)</u>	<u>-</u>	<u>(25,063)</u>	<u>184,439,064</u>	<u>63,878,734</u>	<u>248,317,798</u>
Appropriation of the 2012 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	866,789	-	(866,789)	-	-	-	-	-	-	-	-
Cash dividends - NTS1.3 per share	-	-	-	-	-	(6,557,374)	-	-	-	-	-	(6,557,374)	-	(6,557,374)
Stock dividends - NTS0.2 per share	-	1,008,827	-	-	-	(1,008,827)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(7,716,375)	(7,716,375)
Net profit for the six months ended June 30, 2013	-	-	-	-	-	6,031,851	-	-	-	-	-	6,031,851	3,631,955	9,663,806
Other comprehensive income for the six months ended June 30, 2013	-	-	-	-	-	-	2,340,395	(803,732)	(51,723)	4,928	-	1,489,868	370,691	1,860,559
Total comprehensive income for the six months ended June 30, 2013	-	-	-	-	-	6,031,851	2,340,395	(803,732)	(51,723)	4,928	-	7,521,719	4,002,646	11,524,365
Change in associates accounted for using the equity method	-	-	-	-	5	-	-	-	-	-	-	5	-	5
Disposal of investments accounted for using the equity method	-	-	123	-	(34)	2,084	-	-	-	-	-	2,173	(23)	2,150
Increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,108,330	1,108,330
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	-	955	-	-	-	-	-	-	-	-	955	-	955
Partial acquisition/disposal of interests in subsidiaries	-	-	(64,166)	-	-	-	-	-	-	-	-	(64,166)	10,890	(53,276)
Reversal of special reserve	-	-	-	-	(9,841)	9,841	-	-	-	-	-	-	-	-
BALANCE, JUNE 30, 2013	<u>\$ 50,441,338</u>	<u>\$ 1,008,827</u>	<u>\$ 4,680,957</u>	<u>\$ 12,687,509</u>	<u>\$ 25,462,555</u>	<u>\$ 87,165,960</u>	<u>\$ (194,572)</u>	<u>\$ 4,234,947</u>	<u>\$ (125,010)</u>	<u>\$ 4,928</u>	<u>\$ (25,063)</u>	<u>\$ 185,342,376</u>	<u>\$ 61,284,202</u>	<u>\$ 246,626,578</u>
BALANCE AT JANUARY 1, 2014	\$ 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
Effect of the retrospective application of an accounting policy and financial statement restatement	-	-	-	-	1,661	80,462,245	11,464	-	-	8,161	-	80,483,531	3,285,021	83,768,552
BALANCE AT JANUARY 1, 2014 AS RESTATED	<u>51,450,165</u>	<u>-</u>	<u>4,681,042</u>	<u>12,687,509</u>	<u>25,449,697</u>	<u>94,418,185</u>	<u>291,196</u>	<u>4,472,732</u>	<u>(118,363)</u>	<u>8,161</u>	<u>(25,063)</u>	<u>193,315,261</u>	<u>66,133,950</u>	<u>259,449,211</u>
Special reserve set up under Rule No. 1030006415 issued by the FSC	-	-	-	-	80,462,245	(80,462,245)	-	-	-	-	-	-	-	-
Appropriation of the 2013 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	720,708	-	(720,708)	-	-	-	-	-	-	-	-
Cash dividends - NTS1.3 per share	-	-	-	-	-	(6,688,522)	-	-	-	-	-	(6,688,522)	-	(6,688,522)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(7,958,747)	(7,958,747)
Stock dividends from capital surplus - NTS 0.2 per share	-	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-	-	-
Net profit for the six months ended June 30, 2014	-	-	-	-	-	6,304,227	-	-	-	-	-	6,304,227	3,746,739	10,050,966
Other comprehensive loss for the six months ended June 30, 2014	-	-	-	-	-	39	(1,428,823)	(1,143,577)	(10,802)	30,503	-	(2,552,660)	325,979	(2,226,681)
Total comprehensive income (loss) for the six months ended June 30, 2014	-	-	-	-	-	6,304,266	(1,428,823)	(1,143,577)	(10,802)	30,503	-	3,751,567	4,072,718	7,824,285
Change in associates accounted for using the equity method	-	-	21,680	-	-	-	-	-	-	-	-	21,680	158	21,838
Disposal of investments accounted for using the equity method	-	-	-	-	-	(4,705)	-	-	-	-	-	(4,705)	-	(4,705)
Partial acquisition/disposal of interests in subsidiaries	-	-	-	-	-	(35)	-	-	-	-	-	(35)	35	-
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,334,798)	(1,334,798)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	-	974	-	-	-	-	-	-	-	-	974	-	974
BALANCE, JUNE 30, 2014	<u>\$ 51,450,165</u>	<u>\$ 1,029,003</u>	<u>\$ 3,674,693</u>	<u>\$ 13,408,217</u>	<u>\$ 105,911,942</u>	<u>\$ 12,846,236</u>	<u>\$ (1,137,627)</u>	<u>\$ 3,329,155</u>	<u>\$ (129,165)</u>	<u>\$ 38,664</u>	<u>\$ (25,063)</u>	<u>\$ 190,396,220</u>	<u>\$ 60,913,316</u>	<u>\$ 251,309,536</u>

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

(With Deloitte & Touche review report dated August 8, 2014)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2014	2013 (Reviewed after Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income before income tax	\$ 12,852,386	\$ 11,701,583
Adjustments for:		
Depreciation	6,933,761	7,302,262
Amortization	1,404,147	1,187,877
Allowance for doubtful accounts	169,826	94,151
Interest expenses	907,016	705,984
Interest income	(205,705)	(245,547)
Dividend revenue	(142,662)	(162,456)
Loss on disposal of property, plant and equipment, net	464,529	423,738
Loss on disposal of intangible assets, net	1,329	265
Share of the profit of associates	(2,586,387)	(2,486,558)
Gain on disposal of investments, net	(61,924)	(206,785)
Impairment loss recognized on assets	19,792	10,046
Unrealized loss on the transactions with associates	(278)	(277)
Net gain (loss) on unrealized foreign currency exchange	2,404	(4,836)
Revaluation gain on investment properties	(3,186,449)	(2,569,172)
Deferred loss on derivative assets for hedging	(9,503)	(16,436)
Net changes in operating assets and liabilities		
Financial assets held for trading	(134,406)	369,343
Notes and accounts receivable	(1,791,557)	(1,919,152)
Notes and accounts payable to affiliates	255,457	5,074
Amounts due from customers for construction contracts	(962,730)	81
Other receivables	(27,718)	(501,326)
Other receivables from affiliates	71,045	11,624
Inventories	1,736,494	(1,960,385)
Prepayments	(922,688)	(1,904,180)
Other current assets	(1,091,354)	(424,495)
Financial liabilities held for trading	5,869	15,066
Notes and accounts payable	422,679	656,474
Notes and accounts payable to affiliates	280,680	(127,645)
Amounts due to customers for construction contracts	371,908	271,524
Other payables	57,959	34,827
Other payables to affiliates	19,700	30,493
Provisions	61,194	38,829
Receipts in advance	(199,659)	(163,851)
Other current liabilities	1,157,136	464,385
Accrued pension liabilities	(138,322)	(236,429)
Unearned revenue	158,817	453,620
Cash generated from operations	15,892,786	10,847,716

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2014	2013 (Reviewed after Restated)
Interest received	\$ 153,608	\$ 40,328
Dividend received	134,424	264,963
Interest paid	(915,800)	(670,914)
Income tax paid	<u>(1,039,260)</u>	<u>(1,508,137)</u>
Net cash generated from operating activities	<u>14,225,758</u>	<u>8,973,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(22,588)	(673,861)
Proceeds of the disposal of available-for-sale financial assets	166,200	821,481
(Increase) decrease in bond investments with no active market	(158,569)	1,865,068
Acquisition of financial assets carried at cost	-	(100,000)
Acquisition of equity-method investments	(2,126,294)	(128,484)
Proceeds of the disposal of equity-method investments	56,111	521,448
Net cash outflow on the loss of control over subsidiaries	(857,294)	-
Acquisition of property, plant, equipment and prepayment for equipment	(14,924,264)	(10,635,056)
Proceeds of the disposal of property, plant and equipment	76,190	53,284
Increase in refundable deposits	(43,079)	(1,078,263)
Increase in other receivables from affiliates	(19,000)	(382,208)
Acquisition of intangible assets	(436,057)	(754,475)
Proceeds of the disposal of intangible assets	-	2
Acquisition of investment properties	(5,994)	(142)
Increase in long-term prepayments for lease	(144,945)	(4,805,150)
Increase in concession	(1,031,936)	(998,813)
Decrease in other financial assets	106,906	870,802
(Increase) decrease in other assets - noncurrent	<u>(64,541)</u>	<u>27,946</u>
Net cash used in investing activities	<u>(19,429,154)</u>	<u>(15,396,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(1,317,778)	265,740
(Decrease) increase in short-term bills payables	(1,387,000)	1,967,000
Proceeds of the issue of bonds	3,000,000	8,976,500
Repayments of bonds payable	(2,750,000)	(400,000)
Proceeds of long-term borrowings	104,393,285	72,034,992
Repayment of long-term borrowings	(86,756,095)	(71,270,647)
Increase (decrease) in guarantee deposits	34,206	(22,242)
Decrease in other liabilities - noncurrent	(78,849)	(24,790)
Increase in noncontrolling interests	<u>434,850</u>	<u>1,055,054</u>
Net cash generated from financing activities	<u>15,572,619</u>	<u>12,581,607</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>62,735</u>	<u>384,232</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2014	2013 (Reviewed after Restated)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 10,431,958	\$ 6,543,374
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>26,645,574</u>	<u>30,645,166</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 37,077,532</u>	<u>\$ 37,188,540</u>

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

(With Deloitte & Touche review report dated August 8, 2014)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

On October 13, 2009, the stockholders resolved to change their 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 August 8, 2014.

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

a. Initial application of new accounting policy

The management of Far Eastern New Century Corporation and its subsidiaries (the “Group”) considered that the fair value model can provide reliable and more relevant information. Thus, on April 25, 2014, the Group’s board of directors resolved to change the Group’s accounting policy for investment properties effective January 1, 2014. Under the new accounting policy, investment properties are subsequently measured using the fair value model, and a special reserve should be appropriated in accordance with Rule No. 1030006415 issued by the Financial Supervisory Commission (FSC).

The impact on the current reporting periods is set out below:

	Six Months Ended June 30, 2014
	Adjustment for Investment Properties under the Fair Value Model
Impact on Assets, Liabilities and Equity	
Increase in investment properties	\$ 81,428,285
Increase in property, plant and equipment	304,658
Increase in investment accounted for using equity method	<u>8,285,856</u>
Increase in assets	<u>\$ 90,018,799</u>
Increase in deferred tax liabilities	<u>\$ 4,041,070</u>
Increase in liabilities	<u>\$ 4,041,070</u>
Increase in retained earnings	\$ 2,155,811
Increase in special reserve	80,464,299
Increase in other equity	19,625
Increase in noncontrolling interests	<u>3,337,994</u>
Increase in equity	<u>\$ 85,977,729</u>

	Adjustment for Investment Properties under the Fair Value Model	
	Three Months Ended June 30, 2014	Six Months Ended June 30, 2014
Impact on Assets, Liabilities and Equity		
Decrease in operating costs	\$ 36,512	\$ 72,463
Decrease in operating expenses	5,253	6,411
Increase in adjusting gain on investment properties under fair value model	3,186,449	3,186,449
Increase in share of profit of associates and joint ventures	98,980	98,980
Decrease in other expenses	4,530	10,480
Increase in income tax expenses	<u>(1,165,606)</u>	<u>(1,165,606)</u>
Increase in net profit	<u>2,166,118</u>	<u>2,209,177</u>
Net profit attributable to		
Owner of the Company	2,123,384	2,156,204
Non-controlling interests	<u>42,734</u>	<u>52,973</u>
	<u>\$ 2,166,118</u>	<u>\$ 2,209,177</u>
Impact on earnings per share (New Taiwan dollars)		
Basic	<u>\$0.44</u>	<u>\$0.45</u>
Diluted	<u>\$0.44</u>	<u>\$0.45</u>

The impact on the prior reporting periods is set out below:

Impact on Total Comprehensive Income	As Originally Stated	Adjustment for Investment Properties under the Fair Value Model	Restated
<u>December 31, 2013</u>			
Investment properties	\$ 35,307,315	\$ 78,151,210	\$ 113,458,525
Property, plant and equipment	124,461,783	305,930	124,767,713
Investment accounted for using equity method	<u>47,683,367</u>	<u>8,186,876</u>	<u>55,870,243</u>
Total impacts on assets	<u>\$ 207,452,465</u>	<u>\$ 86,644,016</u>	<u>\$ 294,096,481</u>
Deferred tax liabilities	<u>\$ 10,454,464</u>	<u>\$ 2,875,464</u>	<u>\$ 13,329,928</u>
Total impacts on liabilities	<u>\$ 10,454,464</u>	<u>\$ 2,875,464</u>	<u>\$ 13,329,928</u>
Retained earning	\$ 13,955,940	\$ 80,462,245	\$ 94,418,185
Special reserve	25,448,036	1,661	25,449,697
Other equity	4,634,101	19,625	4,653,726
Noncontrolling interests	<u>62,848,929</u>	<u>3,285,021</u>	<u>66,133,950</u>
Total impacts on equity	<u>\$ 106,887,006</u>	<u>\$ 83,768,552</u>	<u>\$ 190,655,558</u>
<u>June 30, 2013</u>			
Investment properties	\$ 35,473,932	\$ 74,221,264	\$ 109,695,196
Property, plant and equipment	120,349,826	307,202	120,657,028
Investment accounted for using equity method	<u>45,828,381</u>	<u>7,500,853</u>	<u>53,329,234</u>
Total impacts on assets	<u>\$ 201,652,139</u>	<u>\$ 82,029,319</u>	<u>\$ 283,681,458</u>
Deferred tax liabilities	<u>\$ 10,336,150</u>	<u>\$ 2,772,015</u>	<u>\$ 13,108,165</u>
Total impacts on liabilities	<u>\$ 10,336,150</u>	<u>\$ 2,772,015</u>	<u>\$ 13,108,165</u>
Retained earning	\$ 10,586,201	\$ 76,579,759	\$ 87,165,960
Special reserve	25,461,284	1,271	25,462,555
Other equity	3,915,365	4,928	3,920,293
Noncontrolling interests	<u>58,612,856</u>	<u>2,671,346</u>	<u>61,284,202</u>
Total impacts on equity	<u>\$ 98,575,706</u>	<u>\$ 79,257,304</u>	<u>\$ 177,833,010</u>
<u>January 1, 2013</u>			
Investment properties	\$ 36,155,930	\$ 71,852,528	\$ 108,008,458
Investment accounted for using equity method	<u>46,677,090</u>	<u>7,399,780</u>	<u>54,076,870</u>
Total impacts on assets	<u>\$ 82,833,020</u>	<u>\$ 79,252,308</u>	<u>\$ 162,085,328</u>

(Continued)

Impact on Total Comprehensive Income	As Originally Stated	Adjustment for Investment Properties under the Fair Value Model	
		Restated	
Deferred tax liabilities	\$ 10,267,307	\$ 2,162,336	\$ 12,429,643
Total impacts on liabilities	\$ 10,267,307	\$ 2,162,336	\$ 12,429,643
Retained earning	\$ 15,100,772	\$ 74,454,402	\$ 89,555,174
Special reserve	25,471,594	831	25,472,425
Noncontrolling interests	61,243,995	2,634,739	63,878,734
Total impacts on equity	\$ 101,816,361	\$ 77,089,972	\$ 178,906,333 (Concluded)

Impact on Total Comprehensive Income	As Originally Stated	Adjustment for Investment Properties under the Fair Value Model	
		Restated	
<u>Three months ended June 30, 2013</u>			
Operating costs	\$ (49,496,297)	\$ 45,305	\$ (49,450,992)
Operating expenses	\$ (8,174,600)	\$ 1,125	\$ (8,173,475)
Adjusting gain on investment properties under fair value model	\$ -	\$ 2,569,690	\$ 2,569,690
Share of profit of associates and joint venture	\$ 1,088,983	\$ 97,533	\$ 1,186,516
Other expenses	\$ (25,678)	\$ 6,603	\$ (19,075)
Income tax expenses	\$ (874,929)	\$ (609,063)	\$ (1,483,992)
Net profit	\$ 3,934,307	\$ 2,111,193	\$ 6,045,500
Total comprehensive income for the period	\$ 4,359,209	\$ 2,111,193	\$ 6,470,402
Net profit attributable to:			
Owner of the Company	\$ 2,033,678	\$ 2,086,136	\$ 4,119,814
Noncontrolling interests	1,900,629	25,057	1,925,686
	\$ 3,934,307	\$ 2,111,193	\$ 6,045,500
Comprehensive income attributable to:			
Owner of the Company	\$ 2,261,780	\$ 2,086,136	\$ 4,347,916
Noncontrolling interests	2,097,429	25,057	2,122,486
	\$ 4,359,209	\$ 2,111,193	\$ 6,470,402 (Continued)

Impact on Total Comprehensive Income	As Originally Stated	Adjustment for Investment Properties under the Fair Value Model	Restated
<u>Six months ended June 30, 2013</u>			
Operating costs	\$ (96,179,955)	\$ 83,239	\$ (96,096,716)
Operating expenses	\$ (15,955,160)	\$ 2,237	\$ (15,952,923)
Adjusting gain on investment properties under fair value model	\$ -	\$ 2,569,172	\$ 2,569,172
Share of profit of associates and joint venture	\$ 2,385,485	\$ 101,073	\$ 2,486,558
Other expenses	\$ (218,096)	\$ 15,228	\$ (202,868)
Loss on disposal of property, plant and equipment	\$ (518)	\$ 518	\$ -
Income tax expenses	\$ (1,428,714)	\$ (609,063)	\$ (2,037,777)
Net profit	\$ 7,501,402	\$ 2,162,404	\$ 9,663,806
Gain on revaluation	\$ -	\$ 4,928	\$ 4,928
Total other comprehensive income	\$ 1,855,631	\$ 4,928	\$ 1,860,559
Total comprehensive income for the period	\$ 9,357,033	\$ 2,167,332	\$ 11,524,365
Net profit attributable to:			
Owner of the Company	\$ 3,906,054	\$ 2,125,797	\$ 6,031,851
Noncontrolling interests	3,595,348	36,607	3,631,955
	<u>\$ 7,501,402</u>	<u>\$ 2,162,404</u>	<u>\$ 9,663,806</u>
Comprehensive income attributable to:			
Owner of the Company	\$ 5,390,994	\$ 2,130,725	\$ 7,516,561
Noncontrolling interests	3,966,019	36,607	4,002,626
	<u>\$ 9,357,033</u>	<u>\$ 2,167,332</u>	<u>\$ 11,519,187</u>
Impact on earnings per share <u>(New Taiwan dollars)</u>			
<u>Three months ended June 30, 2013</u>			
Basic	<u>\$0.42</u>	<u>\$0.44</u>	<u>\$0.86</u>
Diluted	<u>\$0.42</u>	<u>\$0.43</u>	<u>\$0.85</u>
<u>Six months ended June 30, 2013</u>			
Basic	<u>\$0.81</u>	<u>\$0.44</u>	<u>\$1.25</u>
Diluted	<u>\$0.81</u>	<u>\$0.44</u>	<u>\$1.25</u>

- b. The 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

Rule No. 1030010325 issued by the FSC on April 3, 2014 stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC starting January 1, 2015.

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

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

Except for the following, the initial application of the above 2013 IFRSs version has not had any material impact on the Group’s accounting policies:

1) 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.

2) IFRS 11 “Joint Arrangements”

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

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

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

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

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

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

Under revised IAS 28, when an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest. Under current IAS 28, on the loss of joint control, the Group measures at fair value any investment the Group retains in the former jointly controlled entity. The Group recognizes in profit or loss any difference between the aggregate amounts of fair value of retained investment and proceeds from disposing of the part interest in the jointly controlled entity, and the carrying amount of the investment at the date when joint control is lost.

5) IFRS 13 “Fair Value Measurement”

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

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

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

The Group will apply the above amendments in presenting the consolidated statement of comprehensive income, starting from the year 2015. Items not expected to be reclassified to profit or loss are the actuarial gain (loss) arising from defined benefit plans and share of the actuarial gains (loss) arising from defined benefit plans of associates accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the actuarial gains (loss) arising from defined benefit plans) of associates accounted for using the equity method.

7) 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.

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

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

New IFRSs	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”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Arrangements”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 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 with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Except for the following, the future initial application of the above New IFRSs is not expected to have 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. Under IFRS 9, the requirement for the classification of financial assets is stated below.

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

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

Except for above, all other financial assets are measured at fair value through profit or loss. 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. No subsequent impairment assessment is required.

The impairment of financial assets

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

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

Recognition and measurement of financial liabilities

As for financial liabilities, the main changes in the classification and measurement relate to the subsequent measurement of financial liabilities designated as at fair value through profit or loss. The amount of change in the fair value of such financial liability attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch in profit or loss, the Group presents all gains or losses on that liability in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) 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.

3) IFRIC 21 "Levies"

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

4) Annual Improvements to IFRSs: 2010-2012 Cycle

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.

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.

5) Annual Improvements to IFRSs: 2011-2013 Cycle

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.

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

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. Accordingly, a joint operator that is an acquirer of such an interest has to:

- Measure most identifiable assets and liabilities at fair value;
- Expense acquisition-related costs (other than debt or equity issuance costs);
- Recognize deferred taxes;
- Recognizing any goodwill or bargain purchase gain;
- Perform impairment tests for the cash generating units to which goodwill has been allocated;
- Disclose information required relevant for business combinations.

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

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

7) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

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

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

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

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

Except for the following, as of the date the consolidated financial statements were authorized for issue, the Group was continuingly to assess other possible impacts that the application of the 2013 IFRSs version will have on the Group's financial position and financial performance, and will disclose these other impacts when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the same accounting policies of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

- 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, IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosures in interim financial reports are less than those required for a full set of annual financial reports.

- b. Basis of consolidation

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 June 30, 2014.

The consolidated entities as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013 were as follows:

Investor	Investee	Main Business	% of Ownership			
			June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Far Eastern New Century Corporation	Far EastTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29	38.29	38.25
	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70	99.70	99.70
	Far Eastern Resources Development Co.	Real estate leasing and development service	100.00	100.00	100.00	100.00
	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00	100.00	100.00
	Far Eastern Polychem Industries Ltd. (FEPI)	Investment	100.00	100.00	100.00	100.00
	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76	80.76	80.76
	Far Eastern Investment (Holding) Ltd.	Investment	100.00	100.00	100.00	100.00
	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership			
			June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00	100.00
	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00	100.00	100.00
	Yuan Ding Company Ltd.	Real estate construction and selling	49.99	49.99	49.99	49.99
	Far Eastern Construction Co., Ltd.	Real estate construction and selling	65.11	65.11	65.11	65.11
	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00	100.00
	An Ho Garment Co., Ltd.	Investment	100.00	100.00	100.00	100.00
	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00	100.00	100.00
	Fu Kwok Garment Manufacturing Co., Ltd.	Garment production	99.99	99.99	99.99	99.99
	Far Eastern Textile Ltd.	Chemical fiber production	100.00	100.00	100.00	100.00
	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33	66.33	66.33
	Yuan Hsin Digital Payment Co., Ltd.	Other financing and supporting services	65.01	68.43	68.43	-
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd. (OTTI)	Investment	100.00	100.00	100.00	100.00
	Far Eastern Apparel (Holding) Ltd. (FEAH)	Sale of textile, garments, and clothing	100.00	100.00	100.00	100.00
	Far Eastern Fibertech Co., Ltd.	Nylon production	100.00	100.00	100.00	100.00
	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00	100.00	100.00
	Oriental Resources Development Ltd.	Waste recycling and processing	70.00	70.00	70.00	70.00
	Yuan Faun Ltd.	PET bottle production and selling	100.00	100.00	100.00	100.00
Far Eastern Investment (Holding) Ltd. (FEIH)	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00	100.00
	PET Far Eastern (M) Sdn. Bhd.	Bottle production	50.00	50.00	50.00	50.00
	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00	100.00
	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	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	100.00
	Far Eastern Industries (Yangzhou) Ltd.	PET sheets and its by-product production	100.00	100.00	100.00	100.00
	Far Eastern Ishizuka Green Pet Corporation (FIGP)	PET production and sale	80.00	80.00	80.00	-
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Construction	99.95	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	100.00
Far Eastern Apparel Co., Ltd.	Ming Ding Co. (Note 2)	Underwear selling	-	-	-	44.80
FETG Investment Antilles N.V.	Waldorf Services B.V.	Investment	100.00	100.00	100.00	100.00
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Personnel recruitment	55.19	55.56	55.56	55.56
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Investment	92.56	92.56	91.39	91.39
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	Garment production	100.00	100.00	100.00	100.00
	Suqian Far Eastern Apparel Co., Ltd. (Note 3)	Garment production and accessories	100.00	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	61.35
	Far Eastern Union Petrochemical (Yangzhou) Corporation	MEG and its by-product sale	-	50.00	50.00	50.00
Oriental Textile (Holding) Ltd. (OTTI)	Far Eastern Industries (WuXi) Ltd.	Fiber and textile production	100.00	100.00	100.00	100.00
	Oriental Industries (Suzhou) Ltd.	Textile production	100.00	100.00	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	Far Eastern Industries (Suzhou) Ltd.	Garment production	100.00	100.00	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Garment production and sale	100.00	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00	100.00	100.00
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation (Note 4)	PTA and by-product production and sale	60.00	60.00	60.00	60.00
	Far Eastern New Century (China) Investment Ltd.	Investment	100.00	100.00	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership				
			June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013	
Far Eastern New Century (China) Investment Ltd.	Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	100.00	100.00	100.00	100.00	
Sino Belgium (Holding) Ltd.	Yuan Ding Enterprise Ltd.	PTA production and sale	100.00	100.00	-	-	
	Sino Belgium (Suzhou) Ltd.	Brewer	100.00	100.00	100.00	100.00	
	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00	100.00	100.00	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	100.00	100.00	100.00	100.00	
Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	Hotel	80.99	80.99	80.98	80.98	
	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00	100.00	100.00	
FET Consulting Engineers Co., Ltd.	Far Eastern Technical Consultants Co, Ltd.	Real estate development business consulting and management	100.00	100.00	100.00	100.00	
	FET Consulting Engineers Co., Ltd.	Business consulting	100.00	100.00	100.00	100.00	
	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00	80.00	80.00	
	Far Eastern Electronic Commerce Co., Ltd.	Electronic information providing services	73.42	73.42	69.15	69.15	
	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00	100.00	
	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00	100.00	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00	100.00	100.00	
	DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	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	100.00
		ARCOA Communication Co., Ltd.	Type II telecommunications services, sale of communications products and office equipment	61.07	61.07	61.07	61.07
KGEx.com Co., Ltd.		Type II telecommunications services	99.99	99.99	99.97	99.97	
Yuan Cing Co., Ltd.		Call center services	99.99	99.99	99.99	99.99	
E. World (Holdings) Ltd.		Investment	85.92	85.92	85.92	85.92	
Far EasTron Holding Ltd.		Investment	100.00	100.00	100.00	100.00	
Far EasTern Info Service Holding Ltd.		Investment	100.00	100.00	100.00	100.00	
O-music Co., Ltd.		Electronic information providing services	50.00	50.00	50.00	50.00	
ARCOA Communication Co., Ltd.	Q-Ware Communication Co., Ltd.	Type II telecommunications services	81.46	81.46	81.46	81.46	
	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00	70.00	70.00	
	New Century InfoComm Tech Co., Ltd.	Investment	100.00	100.00	100.00	100.00	
Digital United (Cayman) Ltd.	Information Security Service Digital United Co., Ltd.	Security and monitoring service via Internet	100.00	100.00	100.00	100.00	
	Digital United (Cayman) Ltd.	Investment	100.00	100.00	100.00	100.00	
	Simple InfoComm Co., Ltd.	Type II telecommunications services	100.00	100.00	100.00	100.00	
	Digital United Information Technology (Shanghai) Co., Ltd.	Design and research of computer system	100.00	100.00	100.00	100.00	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00	100.00	
	Far Eastern New Diligent Co., Ltd.	Electronic toll collection service	100.00	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			
			June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd. (Note 5)	Sale of communications products	100.00	100.00	100.00	100.00
	Home Master Technology Co., Ltd.	Sale of communications products	99.99	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
	Far Eastern New Century Information Technology (Beijing) Limited	Software development, equipment maintenance and consulting	79.04	79.04	79.04	-

(Concluded)

Note 1: Even though the consolidated ownership of the Company and its subsidiaries to Far EasTone was not over 50%, over half of board of director's of Far EasTone were served by the Company and its subsidiaries. Thus, Far EasTone were included in a subsidiaries in the consolidated financial statement.

Note 2: A subsidiary started its liquidation on December 2012, and returned the shares on June 2013.

Note 3: A subsidiary was liquidated as of May 2014.

Note 4: The Company and its subsidiaries lost control over the subsidiaries by re-electing the board of directors.

Note 5: A subsidiary was liquidated as of January 28, 2014.

Except for (a) the financial statements as of and for the six months ended June 30, 2014 of the Company, Yuan Ding Investment Co., Ltd. (YDI), Far Eastern Construction Co., Ltd. (FECC), Far Eastern General Contractor Inc. (FEGC), Far EasTone Telecommunications Co., Ltd. (Far EasTone), New Century InfoComm Tech Co., Ltd. (NCIC) and ARCOA Communication Co., Ltd. (ARCOA), and (b) the financial statements as of and for the six months ended June 30, 2013 of the Oriental Industries (Suzhou) Ltd. and Far Eastern Industries (Wuxi) Ltd. all the financial statements were unreviewed.

c. Other significant accounting policies

Except for the following, the same accounting policies of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

1) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

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

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

2) Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis. Interim period income tax expense is calculated by applying to an interim period's pre-tax income and the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

6. CASH AND CASH EQUIVALENTS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Cash				
Cash on hand and petty cash	\$ 38,528	\$ 35,288	\$ 38,008	\$ 42,237
Demand and checking accounts	<u>14,737,272</u>	<u>14,382,802</u>	<u>9,874,490</u>	<u>11,071,486</u>
	<u>14,775,800</u>	<u>14,418,090</u>	<u>9,912,498</u>	<u>11,113,723</u>
Cash equivalents				
Time deposits with original maturities of less than three months	8,252,297	6,162,786	24,757,300	15,673,463
Commercial paper purchased under resell agreements	2,367,678	5,788,905	180,693	1,978,629
Corporate bonds purchased under resell agreements	<u>11,513,562</u>	<u>150,000</u>	<u>2,160,724</u>	<u>1,789,141</u>
	<u>22,133,537</u>	<u>12,101,691</u>	<u>27,098,717</u>	<u>19,441,233</u>
Management discretionary accounts				
Demand accounts	<u>168,195</u>	<u>125,793</u>	<u>177,325</u>	<u>90,210</u>
	<u>\$ 37,077,532</u>	<u>\$ 26,645,574</u>	<u>\$ 37,188,540</u>	<u>\$ 30,645,166</u>

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\$168,195 thousand, NT\$125,793 thousand, NT\$177,325 thousand and NT\$90,210 thousand as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, respectively.

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Time deposits	0.01%-3.30%	0.01%-3.75%	0.10%-6.15%	0.35%-2.86%
Commercial paper purchased under resell agreements	0.50%-0.65%	0.62%-0.74%	0.60%-0.74%	0.68%-0.82%
Corporate bonds purchased under resell agreement	0.35%-5.00%	0.64%	0.50%-0.69%	0.70%-0.80%

Time deposits with original maturities of over three months amounted to NT\$2,498,251 thousand, NT\$2,339,682 thousand, NT\$1,279,967 thousand and NT\$3,145,035 thousand as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, respectively, and were classified under bond investments with no active market (Note 12).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Financial assets held for trading</u>				
Beneficial certificates	\$ 825,776	\$ 565,240	\$ 488,601	\$ 642,699
Marketable equity securities	451,328	562,623	147,260	387,107
Guarantee deposits - cotton futures contracts	39,085	26,010	26,169	25,345
Guarantee deposits - PTA futures contracts	7,024	-	-	-
Combined foreign exchange options	230	5,335	4,339	-
Forward exchange contracts	<u>2,651</u>	<u>32,480</u>	<u>22,807</u>	<u>3,368</u>
	<u>\$ 1,326,094</u>	<u>\$ 1,191,688</u>	<u>\$ 689,176</u>	<u>\$ 1,058,519</u>
Current	<u>\$ 1,326,094</u>	<u>\$ 1,191,688</u>	<u>\$ 689,176</u>	<u>\$ 1,058,519</u>
<u>Financial liabilities held for trading</u>				
Forward exchange contracts	\$ 1,516	\$ 318	\$ 15,685	\$ 619
Combined foreign exchange options	4,009	-	-	-
Exchangeable bonds - exchange rights	<u>934</u>	<u>272</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,459</u>	<u>\$ 590</u>	<u>\$ 15,685</u>	<u>\$ 619</u>
Current	<u>\$ 6,459</u>	<u>\$ 590</u>	<u>\$ 15,685</u>	<u>\$ 619</u>

a. Cotton futures contracts

The Group entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices in the six months ended June 30, 2014 and 2013. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Company had no outstanding cotton futures contracts as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013.

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices in the six months ended June 30, 2014. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The outstanding PTA futures contracts as of June 30, 2014, well as follows:

Currency	Maturity Date	Units	Contract Amount (Thousands)
<u>June 30 2014</u>			
DTA futures contracts	May 2014	300	RMB9,540/NTD45,975

c. Forward exchange contracts

The Group entered into forward exchange contracts for the six months ended June 30, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading. The Group used non-hedging forward exchange contracts to profit from the pricing differences between exchange rate fluctuations for the six months ended June 30, 2014 and 2013.

As of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2014</u>			
Sell	USD/NTD	2014.7.7-2014.9.19	USD48,710/NTD1,460,298
Sell	EUR/USD	2014.7.14-2014.9.26	EUR17,000/USD23,107
Sell	JPY/USD	2014.8.8	JPY101,768/USD1,000
Sell	NTD/USD	2014.7.9-2014.8.8	NTD581,393/USD19,400
<u>December 31, 2013</u>			
Sell	USD/EUR	2014.1.6-2014.2.7	USD5,000/EUR6,708
Sell	JPY/USD	2014.1.27-2014.4.7	JPY1,968,307/USD19,500
Sell	NTD/USD	2014.1.2-2014.2.19	NTD2,680,900/USD90,200
Sell	MYR/USD	2014.01.15	MYR6,587/USD2,000
<u>June 30, 2013</u>			
Sell	EUR/USD	2013.7.31	EUR2,000/USD2,605
Sell	NTD/USD	2013.7.5-2013.9.2	NTD3,072,350/USD102,850
Sell	JPY/USD	2013.7.30-2013.12.2	JPY2,755,231/USD27,740
Sell	USD/CAD	2013.7.25	USD4,000/CAD4,134
Sell	MYR/USD	2013.7.10-2013.8.15	MYR9,250/USD3,000

(Continued)

	Currency	Maturity	Contract Amount (Thousands)
<u>January 1, 2013</u>			
Sell	EUR/USD	2013.1.30-2013.2.26	EUR4,000/USD5,235
Sell	USD/NTD	2013.1.28-2013.2.26	USD14,620/NTD424,992
Sell	JPY/USD	2013.1.30	JPY342,185/USD4,000
Sell	NTD/USD	2013.1.7-2013.3.8	NTD1,188,275/USD40,913 (Concluded)

d. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the six months ended June 30, 2014 and 2013.

The outstanding option contracts as of June 30, 2014, December 31, 2013 were as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2014</u>			
Sell call option	EUR/USD	2014.7.10	EUR6,000/USD8,196
Sell call option	USD/NTD	2014.7.2-2014.7.9	USD10,000/NTD300,596
<u>December 31, 2013</u>			
Sell call option	EUR/USD	2014.1.27	EUR2,000/USD2,790

As of June 30, 2014 and January 1, 2014, the Group had no outstanding option contracts.

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the six months ended June 30, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. As of June 30, 2014, December 31, 2013 and June 30, 2013, the Group had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2014</u>			
Buy JPY put options	JPY/USD	2014.8.27-2014.11.25	JPY4,174,980/USD41,600
Sell JPY call options	JPY/USD	2014.8.27-2014.11.25	JPY12,524,940/USD124,800
Buy EUR put options	EUR/USD	2014.11.5-2014.11.7	EUR3,800/USD5,228
Sell EUR call options	EUR/USD	2014.11.5-2014.11.7	EUR11,400/USD15,684 (Continued)

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2013</u>			
Buy JPY put options	JPY/USD	2013.1.2-2013.5.28	JPY1,385,356/USD14,000
Sell JPY call options	JPY/USD	2013.1.2-2013.5.28	JPY4,156,068/USD42,000
Buy EUR call options	EUR/USD	2013.1.2-2013.3.27	EUR1,900/USD2,468
Sell EUR put options	EUR/USD	2013.1.2-2013.3.27	EUR7,600/USD9,872
<u>June 30, 2013</u>			
Buy JPY put options	JPY/USD	2013.7.2-2013.12.28	JPY491,883/USD5,310
Sell JPY call options	JPY/USD	2013.7.2-2013.12.28	JPY1,475,648/USD15,930
Buy EUR call options	EUR/USD	2013.7.3-2013.9.25	EUR1,950/USD2,482
Sell EUR put options	EUR/USD	2013.7.3-2013.9.25	EUR7,800/USD9,929
			(Concluded)

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Equity investments</u>				
Marketable equity securities	\$ 4,630,141	\$ 5,257,255	\$ 4,885,341	\$ 4,680,058
Open-end mutual funds - beneficial certificates	168,834	168,172	153,499	204,336
Overseas mutual funds - beneficial certificates	643,732	636,138	2,428,483	1,877,246
Overseas securities	<u>172,916</u>	<u>185,003</u>	<u>-</u>	<u>-</u>
Available-for-sale financial assets	<u>\$ 5,615,623</u>	<u>\$ 6,246,568</u>	<u>\$ 7,467,323</u>	<u>\$ 6,761,640</u>
Current	\$ 930,314	\$ 989,348	\$ 2,792,773	\$ 2,272,149
Noncurrent	<u>4,685,309</u>	<u>5,257,220</u>	<u>4,674,550</u>	<u>4,489,491</u>
	<u>\$ 5,615,623</u>	<u>\$ 6,246,568</u>	<u>\$ 7,467,323</u>	<u>\$ 6,761,640</u>

9. HELD-TO-MATURITY FINANCIAL ASSETS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Bond investments</u>				
Asia Cement Corp. (ACC)	<u>\$ 99,988</u>	<u>\$ 99,962</u>	<u>\$ 199,923</u>	<u>\$ 199,871</u>
Current	\$ 99,988	\$ 99,962	\$ 100,000	\$ 100,000
Noncurrent	<u>-</u>	<u>-</u>	<u>99,923</u>	<u>99,871</u>
	<u>\$ 99,988</u>	<u>\$ 99,962</u>	<u>\$ 199,923</u>	<u>\$ 199,871</u>

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Derivative financial assets</u> <u>under hedge accounting</u>				
Cash flow hedges - cross-currency interest rate swaps	\$ 1,620	\$ 115	\$ -	\$ 4,650
Cash flow hedges - forward exchange contracts	<u>6,120</u>	<u>4,327</u>	<u>3,731</u>	<u>17,312</u>
	<u>\$ 7,740</u>	<u>\$ 4,442</u>	<u>\$ 3,731</u>	<u>\$ 21,962</u>
Current	<u>\$ 7,740</u>	<u>\$ 4,442</u>	<u>\$ 3,731</u>	<u>\$ 21,962</u>
<u>Derivative financial liabilities</u> <u>under hedge accounting</u>				
Cash flow hedges - cross-currency interest rate swaps	\$ -	\$ -	\$ 4,450	\$ -
Cash flow hedges - forward exchange contracts	-	-	22,275	-
Cash flow hedges - interest rate swaps	<u>482,790</u>	<u>421,280</u>	<u>370,732</u>	<u>287,522</u>
	<u>\$ 482,790</u>	<u>\$ 421,280</u>	<u>\$ 397,457</u>	<u>\$ 287,522</u>
Current	\$ -	\$ -	\$ 26,725	\$ -
Noncurrent	<u>482,790</u>	<u>421,280</u>	<u>370,732</u>	<u>287,522</u>
	<u>\$ 482,790</u>	<u>\$ 421,280</u>	<u>\$ 397,457</u>	<u>\$ 287,522</u>

Cash Flow Hedges

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

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

June 30, 2014

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2014.8.27	USD5,000
Forward exchange contracts	USD/NTD	2014.7.31-2014.8.12	USD15,000

December 31, 2013

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2014.1.16	USD5,000
Forward exchange contracts	USD/NTD	2014.1.10-2014.1.27	USD17,500

June 30, 2013

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2013.7.15	USD5,000
Forward exchange contracts	USD/NTD	2013.7.8-2013.8.30	USD67,500

January 1, 2013

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2013.1.14	USD5,000
Forward exchange contracts	USD/NTD	2013.1.8-2013.5.7	USD68,000

The Group invested in overseas mutual funds and used cross-currency interest rate swaps 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 three months and six months ended June 30, 2014 and 2013 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Net gain on sales of securities	\$ <u> </u>	\$ <u>14,985</u>	\$ <u>3,825</u>	\$ <u>56,235</u>

The Group entered into interest rate swaps 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 swaps 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 swaps contracts, which involved the exchange of floating interest amounts for fixed 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.

Profit or loss reclassified from equity were included in the following line item in the consolidated statements of comprehensive income:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2014	2013	2014	2013
Interest expense credits	<u>\$ 20,377</u>	<u>\$ 19,064</u>	<u>\$ 36,417</u>	<u>\$ 38,214</u>

11. FINANCIAL ASSETS CARRIED AT COST

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Domestic unlisted common shares	\$ 750,874	\$ 753,286	\$ 876,796	\$ 776,897
Overseas unlisted common shares	185,181	208,314	334,932	345,632
Convertible bonds-conversion rights (Note 12)	<u>7,895</u>	<u>7,895</u>	<u>7,895</u>	<u>7,895</u>
	<u>\$ 943,950</u>	<u>\$ 969,495</u>	<u>\$ 1,219,623</u>	<u>\$ 1,130,424</u>
Current	\$ 11,409	\$ 42,587	\$ 7,895	\$ -
Noncurrent	<u>932,541</u>	<u>926,908</u>	<u>1,211,728</u>	<u>1,130,424</u>
	<u>\$ 943,950</u>	<u>\$ 969,495</u>	<u>\$ 1,219,623</u>	<u>\$ 1,130,424</u>

The Group's management believed that the above unlisted equity investments 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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Bond investments - Bockhold N.V.	\$ 264,603	\$ 267,007	\$ 261,344	\$ 256,508
Time deposits with original maturities of more than 3 months	<u>2,498,251</u>	<u>2,339,682</u>	<u>1,279,967</u>	<u>3,145,035</u>
	<u>\$ 2,762,854</u>	<u>\$ 2,606,689</u>	<u>\$ 1,541,311</u>	<u>\$ 3,401,543</u>
Current	\$ 2,493,351	\$ 2,606,689	\$ 1,541,311	\$ 3,145,035
Noncurrent	<u>269,503</u>	<u>-</u>	<u>-</u>	<u>256,508</u>
	<u>\$ 2,762,854</u>	<u>\$ 2,606,689</u>	<u>\$ 1,541,311</u>	<u>\$ 3,401,543</u>

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd., bought convertible bonds amounting to EUR6,670 thousand and issued by Bockhold N.V. The maturity date of the bond is February 26, 2014. The 7.5% interest on these three-year convertible bonds is 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 conversion rights of convertible bonds was recognized as financial assets carried at cost (Note 11). Later, Yuan Tong Investment Co., Ltd. renegotiated with Bockhold N.V. and obtained an extension of the bond maturity to March 14, 2019.

13. NOTES AND ACCOUNTS RECEIVABLE

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Notes and accounts receivable</u>				
Notes and accounts receivable	\$ 29,726,293	\$ 28,010,616	\$ 30,875,777	\$ 29,042,406
Less: Allowance for doubtful accounts	<u>(1,218,654)</u>	<u>(1,125,669)</u>	<u>(1,160,731)</u>	<u>(1,150,240)</u>
	<u>\$ 28,507,639</u>	<u>\$ 26,884,947</u>	<u>\$ 29,715,046</u>	<u>\$ 27,892,166</u>

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. The Group does not have accounts receivable with the aging being past due but not impaired.

Movements of allowance for doubtful accounts were as follows:

	For the Six Months Ended June 30	
	2014	2013
Beginning balance	\$ 1,125,669	\$ 1,150,240
Add: Accounts recovered during the period	141,053	147,464
Add: Bad debt expenses	169,826	94,151
Deduct: Amounts written off during the period as uncollectible	(216,933)	(233,245)
Effect of exchange rate differences	<u>(961)</u>	<u>2,121</u>
Ending balance	<u>\$ 1,218,654</u>	<u>\$ 1,160,731</u>

Sale of overdue accounts receivable

Under agreements signed in February 2013 and May 2013, an FENC subsidiary, Far EasTone sold to asset management companies the overdue accounts receivable that had been written off. Thus, for the six months ended June 30, 2013, Far EasTone was not under the risk of irrecoverable receivables.

Related information as of June 30, 2013 was 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.	<u>\$ 3,123,682</u>	<u>\$ 72,886</u>

14. INVENTORIES

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Merchandise inventories	\$ 3,709,494	\$ 5,478,405	\$ 3,991,928	\$ 3,370,419
Finished goods	5,294,065	4,843,104	5,662,243	4,646,465
Work in progress	2,862,526	2,463,792	2,776,883	2,138,420
Raw materials	7,031,436	8,017,791	8,108,602	8,611,484
Supplies	899,891	782,627	617,430	628,077
Available-for-sale - buildings and land	995,149	995,149	1,024,828	1,035,526
Available-for-sale - land	700,887	700,887	620,541	620,361
Construction-in-progress	955,030	903,217	711,050	502,368
Prepayment for land	<u>-</u>	<u>-</u>	<u>64,000</u>	<u>64,000</u>
	<u>\$ 22,448,478</u>	<u>\$ 24,184,972</u>	<u>\$ 23,577,505</u>	<u>\$ 21,617,120</u>

In the three months and the six months ended June 30, 2014, three months and the six months ended June 30, 2013, the costs of sales were NT\$36,832,667 thousand, NT\$73,368,695 thousand, NT\$39,498,589 thousand and NT\$77,267,935 thousand, respectively. The costs of inventories recognized as cost of goods sold, which included inventory write-downs in the three months ended June 30, 2014, the six months ended June 30, 2014, the three months ended June 30, 2013, the six months ended June 30, 2013, were NT\$57,074 thousand, NT\$27,813 thousand, NT\$16,325 thousand and NT\$100,169 thousand, respectively.

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Amount due from customers for <u>construction contracts</u>				
Construction costs incurred plus recognized profits less recognized losses to date	\$ 17,231,555	\$ 13,797,342	\$ 12,099,733	\$ 20,350,379
Less: Progress billings	<u>14,795,039</u>	<u>12,323,556</u>	<u>10,548,128</u>	<u>18,798,693</u>
	<u>\$ 2,436,516</u>	<u>\$ 1,473,786</u>	<u>\$ 1,551,605</u>	<u>\$ 1,551,686</u>

(Continued)

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Amounts due to customers for construction contracts</u>				
Progress billings	\$ 2,877,878	\$ 3,555,055	\$ 14,382,401	\$ 4,142,257
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>2,093,472</u>	<u>3,142,557</u>	<u>13,950,098</u>	<u>3,981,478</u>
	<u>\$ 784,406</u>	<u>\$ 412,498</u>	<u>\$ 432,303</u>	<u>\$ 160,779</u>
Retentions receivable	<u>\$ 272,659</u>	<u>\$ 253,419</u>	<u>\$ 229,306</u>	<u>\$ 271,677</u>
Retentions payable	<u>\$ 332,510</u>	<u>\$ 235,203</u>	<u>\$ 363,646</u>	<u>\$ 265,649</u>
				(Concluded)

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

	<u>June 30, 2014</u>		<u>December 31, 2013</u>		<u>June 30, 2013</u>		<u>January 1, 2013</u>	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Listed companies								
Asia Cement Corp.	\$ 21,783,162	25	\$ 22,939,506	25	\$ 21,370,715	26	\$ 22,410,220	26
Far Eastern Department Stores Co., Ltd.	6,702,694	22	6,891,490	22	6,451,827	22	6,531,968	21
Oriental Union Chemical Corp.	5,852,691	28	5,523,640	26	5,077,661	26	5,401,509	27
Everest Textile Co., Ltd.	<u>1,106,480</u>	26	<u>1,131,649</u>	27	<u>1,104,353</u>	27	<u>1,055,480</u>	27
	<u>35,445,027</u>		<u>36,486,285</u>		<u>34,004,556</u>		<u>35,399,177</u>	
Unlisted companies								
Oriental Securities Corp.	4,972,084	46	4,954,550	46	4,830,007	46	4,836,312	46
Pacific Liu Tong Investment Co., Ltd.	4,007,768	40	4,229,699	40	3,929,399	40	3,820,621	40
Yu Yuan Investment Co.	3,517,561	44	3,320,639	44	4,209,735	44	3,521,353	44
Far Eastern International Leasing Corp.	2,284,063	34	2,298,284	34	2,357,964	34	2,365,411	34
Far Easter Union Petrochemical (Yangzhou) Corporation	1,906,897	50	-	-	-	-	-	-
Liquid Air Far East Co., Ltd.	1,403,057	35	1,442,716	35	1,140,973	35	1,253,704	35
Da Jo Fiber Corp.	1,138,847	42	1,107,522	42	946,991	42	921,097	42
Yu Ding Industry Co., Ltd.	598,696	31	585,581	31	544,878	31	523,021	31
Tong Da Air Industry (Yangzhou) Co., Ltd.	987,433	50	-	-	-	-	-	-
Yuan Ding Leasing Corp.	417,792	46	420,032	46	427,366	46	428,421	46
Kowloon Cement Corp.	399,507	49	389,516	49	315,813	49	361,010	49
Freudenberg Far Eastern Spunweb Co., Ltd.	239,734	30	316,573	30	272,147	30	351,586	30
FEDS Asia Pacific Development Co., Ltd.	123,893	5	126,782	5	121,932	5	124,686	5
Yue Ming Corp.	72,755	47	71,759	47	95,010	47	71,134	47
Malaysia Garment Manufactures PET Ltd.	71,585	38	58,839	38	69,005	38	56,967	38
Alliance Digital Technology Co., Ltd.	25,475	17	28,514	19	-	-	-	-
iScreen Corporation	16,416	40	15,587	40	15,989	40	18,568	40

(Continued)

	June 30, 2014		December 31, 2013		June 30, 2013		January 1, 2013	
	Carrying Value	% of Ownership						
Com 2B Corporation	\$ 13,543	20	\$ 15,816	20	\$ 15,911	20	\$ 22,293	20
Opas Fund Segregated Portfolio Company	<u>1,552</u>	34	<u>1,549</u>	34	<u>1,558</u>	34	<u>1,509</u>	34
	<u>22,198,658</u>		<u>19,383,958</u>		<u>19,294,678</u>		<u>18,677,693</u>	
Prepayment for long-term investments Alliance Digital Technology Co., Ltd.	-		-		30,000		-	
	<u>\$ 57,643,685</u>		<u>\$ 55,870,243</u>		<u>\$ 53,329,234</u>		<u>\$ 54,076,870</u>	

(Concluded)

On March 31, 2014, the Group lost control over Far Eastern Union Petrochemical (Yangzhou) Corp. (FEUPY) when half of the board members, who represented the Group, lost their seats after a board of directors' election. The Group revalued its retained holding of FEUPY shares at fair value and recognized RMB3,912 thousand as gain on disposal of investment.

In the six months ended June 30, 2014, Oriental Union Chemical Corps. entered into a joint venture to establish Tong Da Air Industry (Yangzhou) Co., Ltd. and acquired a 50% ownership of the latter company.

As of June 30, 2014 and 2013, investments in FEDS Asia Pacific Development Co., Ltd., Com2B Corporation and Alliance Digital Technology Co., Ltd. were accounted for 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 financial statements used as basis for the calculation of the gains (losses) and other comprehensive income from the equity-method investments for the three months and the six months ended June 30, 2014 and 2013 had been unreviewed, except those of Asia Cement Corp. (ACC), Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corp., Everest Textile Co., Ltd., Oriental Securities Corp. and Pacific Liu Tong Investment Co., Ltd. The independent auditors expressed a qualified opinion on the financial statements of these six associates because the financial statements of some of the investees of these associates had not been reviewed.

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	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Listed companies	<u>\$ 52,769,387</u>	<u>\$ 49,977,706</u>	<u>\$ 46,293,603</u>	<u>\$ 48,990,026</u>

17. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Total property, plant and equipment	\$ 128,611,541	\$ 124,767,713	\$ 120,657,028	\$ 116,637,790
Prepayment for equipment	<u>6,704,828</u>	<u>6,103,204</u>	<u>4,181,662</u>	<u>2,881,210</u>
	<u>\$ 135,316,369</u>	<u>\$ 130,870,917</u>	<u>\$ 124,838,690</u>	<u>\$ 119,519,000</u>

	Land	Buildings	Machinery and Equipment	Telecommunications Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 2013	\$ 16,366,341	\$ 27,059,431	\$ 112,206,055	\$ 140,176,231	\$ 12,107,417	\$ 4,115,679	\$ 17,705,731	\$ 13,475,330	\$ 343,212,215
Additions	265,928	13,781	266,140	51,733	8,817	24,527	105,471	9,863,451	10,599,848
Disposals	-	(17,422)	(2,155,266)	(1,315,924)	(16,195)	(32,638)	(75,679)	(2,333)	(3,615,457)
Adjustments and reclassification	687,511	473,476	1,424,580	4,778,571	286,828	149,398	524,157	(7,420,550)	903,971
Effect of exchange rate difference	1,496	397,389	1,942,456	7	1,700	7	161,981	93,209	2,598,245
Balance at June 30, 2013	<u>\$ 17,321,276</u>	<u>\$ 27,926,655</u>	<u>\$ 113,683,965</u>	<u>\$ 143,690,618</u>	<u>\$ 12,388,567</u>	<u>\$ 4,256,973</u>	<u>\$ 18,421,661</u>	<u>\$ 16,009,107</u>	<u>\$ 353,698,822</u>
Accumulated depreciation and impairment									
Balance at January 1, 2013	\$ (96,557)	\$ (11,276,183)	\$ (77,284,272)	\$ (109,693,554)	\$ (9,810,494)	\$ (2,949,103)	\$ (12,583,052)	\$ -	\$ (223,693,215)
Disposals	-	13,225	2,127,355	887,462	16,195	25,544	68,654	-	3,138,435
Depreciation expense	-	(400,214)	(2,168,683)	(3,621,172)	(415,554)	(137,290)	(559,349)	-	(7,302,262)
Adjustments and reclassification	-	(41,400)	2,658	12,478	(40)	(74)	6,665	-	(19,713)
Effect of exchange rate difference	-	(105,518)	(801,508)	(4)	(1,154)	-	(75,193)	-	(983,377)
Balance at June 30, 2013	<u>\$ (96,557)</u>	<u>\$ (11,810,090)</u>	<u>\$ (78,124,450)</u>	<u>\$ (112,414,790)</u>	<u>\$ (10,211,047)</u>	<u>\$ (3,060,923)</u>	<u>\$ (13,142,275)</u>	<u>\$ -</u>	<u>\$ (228,860,132)</u>
Cost									
Balance at January 1, 2014	\$ 17,332,301	\$ 28,166,768	\$ 112,175,350	\$ 144,771,595	\$ 12,716,058	\$ 4,631,998	\$ 17,617,938	\$ 23,268,152	\$ 360,680,160
Additions	-	12,684	507,340	40,244	11,335	13,206	267,516	13,186,703	14,039,028
Disposals	-	(56,731)	(1,114,774)	(5,415,831)	(61,195)	(55,739)	(251,128)	(19,187)	(6,974,585)
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	(20,565)	(1,505,414)	(1,525,979)
Adjustments and reclassification	254	397,394	1,888,604	5,318,033	642,554	164,997	794,000	(8,917,981)	287,855
Effect of exchange rate difference	-	(165,664)	(845,033)	(1)	(176)	(13)	(56,782)	(45,405)	(1,113,074)
Balance at June 30, 2014	<u>\$ 17,332,555</u>	<u>\$ 28,354,451</u>	<u>\$ 112,611,487</u>	<u>\$ 144,714,040</u>	<u>\$ 13,308,576</u>	<u>\$ 4,754,449</u>	<u>\$ 18,350,979</u>	<u>\$ 25,966,868</u>	<u>\$ 365,393,405</u>
Accumulated depreciation and impairment									
Balance at January 1, 2014	\$ (96,557)	\$ (12,193,478)	\$ (76,675,611)	\$ (114,352,153)	\$ (10,530,559)	\$ (3,138,722)	\$ (12,822,163)	\$ -	\$ (229,809,243)
Disposals	-	45,146	1,092,682	4,976,512	60,476	41,879	217,171	-	6,433,866
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	2,335	-	2,335
Depreciation expense	-	(346,143)	(1,794,982)	(3,605,558)	(446,472)	(184,837)	(555,769)	-	(6,933,761)
Adjustments and reclassification	-	(150,084)	(63,221)	1,832	(3,852)	(431)	(2,266)	-	(218,022)
Effect of exchange rate difference	-	49,884	366,833	-	89	(3)	30,986	-	447,789
Balance at June 30, 2014	<u>\$ (96,557)</u>	<u>\$ (12,594,675)</u>	<u>\$ (77,074,299)</u>	<u>\$ (112,979,367)</u>	<u>\$ (10,920,318)</u>	<u>\$ (3,282,114)</u>	<u>\$ (13,129,706)</u>	<u>\$ -</u>	<u>\$ (230,077,036)</u>

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

Building	3-60 years
Telecommunications equipment - excluding submarine cable system usage	2-25 years
Computer equipment	3-10 years
Machinery and equipment	3-20 years
Leasehold improvements and operating and miscellaneous equipment	3-15 years

As of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,783 thousand. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmlands belong to the Company or have pledged the land to the Company.

18. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at January 1, 2013	\$ 108,008,458
Additions	142
Transferred from property, plant and equipment	(904,196)
	(Continued)

	Completed Investment Properties
Adjustments and reclassifications	\$ 2,569,172
Effect of exchange rate differences	<u>21,620</u>
Balance at June 30, 2013	<u>\$ 109,695,196</u>
Balance at January 1, 2014	\$ 113,458,525
Additions	5,994
Transferred from property, plant and equipment	(62,119)
Adjustments and reclassifications	3,186,449
Effect of exchange rate differences	<u>7,099</u>
Balance at June 30, 2014	<u>\$ 116,595,948</u> (Concluded)

The Group and Asia Cement Corporation (ACC) co-own land located on Dunhua South Road in Taipei. Under an agreement with the Group and ACC, Yuan Ding paid for the construction of a multifunctional building on this land and owned the 30-year right of superficies. However, the ownership of the building was registered in the name of the Group, ACC and Yuan Ding at 12%, 12% and 76%, respectively. Upon expiration of the agreement, the Company and ACC will acquire Yuan Ding's 76% ownership of the building based on the carrying value of the building.

The construction of a building (Bangiao Zhong Ben) located in the Bangiao Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026.

The market rentals in the Bangiao where the investment property is located were between \$0.8 thousand and \$0.9 thousand per ping (i.e. 1 ping = 3.3 square meters).

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Up to 1 year	\$ 845,036	\$ 747,321	\$ 953,787	\$ 901,868
More than 1 year up to 5 years	2,719,620	2,308,572	2,329,794	3,217,483
More than 5 years	<u>1,513,627</u>	<u>1,956,304</u>	<u>1,770,476</u>	<u>2,412,306</u>
	<u>\$ 5,078,283</u>	<u>\$ 5,012,197</u>	<u>\$ 5,054,057</u>	<u>\$ 6,531,657</u>

The fair values of investment properties were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Independent valuation	<u>\$ 116,595,948</u>	<u>\$ 113,458,525</u>	<u>\$ 109,695,196</u>	<u>\$ 108,008,458</u>

The fair values of the investment properties as of December 31, 2013 and January 1, 2013 were based on the valuations carried out at these dates by an independent qualified professional valuator, Mr. Tsai, Chia-ho, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisals. In consultation with the appraisers, except for some investment properties were adjusted in accordance with fair value movement, the Group determined that the fair values reported as of December 31, 2013 and January 1, 2013 were still valid as of June 30, 2014 and 2013.

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Expected future cash inflows	\$ 54,754,355	\$ 53,460,913	\$ 51,115,391	\$ 48,940,633
Expected future cash outflows	<u>(1,949,447)</u>	<u>(1,947,933)</u>	<u>(1,808,221)</u>	<u>(1,804,921)</u>
Expected future cash inflows, net	<u>\$ 52,804,908</u>	<u>\$ 51,512,980</u>	<u>\$ 49,307,170</u>	<u>\$ 47,135,712</u>
Discount rate	2.125%-2.28%	2.125%-2.3%	2.125%-2.34%	2.125%-2.30%

All floors of the investment properties had been leased out under operating leases. The rental incomes generated for the six months ended June 30, 2014 and 2013 were NT\$451,801 thousand and NT\$420,488 thousand, respectively.

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

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

19. GOODWILL

	For the Six Months Ended June 30	
	2014	2013
<u>Cost</u>		
Beginning balance	\$ 11,928,782	\$ 11,980,944
Effect of exchange rate differences, net	<u>(1,015)</u>	<u>2,353</u>
Ending balance	<u>\$ 11,927,767</u>	<u>\$ 11,983,297</u>

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.

Refer to Note 19 of the consolidated financial statements for the year ended December 31, 2013 for related information on goodwill.

20. CONCESSION AND INTANGIBLE ASSETS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Carrying amounts</u>				
Concession	\$ 38,199,785	\$ 37,734,135	\$ 5,541,193	\$ 5,090,449
Other intangible assets				
Computer software	2,490,257	2,557,237	2,432,588	2,529,280
Others	1,433,383	1,626,885	1,567,729	1,289,718
	<u>3,923,640</u>	<u>4,184,122</u>	<u>4,000,317</u>	<u>3,818,998</u>
	<u>\$ 42,123,425</u>	<u>\$ 41,918,257</u>	<u>\$ 9,541,510</u>	<u>\$ 8,909,447</u>
	Concession	Computer Software	Others	Total
Balance at January 1, 2013	\$ 5,090,449	\$ 2,529,280	\$ 1,289,718	\$ 8,909,447
Additions	998,813	262,724	491,751	1,753,288
Amortization	(547,799)	(378,527)	(214,527)	(1,140,853)
Disposals	(267)	-	-	(267)
Adjustments and reclassifications	(3)	16,898	(3,980)	12,915
Effect of exchange rate differences	-	2,213	4,767	6,980
Balance at June 30, 2013	<u>\$ 5,541,193</u>	<u>\$ 2,432,588</u>	<u>\$ 1,567,729</u>	<u>\$ 9,541,510</u>
Balance at January 1, 2014	\$ 37,734,135	\$ 2,557,237	\$ 1,626,885	\$ 41,918,257
Additions	1,031,936	322,223	113,834	1,467,993
Amortization	(564,960)	(386,163)	(305,872)	(1,256,995)
Disposals	(1,326)	(3)	-	(1,329)
Derecognition of subsidiaries due to control loss	-	(4,563)	-	(4,563)
Adjustments and reclassifications	-	2,469	1,270	3,739
Effect of exchange rate differences	-	(943)	(2,734)	(3,677)
Balance at June 30, 2014	<u>\$ 38,199,785</u>	<u>\$ 2,490,257</u>	<u>\$ 1,433,383</u>	<u>\$ 42,123,425</u>

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

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

a. Short-term borrowings

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Credit loans	\$ 23,000,215	\$ 24,372,853	\$ 22,328,418	\$ 24,362,749
Secured and pledged borrowings	262,407	200,000	240,924	846,419
Loans from related parties	<u>3,473,448</u>	<u>3,480,995</u>	<u>3,503,790</u>	<u>598,224</u>
	<u>\$ 26,736,070</u>	<u>\$ 28,053,848</u>	<u>\$ 26,073,132</u>	<u>\$ 25,807,392</u>

1) The interest rates for bank loans were 0.63% to 4.24%, 0.67% to 4.18% and 0.63% to 6.16%, 0.75% to 6.16% as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, respectively.

2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013.

b. Short-term bills payable

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Commercial paper	\$ 3,734,000	\$ 5,121,000	\$ 8,257,000	\$ 6,290,000
Less: Unamortized discount on bills payable	<u>2,243</u>	<u>3,306</u>	<u>2,780</u>	<u>3,260</u>
	<u>\$ 3,731,757</u>	<u>\$ 5,117,694</u>	<u>\$ 8,254,220</u>	<u>\$ 6,286,740</u>

The short-term bills payable outstanding were issued at interest rates of 1.10% to 1.36%, 0.79% to 1.37% and 0.70% to 1.39%, 0.83% to 2.34% as of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, respectively.

22. PROVISIONS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Decommissioning obligations	\$ 835,580	\$ 799,760	\$ 760,782	\$ 733,552
Warranties	96,307	87,260	88,007	79,083
Onerous contracts	<u>28,498</u>	<u>12,171</u>	<u>5,256</u>	<u>2,581</u>
	<u>\$ 960,385</u>	<u>\$ 899,191</u>	<u>\$ 854,045</u>	<u>\$ 815,216</u>
Current	\$ 226,163	\$ 193,328	\$ 178,662	\$ 160,425
Noncurrent	<u>734,222</u>	<u>705,863</u>	<u>675,383</u>	<u>654,791</u>
	<u>\$ 960,385</u>	<u>\$ 899,191</u>	<u>\$ 854,045</u>	<u>\$ 815,216</u>

	Decommissioning Obligations	Warranties	Onerous Contracts	Total
Balance at January 1, 2013	\$ 733,552	\$ 79,083	\$ 2,581	\$ 815,216
Additional provisions recognized	30,411	28,746	2,675	61,832
Reductions	<u>(3,181)</u>	<u>(19,822)</u>	<u>-</u>	<u>(23,003)</u>
Balance at June 30, 2013	<u>\$ 760,782</u>	<u>\$ 88,007</u>	<u>\$ 5,256</u>	<u>\$ 854,045</u>
Balance at January 1, 2014	\$ 799,760	\$ 87,260	\$ 12,171	\$ 899,191
Additional provisions recognized	41,912	42,222	16,327	100,461
Reductions	<u>(6,092)</u>	<u>(33,175)</u>	<u>-</u>	<u>(39,267)</u>
Balance at June 30, 2014	<u>\$ 835,580</u>	<u>\$ 96,307</u>	<u>\$ 28,498</u>	<u>\$ 960,385</u>

23. LONG-TERM BORROWINGS

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Bank loans	\$ 61,368,882	\$ 43,722,573	\$ 34,026,989	\$ 33,243,911
Less: Current portion	<u>793,622</u>	<u>99,869</u>	<u>1,102,981</u>	<u>1,011,899</u>
	<u>\$ 60,575,260</u>	<u>\$ 43,622,704</u>	<u>\$ 32,924,008</u>	<u>\$ 32,232,012</u>
Nonconvertible bonds	\$ 74,748,500	\$ 74,499,000	\$ 53,356,500	\$ 44,780,000
Discount of nonconvertible bonds	<u>(102,550)</u>	<u>(114,386)</u>	<u>(84,013)</u>	<u>(74,300)</u>
	74,645,950	74,384,614	53,272,487	44,705,700
Less: Current portion	<u>10,644,386</u>	<u>8,745,827</u>	<u>5,326,687</u>	<u>2,979,679</u>
	<u>\$ 64,001,564</u>	<u>\$ 65,638,787</u>	<u>\$ 47,945,800</u>	<u>\$ 41,726,021</u>

Bank Loans

The foregoing loans are repayable at a lump sum on maturity in New Taiwan dollars or U.S. dollars. As of June 30, 2014, the Group's loans with non-revolving credit were due in December 2017 and had an interest rate of 1.313%. Except for these non-revolving credit loans, the Group had been allowed to make loans within the credit line limit until maturity. The maturity dates and bank interest rates of the Group's revolving loans were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Maturity	June 2014- March 2031	January 2015- March 2031	August 2014- March 2031	March 2014- March 2031
Bank interest rates	0.65%-2.95%	0.80%-2.33%	0.77%-2.95%	0.63%-2.08%

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, a company 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, a company subsidiary, FECC entered into a NT\$4,000,000 thousand credit agreement with Hua Nan Bank and other financial institutions. FECC pledged its land pertaining to the Zhong Ben and Zhong Ben (2) project (Ban Qiao - New Section No. 8) and amounting to NT\$4,800,000 thousand as 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
	<u>NT\$ 4,000,000 thousand</u>			

Note: The reference interest rate is based on Taiwan's second market 90 days' commercial paper fixing rate on page 6165 of the 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 June 30, 2014, OPTC was in compliance with the ratio requirement.

In 2013, 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 June 30, 2014, OPTC was in compliance with the ratio requirement.

On April 23, 2012, 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.

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 35). 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 Cathy 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 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 May 16, 2013, the Company issued three-year unsecured bonds (the first tranche) amounting to (a) RMB500,000 thousand and (b) JPY5,000,000 thousand with unit face values of RMB1,000 thousand and JPY 10,000 thousand, respectively. These three-year bonds will be repaid in lump sum on maturity. The interest rate of (a) is 2.95% and that of (b) is defined as three month JPY LIBOR + 1.10%. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On August 28, 2013, the Company issued three-year and six-month unsecured bonds (second tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. These three-year and six-month bonds will be repaid in lump sum on maturity plus a 1.39% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 23, 2013, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,800,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds will be repaid in lump sum on maturity plus a 1.45% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Yuan Ding Investment Co., Ltd. (YDI)

On July 19, 2010, an FENC subsidiary, 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.

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.

YDI issued five-year unsecured/nonconvertible bonds (the second tranche) on December 15, 2011. 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 1.4% 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.

On May 26, 2014 YDI issued five-year unsecured/nonconvertible bonds. The bonds, which are payable annually, have aggregate value of NT\$3,000,000 thousands and a par value of NT\$1,000 thousand. These bonds are repayable at 50% of aggregate value for each end of the for the forth and fifty years, respectively, of bond issuance, and the simple interest of 1.35% is payable annually.

Far EasTone

On June 27, 2013, Far EasTone issued seven-year unsecured domestic bonds (the fourth tranche), with an aggregate principal of NT\$5,000,000 thousand, each having a face value of \$10,000 thousand and a coupon interest rate of 1.33%, with simple interest due annually. Equal principal repayments will be made annually in the fifth and seventh years of bond issuance.

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:

	June 30, 2014		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 216,071	\$ 61,587	\$ 277,658
Notes and accounts receivable from affiliates	146,622	-	146,622
Inventories - construction and real estate	1,950,179	700,887	2,651,066
Amounts due from customers for construction contracts	1,207,845	1,228,671	2,436,516
Other financial assets - current	313,320	1,332,292	1,645,612
Refundable deposits - current	535	7,803	8,338
<u>Liabilities</u>			
Notes and accounts payable	971,869	148,278	1,120,147
Notes and accounts payable to affiliates	204,220	-	204,220
Amounts due to customers for construction contracts	37,329	747,077	784,406
Provisions - current	-	54,364	54,364
December 31, 2013			
	Within One Year	Over One Year	Total
<u>Assets</u>			
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	52,981	6,201	59,182
<u>Liabilities</u>			
Notes and accounts payable	539,091	531,673	1,070,764
Notes and accounts payable to affiliates	152,166	-	152,166
Amounts due to customers for construction contracts	100,040	312,458	412,498
Provisions - current	-	56,419	56,419

	June 30, 2013		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 259,557	\$ 33,426	\$ 292,983
Notes and accounts receivable from affiliates	5,151	-	5,151
Inventories - construction and real estate	1,735,878	684,541	2,420,419
Amounts due from customers for construction contracts	1,447,557	104,048	1,551,605
Other financial assets - current	417,053	1,069,435	1,486,488
Refundable deposits - current	1,189	5,372	6,561
<u>Liabilities</u>			
Notes and accounts payable	1,234,664	53,386	1,288,050
Notes and accounts payable to affiliates	87,478	-	87,478
Amounts due to customers for construction contracts	222,426	209,877	432,303
Advances on land and buildings	6,723	-	6,723
Provisions - current	-	57,289	57,289

	January 1, 2013		
	Within One Year	Over One Year	Total
<u>Assets</u>			
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
<u>Liabilities</u>			
Notes and accounts payable	1,505,239	105,338	1,610,577
Notes and accounts payable to affiliates	176,204	-	176,204
Advances on land and buildings	14,037	-	14,037
Amounts due to customers for construction contracts	12,515	148,264	160,779
Provisions - current	-	57,642	57,642

25. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expense were calculated using the actuarially determined pension cost discount rate as of December 31, 2013 and 2012 and were recognized in their respective periods.

The pension expense were included in the following line item:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Defined contribution plans	\$ 191,369	\$ 186,074	\$ 371,689	\$ 367,090
Defined benefit plans	<u>(16,809)</u>	<u>(123)</u>	<u>(1,903)</u>	<u>1,120</u>
Total retirement benefit plan expenses	<u>\$ 174,560</u>	<u>\$ 185,951</u>	<u>\$ 369,786</u>	<u>\$ 368,210</u>

26. EQUITY

a. Share capital

Common shares

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Number of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Amount of shares authorized	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,145,017</u>	<u>5,145,017</u>	<u>5,044,134</u>	<u>5,044,134</u>
Shares issued	<u>\$ 51,450,165</u>	<u>\$ 51,450,165</u>	<u>\$ 50,441,338</u>	<u>\$ 50,441,338</u>

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

b. Capital surplus

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)				
Share issuance in excess of par value	\$ -	\$ 932,814	\$ 932,814	\$ 932,814
Difference between consideration and carrying amounts arising from disposal/acquisition subsidiaries	3,637,116	3,733,305	3,732,350	3,793,930
May be used to offset a deficit only (2)				
Arising from changes in percentage of ownership interest in subsidiaries	4,680	4,680	5,831	8,417
Treasury stock transaction	10,813	9,839	9,839	8,884

(Continued)

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
May not be used for any <u>purpose</u>				
Changes in equity-method associates capital surplus	\$ 22,084	\$ 404	\$ 123	\$ -
	<u>\$ 3,674,693</u>	<u>\$ 4,681,042</u>	<u>\$ 4,680,957</u>	<u>\$ 4,744,045</u> (Concluded)

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

c. Retained earnings and dividend policy

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

	%
Dividends	60.0
Bonus for stockholders	33.0
Bonus for employees	4.0
Remuneration for directors and supervisors	3.0

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

The estimates of the bonuses to employees were NT\$169,288 thousand and NT\$132,775 thousand for the six months ended June 30, 2014 and 2013, respectively, and those of the remunerations to directors and supervisors were NT\$126,966 thousand and NT\$99,581 thousand for the six months ended June 30, 2014 and 2013, respectively. The bonus to employees and the remuneration are based on the Company's Article of Incorporation. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. The management of the Company approved the distribution of the employees' bonus in cash for the six months ended June 30, 2014 and 2013. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the stockholders' meeting.

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

Appropriation of earnings to legal reserve 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 2013 and 2012 earnings were approved in the stockholders’ meetings on June 26, 2014 and June 25, 2013, respectively. The appropriations and dividends per share were as follows:

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

The Company’s stockholders approved the distribution of shares amounting to \$1,029,003 thousand, with a par value of NT\$0.2, from the additional capital surplus - shares issuance in excess of par value.

In calculating the weighted average number of share outstanding for consolidated earnings per share (EPS), the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period. Therefore, based on the calculation, the Company’s EPS was NT\$1.4 per share in 2013.

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

	<u>For the Years Ended December 31</u>			
	<u>2013</u>		<u>2012</u>	
	<u>Cash</u>	<u>Stock</u>	<u>Cash</u>	<u>Stock</u>
	<u>Dividends</u>	<u>Dividends</u>	<u>Dividends</u>	<u>Dividends</u>
Bonus to employees	\$ 287,678	\$ -	\$ 325,428	\$ -
Remuneration of directors and supervisors	215,759	-	244,071	-

	For the Years Ended December 31			
	2013		2012	
	Bonus to Employee Bonus	Remuneration to Directors and Supervisors	Bonus to Employee Bonus	Remuneration to Directors and Supervisors
Amounts approved in stockholders' meetings	\$ 287,678	\$ 215,759	\$ 325,428	\$ 244,071
Amounts recognized in respective financial statements	<u>287,678</u>	<u>215,759</u>	<u>325,428</u>	<u>244,071</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The approved amounts of the bonus to employees and the remuneration to directors and supervisors were the same as the accrual amounts reflected in the financial statements for the six months ended June 30, 2014 and 2013. The total bonus to employees was paid in cash.

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

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

The Company appropriated to a special reserve of NT\$19,167,218 thousand, NT\$2,915,415 thousand and NT\$205,296 thousand, respectively; the same amount as these of unrealized revaluation increment, cumulative translation differences and the revaluated amount of property investments held by equity-method investees recognized as deemed cost transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1.

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Special reserve	<u>\$ 22,275,153</u>	<u>\$ 22,275,153</u>	<u>\$ 22,278,088</u>	<u>\$ 22,287,929</u>

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

	For the Six Months Ended June 30, 2013
Balance at January 1, 2013	\$ 22,287,929
Reversed on elimination of the original need to appropriate a special reserve	
Depreciation of investment properties	<u>(9,841)</u>
Balance at June 30, 2013	<u>\$ 22,278,088</u>

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

e. Other equity items

The changes in other equity items were as follow:

	Exchange Differences on Translating Operations	Unrealized Gain on Financial Instruments	Cash Flow Hedges	Unrealized Revaluation Increments	Total
Balance at January 1, 2013	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$ -	\$ 2,430,425
Effect of the retrospective application of an accounting change and financial statement restatement	-	-	-	-	-
Balance at January 1, 2013 as restated	(2,534,967)	5,038,679	(73,287)	-	2,430,425
Exchange differences on translating operations	1,767,153	-	-	-	1,767,153
Unrealized gain on available-for-sale financial assets	-	240,155	-	-	240,155
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(57,467)	-	(57,467)
Adjusting gain on revaluation	-	-	-	4,928	4,928
Share of the other comprehensive income (loss) of associates	573,242	(1,043,887)	5,744	-	(464,901)
Balance at June 30, 2013	<u>\$ (194,572)</u>	<u>\$ 4,234,947</u>	<u>\$ (125,010)</u>	<u>\$ 4,928</u>	<u>\$ 3,920,293</u>
Balance at January 1, 2014	\$ 279,732	\$ 4,472,732	\$ (118,363)	\$ -	\$ 4,634,101
Effect of the retrospective application of an accounting change and financial statement restatement	11,464	-	-	8,161	19,625
Balance at January 1, 2014 as restated	291,196	4,472,732	(118,363)	8,161	4,653,726
Exchange differences on translating operations	(1,362,872)	-	-	-	(1,362,872)
Unrealized loss on available-for-sale financial assets	-	(560,915)	-	-	(560,915)
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(11,586)	-	(11,586)
Share of the other comprehensive income (loss) of associates	(65,951)	(582,662)	784	30,503	(617,326)
Balance at June 30, 2014	<u>\$ (1,137,627)</u>	<u>\$ 3,329,155</u>	<u>\$ (129,165)</u>	<u>\$ 38,664</u>	<u>\$ 2,101,027</u>

f. Noncontrolling interests

	For the Six Months Ended	
	2014	2013
Beginning balance	\$ 62,848,929	\$ 61,243,995
Impact on the first-time application of the fair value model to investment properties	<u>3,285,021</u>	<u>2,634,739</u>
Adjusted beginning balance	66,133,950	63,878,734
Attributable to noncontrolling interests:		
Share of current profit	3,746,739	3,631,955
Cash dividends distributed by subsidiaries	(7,958,747)	(7,716,375)
Exchange differences arising on translation of foreign operations	409,149	463,594
Loss on hedging instruments in cash flow hedges arising from fair value changes	(56,129)	(93,555)
Unrealized gains and loss on available-for-sale financial assets	(22,215)	3,744
Noncontrolling interests arising from the establishment of new subsidiaries	434,850	1,108,330

(Continued)

	For the Six Months Ended June 30	
	2014	2013
Noncontrolling decreases arising from the disposal of subsidiaries	\$ (1,769,648)	\$ -
Acquisition of partial noncontrolling interests in subsidiaries	35	10,890
Net change in net assets from investments in associates	(4,668)	(3,092)
Disposal of an investment in an associate	<u>-</u>	<u>(23)</u>
Ending balance	<u>\$ 60,913,316</u>	<u>\$ 61,284,202</u> (Concluded)

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
<u>June 30, 2014</u>			
Yuan Ding	749	<u>\$ 25,063</u>	<u>\$ 24,084</u>
<u>December 31, 2013</u>			
Yuan Ding	749	<u>\$ 25,063</u>	<u>\$ 25,769</u>
<u>June 30, 2013</u>			
Yuan Ding	749	<u>\$ 25,063</u>	<u>\$ 24,084</u>
<u>January 1, 2013</u>			
Yuan Ding	749	<u>\$ 25,063</u>	<u>\$ 25,769</u>

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

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

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Basic earnings per share				
Basic earnings per share	<u>\$ 0.92</u>	<u>\$ 0.86</u>	<u>\$ 1.31</u>	<u>\$ 1.25</u>
Pro forma earnings per share that were adjusted retrospectively for the changes in share number of shares due to stock dividend distribution on September 4, 2014 after the approval of the accompanying consolidated financial statements	<u>\$ 0.90</u>	<u>\$ 0.84</u>	<u>\$ 1.28</u>	<u>\$ 1.23</u>
Diluted earnings per share				
Diluted earnings per share	<u>\$ 0.92</u>	<u>\$ 0.85</u>	<u>\$ 1.31</u>	<u>\$ 1.25</u>
Pro forma earnings per share that were adjusted retrospectively for the changes in share number of shares due to stock dividend distribution after the approval of the accompanying consolidated financial statements	<u>\$ 0.90</u>	<u>\$ 0.83</u>	<u>\$ 1.28</u>	<u>\$ 1.23</u>

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Profit for the period attributable to owners of the Company	<u>\$ 4,443,238</u>	<u>\$ 4,119,814</u>	<u>\$ 6,304,227</u>	<u>\$ 6,031,851</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Weighted average number of common shares used in the computation of basic earnings per share	4,810,326	4,805,447	4,810,326	4,808,413
Effect of dilutive potential common shares:				
Bonus issue to employee	<u>15,218</u>	<u>15,842</u>	<u>15,218</u>	<u>15,842</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>4,825,544</u>	<u>4,821,289</u>	<u>4,825,544</u>	<u>4,824,255</u>

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.

The Company calculated basic EPS with the weighted average number of outstanding shares in the current period. Based on the calculation, for the three months ended June 30, 2014 and 2013 and six months ended June 30, 2014 and 2013, the Company's EPS were NT\$0.86, NT\$0.80, NT\$1.23 and NT\$1.17, respectively.

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

Capitalized interests on properties were NT\$54,895 thousand, NT\$26,698 thousand, NT\$99,452 thousand and NT\$48,740 thousand in the three months and the six months ended June 30, 2014 and 2013, respectively, and the capitalization rates were from 0.9% to 1.71% and from 0.003% to 1.9177% for the six months ended June 30, 2014 and 2013, respectively.

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Property, plant and equipment	\$ 3,472,097	\$ 3,633,008	\$ 6,933,761	\$ 7,302,262
Intangible assets	646,284	580,534	1,256,995	1,140,853
Long-term prepayments for lease	<u>46,535</u>	<u>19,371</u>	<u>147,152</u>	<u>47,024</u>
	<u>\$ 4,164,916</u>	<u>\$ 4,232,913</u>	<u>\$ 8,337,908</u>	<u>\$ 8,490,139</u>
An analysis of deprecation by function				
Operating costs	\$ 3,053,562	\$ 3,199,710	\$ 6,129,269	\$ 6,497,534
Operating expenses	393,751	421,078	770,287	779,238
Other expense	<u>24,784</u>	<u>12,220</u>	<u>34,205</u>	<u>25,490</u>
	<u>\$ 3,472,097</u>	<u>\$ 3,633,008</u>	<u>\$ 6,933,761</u>	<u>\$ 7,302,262</u>
An analysis of amortization by function				
Operating costs	\$ 458,317	\$ 413,021	\$ 890,008	\$ 823,692
Operating expenses	<u>234,502</u>	<u>186,884</u>	<u>514,139</u>	<u>364,185</u>
	<u>\$ 692,819</u>	<u>\$ 599,905</u>	<u>\$ 1,404,147</u>	<u>\$ 1,187,877</u>

c. Operating expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Direct operating expenses from investment property that generated rental income	\$ 137,796	\$ 136,326	\$ 219,632	\$ 207,421
Direct operating expenses from investment property that did not generate rental income	<u>44,023</u>	<u>31,920</u>	<u>74,710</u>	<u>67,842</u>
	<u>\$ 181,819</u>	<u>\$ 168,246</u>	<u>\$ 294,342</u>	<u>\$ 275,263</u>

d. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Post-employment benefits				
Defined contribution plans	\$ 191,369	\$ 186,074	\$ 371,689	\$ 367,090
Defined benefit plans	(16,809)	(123)	(1,903)	1,120
Other employee benefits	<u>4,599,505</u>	<u>4,260,891</u>	<u>9,032,020</u>	<u>8,341,491</u>
Total employee benefit expense	<u>\$ 4,774,065</u>	<u>\$ 4,446,842</u>	<u>\$ 9,401,806</u>	<u>\$ 8,709,701</u>

(Continued)

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2014	2013	2014	2013
Analysis of employee benefit expense by function				
Operating costs	\$ 2,105,484	\$ 2,072,557	\$ 4,245,462	\$ 4,095,340
Operating expenses	<u>2,668,581</u>	<u>2,374,285</u>	<u>5,156,344</u>	<u>4,614,361</u>
	<u>\$ 4,774,065</u>	<u>\$ 4,446,842</u>	<u>\$ 9,401,806</u>	<u>\$ 8,709,701</u>
				(Concluded)

29. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2014	2013	2014	2013
Current tax	\$ 729,039	\$ 741,467	\$ 1,374,671	\$ 1,452,570
Deferred tax	1,358,151	678,107	1,426,156	520,789
Prior year's adjustments	<u>593</u>	<u>64,418</u>	<u>593</u>	<u>64,418</u>
Income tax expense recognized in profit or loss	<u>\$ 2,087,783</u>	<u>\$ 1,483,992</u>	<u>\$ 2,801,420</u>	<u>\$ 2,037,777</u>

b. Integrated income tax

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
	Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	<u>\$ 186,804</u>	<u>\$ 191,505</u>	<u>\$ 191,505</u>	<u>\$ 191,505</u>
Imputation credits accounts	<u>\$ 551,127</u>	<u>\$ 551,127</u>	<u>\$ 638,646</u>	<u>\$ 259,171</u>

The actual creditable ratio for the distribution of the 2012 and 2011 earnings were 4.35% 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

c. Income tax assessments

	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>
Far Eastern New Century Corporation	2008
Far Eastern Resources Development Co.	2008
Far Eastern Fibertech Co., Ltd.	2011
Oriental Petrochemical (Taiwan) Co., Ltd.	2012
Yuan Tong Investment Co., Ltd.	2011
Ding Ding Integrated Marketing Service Co., Ltd.	2012
Ding Ding Hotel Co., Ltd.	2012
Fu Kwok Garment Manufacturing Co., Ltd.	2012
Far Eastern Apparel Co., Ltd.	2011
Yuan Cheng Human Resources Consultant Corp.	2012
Yuan Ding Investment Co., Ltd.	2011
Oriental Resources Development Ltd.	2012
Yuan Faun Co., Ltd.	2012
Kai Yuan International Investment Co., Ltd.	2012
Ding Yuan International Investment Co., Ltd.	2011
An Ho Garment Co., Ltd.	2012
Far Eastern Electronic Toll Collection Co., Ltd.	2012
Far Eastern Textile Co., Ltd.	2011
Far Eastern Construction Co., Ltd.	2012
Far Eastern General Contractor Inc.	2012
Yuan Ding Co., Ltd.	2012
FET Consulting Engineers Co., Ltd.	2012
Far Eastern Technical Consultants Co., Ltd.	2012
Far Eastern Electronic Commerce Co., Ltd.	2012
YDT Technology International Co., Ltd.	2012
Far EasTone Telecommunications Co., Ltd.	2011
New Century InfoComm Tech Co., Ltd.	2011
Arcoa Communication Co., Ltd.	2011
Simple InfoComm Co., Ltd.	2012
Q-Ware Communication Corp.	2012
Information Security Service Digital United Co., Ltd.	2011
Linkwell Tech. Co., Ltd.	2011
Data Express Infotech Co., Ltd.	2012
Yuan Cing Co., Ltd.	2012
O-music Co., Ltd.	2012
New Diligent Co., Ltd.	2012
KGEx.com Co., Ltd.	2012
Homet Master Technology Co., Ltd.	2012

Far EasTone

Income tax returns through 2011, except for 2009, of Far EasTone had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2005 to 2006 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 2010, except for 2009, 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 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 2011 of ARCOA had been assessed by the tax authorities. However, ARCOA disagreed with tax authorities' assessment of its 2002 returns and thus filed administrative litigation of these returns. Nevertheless, ARCOA 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 August 8, 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. On August 8, 2014, SAC amended the tax return assessment and made OPTC make a supplemental payment of only NT\$3,500 thousand. OPTC accrued this income tax expense.

30. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

For the six months ended June 30, 2013

The Group acquired some of interests in Far EasTone. Thus, the Group's interests in Far EasTone changed from 38.25% to 38.29%. In addition, the Group disproportionately participated in the capital increase of Far Eastern New Century Information Technology (Beijing) Ltd. Thus, the total interest of the Group in FETC increased from 55.00% to 79.04%.

	Far EasTone	Far Eastern New Century Information Technology (Beijing) Ltd.
Cash consideration received (paid)	\$ (91,266)	\$ (118,264)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from noncontrolling interests	<u>29,686</u>	<u>115,678</u>
Difference arising from equity transaction	<u>\$ (61,580)</u>	<u>\$ (2,586)</u>

(Continued)

	Far EasTone	Far Eastern New Century Information Technology (Beijing) Ltd.
<u>Line items adjusted for equity transactions</u>		
Capital surplus - differences between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	\$ (61,580)	\$ (2,586) (Concluded)

For the six months ended June 30, 2014

The Group acquired an additional equity interest in PET Far EasTone (Holding) Ltd.

	PET Far Eastern (Holding) Ltd.
Cash consideration received (paid)	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from noncontrolling interests	____ (35)
Differences arising from equity transactions	\$ ____ (35)
<u>Line items adjusted for equity transactions</u>	
Retained earning	\$ ____ (35)

31. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

The operating lease were main related to lease of building cell sites and office space.

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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Up to 1 year	\$ 3,427,443	\$ 3,371,104	\$ 3,209,566	\$ 3,078,392
More than 1 year up to 5 years	6,167,924	6,139,956	6,017,680	5,834,516
More than 5 years	____ 1,264,754	____ 1,376,178	____ 1,370,570	____ 1,509,708
	<u>\$ 10,860,121</u>	<u>\$ 10,887,238</u>	<u>\$ 10,597,816</u>	<u>\$ 10,422,616</u>

32. 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.

33. 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.

	<u>June 30, 2014</u>		<u>December 31, 2013</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>				
Held-to-maturity investments	\$ 99,988	\$ 100,240	\$ 99,962	\$ 100,757
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Bonds payable	74,645,950	74,869,714	74,384,614	74,584,577
	<u>June 30, 2013</u>		<u>January 1, 2013</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>				
Held-to-maturity investments	\$ 199,923	\$ 201,473	\$ 199,871	\$ 202,116
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Bonds payable	53,272,487	53,552,364	44,705,700	45,021,374

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).

June 30, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
through profit or loss (FVTPL)				
Open-end mutual funds -				
beneficial certificates	\$ 825,776	\$ -	\$ -	\$ 825,776
Marketable equity securities	451,328	-	-	451,328
Guarantee deposits - cotton				
futures contracts	-	-	39,085	39,085
Guarantee deposits - PTA				
futures contracts	-	-	7,024	7,024
Combined exchange options	-	-	230	230
Forward exchange contracts	-	-	2,651	2,651
	<u>\$ 1,277,104</u>	<u>\$ -</u>	<u>\$ 48,990</u>	<u>\$ 1,326,094</u>
Hedging derivative financial				
assets				
Cross-currency interest rate				
swaps	\$ -	\$ -	\$ 1,620	\$ 1,620
Forward exchange contracts	-	-	6,120	6,120
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,740</u>	<u>\$ 7,740</u>
Available-for-sale financial				
assets				
Marketable equity securities	\$ 4,630,141	\$ -	\$ -	\$ 4,630,141
Mutual funds - beneficial				
certificates	168,834	643,732	-	812,566
Oversea equity securities	172,916	-	-	172,916
	<u>\$ 4,971,891</u>	<u>\$ 643,732</u>	<u>\$ -</u>	<u>\$ 5,615,623</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 1,516	\$ 1,516
Combined exchange options	-	-	4,009	4,009
Options	-	-	934	934
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,459</u>	<u>\$ 6,459</u>
Hedging derivative financial				
liabilities				
Interest rate swaps	\$ -	\$ -	\$ 482,790	\$ 482,790

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds -				
beneficial certificates	\$ 565,240	\$ -	\$ -	\$ 565,240
Marketable equity securities	562,623	-	-	562,623
Guarantee deposits - cotton				
futures contracts	-	-	26,010	26,010
Combined exchange options	-	-	5,335	5,335
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>32,480</u>	<u>32,480</u>
	<u>\$ 1,127,863</u>	<u>\$ -</u>	<u>\$ 63,825</u>	<u>\$ 1,191,688</u>
Hedging derivative financial				
assets				
Cross-currency interest rate				
swaps	\$ -	\$ -	\$ 115	\$ 115
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>4,327</u>	<u>4,327</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,442</u>	<u>\$ 4,442</u>
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	<u>185,003</u>	<u>-</u>	<u>-</u>	<u>185,003</u>
	<u>\$ 5,610,430</u>	<u>\$ 636,138</u>	<u>\$ -</u>	<u>\$ 6,246,568</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 318	\$ 318
Options	<u>-</u>	<u>-</u>	<u>272</u>	<u>272</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ 590</u>
Hedging derivative financial				
liabilities				
Interest rate swaps	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,280</u>	<u>\$ 421,280</u>

June 30, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds -				
beneficial certificates	\$ 488,601	\$ -	\$ -	\$ 488,601
Marketable equity securities	147,260	-	-	147,260
Guarantee deposits - cotton				
futures contracts	-	-	26,169	26,169
Forward exchange contracts	-	-	22,807	22,807
Combined exchange options	<u>-</u>	<u>-</u>	<u>4,339</u>	<u>4,339</u>
	<u>\$ 635,861</u>	<u>\$ -</u>	<u>\$ 53,315</u>	<u>\$ 689,176</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial assets				
Forward exchange contracts	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 3,731</u>	\$ <u> 3,731</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,885,341	\$ -	\$ -	\$ 4,885,341
Mutual funds - beneficial certificates	<u> 153,499</u>	<u> 2,428,483</u>	<u> -</u>	<u> 2,581,982</u>
	<u>\$ 5,038,840</u>	<u>\$ 2,428,483</u>	<u>\$ -</u>	<u>\$ 7,467,323</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 15,685</u>	\$ <u> 15,685</u>
Hedging derivative financial liabilities				
Cross-currency interest rate swaps	\$ -	\$ -	\$ 4,450	\$ 4,450
Forward exchange contracts	-	-	22,275	22,275
Interest rate swaps	<u> -</u>	<u> -</u>	<u> 370,732</u>	<u> 370,732</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,457</u>	<u>\$ 397,457</u> (Concluded)

January 1, 2013

	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
Guarantee deposits - cotton futures contracts	-	-	25,345	25,345
Forward exchange contracts	<u> -</u>	<u> -</u>	<u> 3,368</u>	<u> 3,368</u>
	<u>\$ 1,029,806</u>	<u>\$ -</u>	<u>\$ 28,713</u>	<u>\$ 1,058,519</u>
Hedging derivative financial assets				
Cross-currency interest rate swaps	\$ -	\$ -	\$ 4,650	\$ 4,650
Forward exchange contracts	<u> -</u>	<u> -</u>	<u> 17,312</u>	<u> 17,312</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,962</u>	<u>\$ 21,962</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,680,058	\$ -	\$ -	\$ 4,680,058
Mutual funds - beneficial certificates	<u> 204,336</u>	<u> 1,877,246</u>	<u> -</u>	<u> 2,081,582</u>
	<u>\$ 4,884,394</u>	<u>\$ 1,877,246</u>	<u>\$ -</u>	<u>\$ 6,761,640</u> (Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 619</u>	\$ <u> 619</u>
Hedging derivative financial liabilities				
Interest rate swaps	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 287,522</u>	\$ <u> 287,522</u> (Concluded)

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2014 and 2013.

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

June 30, 2014

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2014	\$ 63,235	\$ (416,838)	\$ (353,603)
Total gains or losses			
In profit or loss	(20,704)	(40,242)	(60,946)
In other comprehensive income	<u> -</u>	<u> (17,970)</u>	<u> (17,970)</u>
Balance at June 30, 2014	<u>\$ 42,531</u>	<u>\$ (475,050)</u>	<u>\$ (432,519)</u>

June 30, 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	9,536	(94,449)	(84,913)
In other comprehensive income	<u> -</u>	<u> (33,717)</u>	<u> (33,717)</u>
Balance at June 30, 2013	<u>\$ 37,630</u>	<u>\$ (393,726)</u>	<u>\$ (356,096)</u>

4) Valuation techniques and assumptions applied to measure fair value

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

- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied. The estimates and assumptions used by the 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

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Financial assets</u>				
FVTPL				
Held for trading	\$ 1,326,094	\$ 1,191,688	\$ 689,176	\$ 1,058,519
Derivative instruments in designated hedge accounting relationships	7,740	4,442	3,731	21,962
Held-to-maturity investments	99,988	99,962	199,923	199,871
Loans and receivables (Note 1)	84,096,987	68,541,445	86,430,578	76,839,623
Available-for-sale financial assets (Note 2)	6,559,573	7,216,063	8,686,946	7,892,064
<u>Financial liabilities</u>				
FVTPL				
Held for trading	6,459	590	15,685	619
Derivative instruments in designated hedge accounting relationships	482,790	421,280	397,457	287,522
Amortized cost (Note 3)	216,082,389	186,676,718	173,312,325	146,845,468

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

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

Note 3: The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, short-term bills payable, notes and accounts payables (including those to related parties) 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 non-operating 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:

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
<u>Monetary financial assets</u>				
USD	\$ 21,640,593	\$ 25,180,415	\$ 23,951,284	\$ 24,877,536
<u>Monetary financial liabilities</u>				
USD	34,400,752	40,386,958	38,171,124	38,797,467

Sensitivity analysis

The Group was mainly exposed to the 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.

	<u>June 30</u>	
	2014	2013
5% change in profit or loss		
USD	<u>\$ 638,008</u>	<u>\$ 710,992</u>

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.

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Fair value interest rate risk				
Financial assets	\$ 31,098,131	\$ 22,046,132	\$ 36,781,883	\$ 32,987,925
Financial liabilities	133,812,788	124,393,787	95,685,971	84,461,421
Cash flow interest rate risk				
Financial assets	11,486,464	13,049,902	9,592,045	10,003,456
Financial liabilities	33,152,662	27,306,222	26,338,314	25,869,843

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 six months ended June 30, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased/increased by NT\$77,551 thousand and NT\$91,725 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decreased by NT\$28,716 thousand and NT\$23,980 thousand, respectively.

For the six months ended June 30, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased/increased by NT\$333,698 thousand and NT\$238,618 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by NT\$82,882 thousand and NT\$65,846 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 June 30, 2014 and 2013 would have decreased by NT\$344,636 thousand and NT\$405,159 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
<u>June 30, 2014</u>				
Long-term borrowings	\$ 37,320,218	\$ 9,369,666	\$ 13,885,376	\$ 60,575,260
Bonds payable	<u>19,098,500</u>	<u>18,150,000</u>	<u>26,850,000</u>	<u>64,098,500</u>
	<u>\$ 56,418,718</u>	<u>\$ 27,519,666</u>	<u>\$ 40,735,376</u>	<u>\$ 124,673,760</u>
<u>December 31, 2013</u>				
Long-term borrowings	\$ 28,150,800	\$ 2,520,000	\$ 12,951,904	\$ 43,622,704
Bonds payable	<u>13,350,000</u>	<u>20,949,000</u>	<u>31,450,000</u>	<u>65,749,000</u>
	<u>\$ 41,500,800</u>	<u>\$ 23,469,000</u>	<u>\$ 44,401,904</u>	<u>\$ 109,371,704</u>

(Continued)

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>June 30, 2013</u>				
Long-term borrowings	\$ 16,288,495	\$ 9,060,000	\$ 7,575,513	\$ 32,924,008
Bonds payable	<u>10,650,000</u>	<u>19,176,500</u>	<u>18,200,000</u>	<u>48,026,500</u>
	<u>\$ 26,938,495</u>	<u>\$ 28,236,500</u>	<u>\$ 25,775,513</u>	<u>\$ 80,950,508</u>
<u>January 1, 2013</u>				
Long-term borrowings	\$ -	\$ 18,024,306	\$ 14,207,706	\$ 32,232,012
Bonds payable	<u>8,750,000</u>	<u>13,350,000</u>	<u>19,700,000</u>	<u>41,800,000</u>
	<u>\$ 8,750,000</u>	<u>\$ 31,374,306</u>	<u>\$ 33,907,706</u>	<u>\$ 74,032,012</u>

(Concluded)

34. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the six months and for the three months ended June 30, 2014 and 2013 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules B and C.

35. 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.

	June 30, 2014	December 31, 2013	June 30, 2013	January 1, 2013
Other financial assets - current				
Pledged time deposits	\$ 1,578,072	\$ 2,183,126	\$ 1,662,938	\$ 1,233,279
Others	109,425	61,957	36,885	191,040
Inventories - available for construction - land	693,157	693,157	612,811	612,631
Inventories - construction-in-progress	222,126	222,126	214,578	214,578
Property, plant and equipment, net	13,125,077	11,073,636	12,398,025	12,826,557
Investment properties	33,110,748	32,976,576	31,768,865	31,950,405
Concession	1,483,000	841,000	-	-
Available-for-sale financial assets - current and noncurrent	189,868	186,750	-	-
Investment accounted for using the equity method	3,697,989	3,573,900	3,923,034	1,577,400
Other financial assets - noncurrent				
Pledged time deposits	72,874	84,275	82,261	124,952
Others	<u>3,401,381</u>	<u>3,987,432</u>	<u>4,800,000</u>	<u>7,418,367</u>
	<u>\$ 57,683,717</u>	<u>\$ 55,883,935</u>	<u>\$ 55,499,397</u>	<u>\$ 56,149,209</u>

As of June 30, 2014, December 31, 2013, June 30, 2013 and January 1, 2013, FENC and some of its subsidiaries had provided 126,863 thousand shares, 132,262 thousand shares, 144,672 thousand shares and 145,972 thousand shares, respectively, of the common shares of Far EastOne Telecommunications Co., Ltd. and 16,500 thousand common shares of Yuan Ding Company Ltd., as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

36. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Group as of June 30, 2014:

- a. Issued but unused letters of credit aggregated approximately NT\$1,608,266 thousand.
- b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT\$13,512,408 thousand, and (b) properties and cellular phone equipment acquired for NT\$4,963,595 thousand and NT\$5,422,700 thousand, respectively, NT\$1,283,126 thousand and NT\$4,408,230 thousand, respectively, had been paid.
- c. There were undelivered cotton contracts amounting to NT\$419,022 thousand and have been recognized NT\$28,499 thousand on purchasing contract payable as of June 30, 2014.
- d. Project contracts already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT\$39,152,437 thousand.
- e. Eastern Electronic Toll Collection Co., Ltd. (FETC) was entrusted by the Taiwan Area National Freeway Bureau (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\$3,931,960 thousand as of August 8, 2014.
- f. Endorsements and guarantees provided to the related parties are shown in Schedule E (attached).
- g. 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 August 8, 2014, the lawsuit was pending before the Taipei District Court.
- h. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of August 8, 2014, the lawsuit was pending before the Taipei High Court.

- i. The registered capital of PLT, an investee of the Company, was originally NT\$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT\$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office (THPO), the Department of Commerce (DOC) decided to nullify PLT's registrations of the amendments of its Articles of Incorporation, the PLT registrations of the elected and appointed members of its Board of Directors and Supervisors as well as registrations of several tranches of capital increases given to PLT on November 13, 2002; May 1, 2003; August 8, 2005; August 3, 2006; June 6, 2007; and July 16, 2008. As a result, the capital amount of PLT reverted to the original NT\$10,000 thousand, representing 1 million common shares.

On February 24, 2010, FEDS filed an administrative appeal with the DOC for the withdrawal of the administrative disposition and requested the stay of execution of registration cancellation. On April 14, 2010, referencing Article 77-3 of the Administrative Appeal Act, PAC decided that the appeal had no merit because FEDS was not a party to whom an administrative disposition was issued nor was it an interested party at stake. Thus, on June 15, 2010, referencing Article 4-1 of the Administrative Procedure Law, FEDS filed a suit against the DOC with the Taipei High Administrative Court (THAC). On November 29, 2012, the THAC (Court Reference Number: Year 2010 Letter Su No. 1258 verdict) ruled in favor of FEDS, and the capital increase registrations referencing letter Shang No. 09901000210 nullified by DOC was invalidated and the subsequent rejection of an administrative review was revoked. However, the DOC did not conform to the THAC's decision and filed a lawsuit with the Supreme Administrative Court on December 25, 2012. 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 reinstated the nullified capital increase registrations and relevant amendment registrations in conformity with the Court's decision. On June 18, 2014, FEDS's Board of Directors and Supervisors had a reelection, and DOC reinstated the relevant amendment registrations on July 15, 2014.

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

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

- j. 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 a lawsuit for indemnification with the Supreme Court. As of August 8, 2014, the result of the lawsuit was still being awaited.

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

- k. 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. On August 8, 2014, both parties reached a consensus that KRT had to pay NT\$51,727 thousand more to FEGC. Thus, FEGC adjusted the recognized total revenue on the construction contract on the KRT project.
- l. 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). On August 8, 2014, THAC ruled in favor of TPC, and FEGC thus recognized the loss of NT\$23,000 thousand on this lawsuit under other expenses.
- m. 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. On August 8, 2014, both parties reached an agreement that TANEEB had to pay NT\$47,855 thousand more to FEGC. Thus, FEGC adjusted the recognized total revenue on the construction contract on the C709A Taichung project for this increase.
- n. A company subsidiary, FECC, and Far Eastern Department Store Co., Ltd. (FEDS) had jointly developed Ban Ciao Zhong Ben (Construction License Number: Year 2010 Letter Chang No. 00135) in line with the Directions for the Urban Land Development Application (the “Directions”). Under the Directions, for the joint developers to be entitled to larger floor area and have a building occupancy permit, they should complete the construction within four years after passing an urban design review. If this deadline is unmet the joint developers should either donate the building or remit a certain amount to the New Taipei City Government (NTCG). Later, the NTCG claimed the construction was not completed on time, but the joint developers disagreed with the NTCG’s claim. Thus, a dispute on this issue arose. Steps have been taken to settle this dispute, and while the settlement is being negotiated, FECC had placed in the Far Eastern International Bank a negotiable certificate of deposit amounting to NT\$108,489 thousand as a pledge based on the NTCG’s requirement.
- o. On August 1, 2014, the Taiwan Area National Freeway Bureau (TANFB) claimed that the Far Eastern Electronic Toll Collection Co., Ltd. (FETC) violated the “Establishment and Operating Contract” by failing to provide all former freeway toll collectors with new jobs within an agreed-upon period and was thus liable for a penalty amounting to NT\$4,500 thousand. However, FETC disagreed with the TANFB’s interpretation of the contract and filed for arbitration with the Negotiation Committee. As of June 30, 2014, the arbitration procedures had not been completed.

- p. 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.

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

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

June 30, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 268,413	29.85	\$ 8,012,128
<u>Financial liabilities</u>			
Monetary items			
USD	569,150	29.85	16,989,127

December 31, 2013

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

June 30, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 308,629	29.975	\$ 9,251,154
<u>Financial liabilities</u>			
Monetary items			
USD	586,230	29.975	17,572,244

January 1, 2013

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

38. 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\$300 million or 20% of the capital stock: Schedule G (attached)
 - 5) Acquisition of individual real states at costs of at least NT\$300 million or 20% of the capital stock: None
 - 6) Disposal of individual real states at prices of at least NT\$300 million or 20% of the capital stock: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$300 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) Derivative financial transactions: Notes 7 and 10
 - 10) Intercompany relationships and significant intercompany transactions: Schedule J (attached)
 - 11) Information on investees: Schedule K (attached)
- 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: Schedules L (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

39. SEGMENT INFORMATION

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. 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, interest revenue, gain or loss on disposal of property, 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:

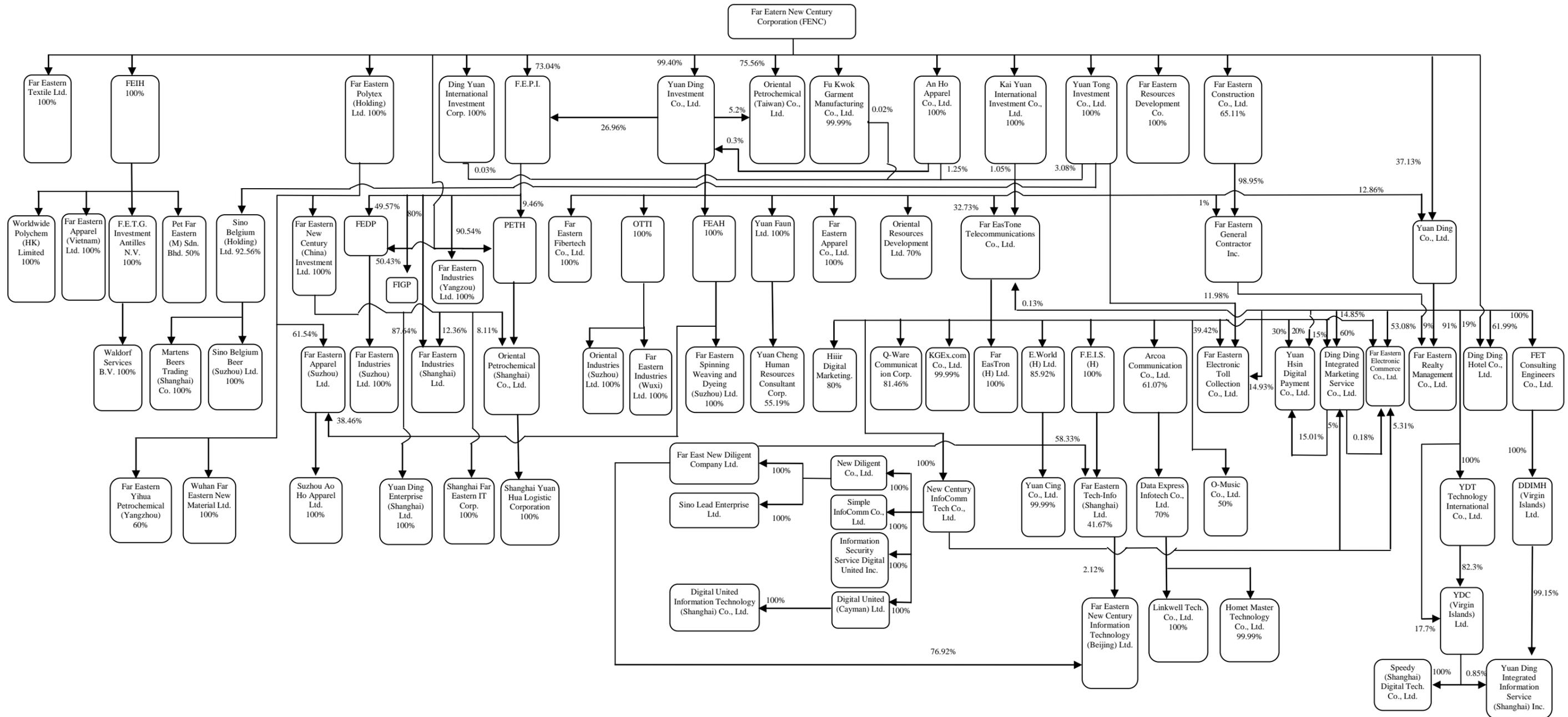
	<u>Segments Revenue</u>		<u>Segments Profit</u>	
	<u>For the Six Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Petrochemical business			\$ (1,292,929)	\$ (989,729)
Revenues generated from external customers	\$ 11,485,824	\$ 14,870,945		
Intersegment revenues	<u>9,344,027</u>	<u>12,506,691</u>		
	<u>20,829,851</u>	<u>27,377,636</u>		
Chemical fiber business			786,016	122,386
Revenues generated from external customers	36,959,532	38,426,567		
Intersegment revenues	<u>483,122</u>	<u>744,471</u>		
	<u>37,442,654</u>	<u>39,171,038</u>		
Textile business			318,159	48,685
Revenues generated from external customers	17,012,342	15,620,442		
Intersegment revenues	<u>85,853</u>	<u>83,308</u>		
	<u>17,098,195</u>	<u>15,703,750</u>		
Mobile services business			8,540,763	7,558,829
Revenues generated from external customers	44,804,840	43,863,754		
Intersegment revenues	<u>106,698</u>	<u>344,176</u>		
	<u>44,911,538</u>	<u>44,207,930</u>		
Real estate development			178,639	157,344
Revenues generated from external customers	4,240,545	3,940,930		
Intersegment revenues	<u>474,046</u>	<u>216,216</u>		
	<u>4,714,591</u>	<u>4,157,146</u>		

(Continued)

	Segments Revenue		Segments Profit	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2014	2013	2014	2013
Investment and other			\$ 2,048,654	\$ 2,275,903
Revenues generated from external customers	\$ 4,948,844	\$ 4,681,022		
Intersegment revenues	<u>104,725</u>	<u>166,185</u>		
	<u>5,053,569</u>	<u>4,847,207</u>		
Adjustment and elimination	<u>(10,501,659)</u>	<u>(14,114,657)</u>	<u>(59,928)</u>	<u>127,270</u>
Total	<u>\$ 119,548,739</u>	<u>\$ 121,350,050</u>	10,519,374	9,300,688
Interest revenue			205,705	245,547
Exchange gain (loss)			(197,428)	63,102
Interest expense			(907,016)	(705,984)
Other revenue and income (other expenses and losses)			<u>3,231,751</u>	<u>2,798,230</u>
Profit before tax			<u>\$ 12,852,386</u>	<u>\$ 11,701,583</u> (Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
 JUNE 30, 2014



FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED RELATED-PARTY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30 2014 AND 2013
(In Thousands of New Taiwan Dollars)**

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales								
Associates	\$ 465,609	1	\$ 887,405	1	\$ 907,327	1	\$ 1,731,115	1
Others	<u>309,389</u>	<u>-</u>	<u>392,999</u>	<u>1</u>	<u>590,154</u>	<u>-</u>	<u>652,964</u>	<u>1</u>
	<u>\$ 774,998</u>	<u>1</u>	<u>\$ 1,280,404</u>	<u>2</u>	<u>\$ 1,497,481</u>	<u>1</u>	<u>\$ 2,384,079</u>	<u>2</u>
Operating cost								
Associates	\$ 493,522	1	\$ 54,127	-	\$ 787,832	1	\$ 97,421	-
Others	<u>443,180</u>	<u>1</u>	<u>336,988</u>	<u>1</u>	<u>744,568</u>	<u>1</u>	<u>633,784</u>	<u>1</u>
	<u>\$ 936,702</u>	<u>2</u>	<u>\$ 391,115</u>	<u>1</u>	<u>\$ 1,532,400</u>	<u>2</u>	<u>\$ 731,205</u>	<u>1</u>
Operating expense								
Associates	\$ 6,328	-	\$ 20,921	-	\$ 17,174	-	\$ 28,914	-
Others	<u>71,615</u>	<u>1</u>	<u>88,177</u>	<u>2</u>	<u>160,846</u>	<u>1</u>	<u>185,821</u>	<u>2</u>
	<u>\$ 77,943</u>	<u>1</u>	<u>\$ 109,098</u>	<u>2</u>	<u>\$ 178,020</u>	<u>1</u>	<u>\$ 214,735</u>	<u>2</u>
Rental revenue								
Associates	\$ 61,658	-	\$ 44,943	-	\$ 105,914	-	\$ 89,872	-
Others	<u>103,461</u>	<u>-</u>	<u>96,901</u>	<u>-</u>	<u>171,770</u>	<u>-</u>	<u>183,428</u>	<u>-</u>
	<u>\$ 165,119</u>	<u>-</u>	<u>\$ 141,844</u>	<u>-</u>	<u>\$ 277,684</u>	<u>-</u>	<u>\$ 273,300</u>	<u>-</u>
Rental expense (recognized as operating cost and expense)								
Associates	\$ 27,676	-	\$ 24,512	-	\$ 56,759	-	\$ 51,641	-
Others	<u>25,844</u>	<u>-</u>	<u>40,048</u>	<u>-</u>	<u>87,604</u>	<u>-</u>	<u>83,055</u>	<u>-</u>
	<u>\$ 53,520</u>	<u>-</u>	<u>\$ 64,560</u>	<u>-</u>	<u>\$ 144,363</u>	<u>-</u>	<u>\$ 134,696</u>	<u>-</u>

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. A subsidiary, Yuan Ding had donated NT\$13,391 thousand to Far Eastern Memorial Foundation for the three months ended June 30 and for the six months ended June 30 to Yuan Ze University.
- c. The Group had purchased the software equipments and construction contracts from the other related parties amounted to NT\$99,788 thousand for the three months ended June 30, 2014 and NT\$187,973 thousand for the six months ended June 30, 2013. The Group had purchased the software equipments, transportation and construction contracts amounted to NT\$412,222 thousand for the three months ended June 30, 2013 and NT\$572,121 thousand for the six months ended June 30, 2013.
- d. The Group had sold office equipments amounted to NT\$325 thousand to Far Eastern Union Petrochemical (Yangzhou) Corporation for the three months ended June 30, 2014. The Group had sold office equipments amounted to NT\$23 thousand to Oriental Petrochemical (Yangzhou) Co., Ltd. for the six months ended June 30, 2014.

(Continued)

- e. The fund transactions between the Group and Opas Fund Segregated Portfolio 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 June 30, 2013, the Group disposed of funds through the trading platform of Opas Company with a carrying amount of NT\$653,928 thousand. The disposal proceeds were NT\$255,637 thousand and the gain on fund disposal were NT\$16,912 thousand.
- 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 June 2010 to January 2019. The revenue generated from renting out some of the floors of the Taipei Metro Tower building and buildings in Chen-Chung Section in Taipei City, Hsin-ban Section in New Taipei City and Xinhua development zone in Shanghai City; the related lease term was from November 2006 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 Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2014	2013	2014	2013
Short-term employee benefits	\$ 107,712	\$ 76,881	\$ 197,431	\$ 163,175
Post-employment benefits (Note)	<u>(786)</u>	<u>(342)</u>	<u>(1,585)</u>	<u>(672)</u>
	<u>\$ 106,926</u>	<u>\$ 76,539</u>	<u>\$ 195,846</u>	<u>\$ 162,503</u>

Note: The post-employment benefit were gain for the three months and six months ended June 30, 2014 and 2013 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 JUNE 30, 2014 AND 2013
 (In Thousands of New Taiwan Dollars)

	June 30, 2014		December 31, 2013		June 30, 2013		January 1, 2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Notes and accounts receivable from affiliates								
Associates	\$ 334,332	56	\$ 355,986	42	\$ 394,201	54	\$ 381,097	52
Others	<u>266,965</u>	<u>44</u>	<u>500,768</u>	<u>58</u>	<u>332,151</u>	<u>46</u>	<u>350,329</u>	<u>48</u>
	<u>\$ 601,297</u>	<u>100</u>	<u>\$ 856,754</u>	<u>100</u>	<u>\$ 726,352</u>	<u>100</u>	<u>\$ 731,426</u>	<u>100</u>
Other receivable from affiliates								
Associates	\$ 15,384	1	\$ 42,450	3	\$ 31,333	2	\$ 67,181	5
Others	<u>251,405</u>	<u>21</u>	<u>295,384</u>	<u>24</u>	<u>263,247</u>	<u>16</u>	<u>239,023</u>	<u>19</u>
	<u>\$ 266,789</u>	<u>22</u>	<u>\$ 337,834</u>	<u>27</u>	<u>\$ 294,580</u>	<u>18</u>	<u>\$ 306,204</u>	<u>24</u>
Notes and accounts payable from affiliates								
Associates	\$ 211,783	39	\$ 34,554	13	\$ 18,554	11	\$ 22,702	8
Others	<u>330,468</u>	<u>61</u>	<u>227,017</u>	<u>87</u>	<u>146,084</u>	<u>89</u>	<u>269,581</u>	<u>92</u>
	<u>\$ 542,251</u>	<u>100</u>	<u>\$ 261,571</u>	<u>100</u>	<u>\$ 164,638</u>	<u>100</u>	<u>\$ 292,283</u>	<u>100</u>
Other payable from affiliates								
Associates	\$ 9,336	10	\$ 12,361	16	\$ 7,911	11	\$ 14,764	34
Others	<u>86,341</u>	<u>90</u>	<u>63,616</u>	<u>84</u>	<u>65,701</u>	<u>89</u>	<u>28,355</u>	<u>66</u>
	<u>\$ 95,677</u>	<u>100</u>	<u>\$ 75,977</u>	<u>100</u>	<u>\$ 73,612</u>	<u>100</u>	<u>\$ 43,119</u>	<u>100</u>
Progress billings								
Associates	\$ 3,216,479	18	\$ 3,055,967	19	\$ 2,880,312	12	\$ 2,202,643	10
Others	<u>577,333</u>	<u>3</u>	<u>512,719</u>	<u>3</u>	<u>821,513</u>	<u>3</u>	<u>728,229</u>	<u>3</u>
	<u>\$ 3,793,812</u>	<u>21</u>	<u>\$ 3,568,686</u>	<u>22</u>	<u>\$ 3,701,825</u>	<u>15</u>	<u>\$ 2,930,872</u>	<u>13</u>
Guarantee deposits received								
Associates	\$ 10,911	1	\$ 10,914	2	\$ 11,000	1	\$ 11,026	1
Others	<u>181,314</u>	<u>18</u>	<u>166,844</u>	<u>17</u>	<u>175,188</u>	<u>16</u>	<u>163,203</u>	<u>14</u>
	<u>\$ 192,225</u>	<u>19</u>	<u>\$ 177,758</u>	<u>19</u>	<u>\$ 186,188</u>	<u>17</u>	<u>\$ 174,229</u>	<u>15</u>
Deferred credit - gains on inter - related parties accounts								
Associates	\$ 140,785	94	\$ 141,063	94	\$ 141,339	94	\$ 141,616	94
Others	<u>9,122</u>	<u>6</u>	<u>9,122</u>	<u>6</u>	<u>9,122</u>	<u>6</u>	<u>9,122</u>	<u>6</u>
	<u>\$ 149,907</u>	<u>100</u>	<u>\$ 150,185</u>	<u>100</u>	<u>\$ 150,461</u>	<u>100</u>	<u>\$ 150,738</u>	<u>100</u>

(Continued)

Financing to related parties

Loans to related parties (accounted under other receivables - affiliates)

	<u>June 30, 2014</u>		<u>December 31, 2013</u>		<u>June 30, 2013</u>		<u>January 1, 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Associates	<u>\$ 940,000</u>	<u>78</u>	<u>\$ 921,000</u>	<u>73</u>	<u>\$ 1,359,848</u>	<u>82</u>	<u>\$ 977,640</u>	<u>76</u>

Loans from related parties

	<u>June 30, 2014</u>		<u>December 31, 2013</u>		<u>June 30, 2013</u>		<u>January 1, 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Others	<u>\$ 3,473,448</u>	<u>13</u>	<u>\$ 3,480,995</u>	<u>12</u>	<u>\$ 3,503,790</u>	<u>13</u>	<u>\$ 598,224</u>	<u>2</u>

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note	
													Item	Value				
0	Far Eastern New Century Corporation	PET Far Eastern (Holding) Ltd.	Receivables from affiliates	Yes	\$ 1,967,550	\$ 1,874,535	\$ 1,874,535	3.35	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,519,811	\$ 95,198,110	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).	
		Far Eastern Polychem Industries Ltd.	Receivables from affiliates	Yes	2,037,080	2,002,215	2,002,215	1.635-3.35	2	-	For revolving fund	-	Promissory note	-	9,519,811	95,198,110	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).	
1	Far EasTone Telecommunications Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	-	-	1.63-1.64	2	-	For revolving fund	-	-	-	6,776,714	10,165,071	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D).	
2	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from affiliates	Yes	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).	
		Far Eastern Resources Development Co.	Receivables from affiliates	Yes	500,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).	
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	170,000	170,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		An Ho Garment Co., Ltd.	Receivables from affiliates	Yes	400,000	400,000	358,000	1.78-1.81	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	445,000	445,000	445,000	1.78-1.81	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Kai Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	800,000	800,000	800,000	1.78-1.81	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	800,000	800,000	800,000	1.78-1.81	-	2	-	For revolving fund	-	Promissory note	-	3,884,550	19,422,752	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
4	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	Receivables from affiliates	Yes	500,000	500,000	80,000	1.45	2	-	For revolving fund	-	Promissory note	-	791,114	3,955,569	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).	
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	155,000	155,000	155,000	1.45-1.49	2	-	For revolving fund	-	Promissory note	-	791,114	3,955,569	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).	
5	Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Yangzhou) Ltd.	Receivables from affiliates	Yes	4,238,700	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,317,764	9,571,975	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Oriental Petrochemical (Shanghai) Corp.	Receivables from affiliates	Yes	208,950	208,950	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,254,211	4,254,211	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Ishizuka Green Pet	Receivables from affiliates	Yes	\$ 471,520	\$ 471,520	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,254,211	\$ 4,254,211	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium Beer (Suzhou) Ltd.	Receivables from affiliates	Yes	298,500	298,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,317,764	9,571,975	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	298,500	298,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,317,764	9,571,975	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	Yes	1,970,100	1,970,100	208,950	-	1	8,783,592	-	-	Promissory note	-	7,444,869	7,444,869	Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note L).
		Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	1,044,750	1,044,750	794,010	-	2	-	For revolving fund	-	Promissory note	-	5,317,764	9,571,975	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	Yes	2,925,300	2,925,300	2,149,200	-	2	-	For revolving fund	-	Promissory note	-	5,317,764	9,571,975	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
7	Far Eastern Investment (Holding) Ltd.	Malaysia Garment Manufactures Pte. Ltd.	Receivables from affiliates	Yes	298,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,769,681	2,769,681	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		FEDP (Holding) Ltd.	Receivables from affiliates	Yes	298,500	149,250	-	-	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		PET Far Eastern (Holding) Ltd.	Receivables from affiliates	Yes	746,250	447,750	-	1.348	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from affiliates	Yes	746,250	686,550	-	-	2	-	For revolving fund	-	Promissory note	-	2,769,681	2,769,681	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Worldwide Polychem (HK) Ltd.	Receivables from affiliates	Yes	298,500	298,500	44,775	-	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	1,074,600	447,750	235,218	1.348	2	-	For revolving fund	-	Promissory note	-	2,769,681	2,769,681	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	298,500	298,500	259,957	1.348	2	-	For revolving fund	-	Promissory note	-	2,769,681	2,769,681	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	358,200	358,200	267,456	-	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Polychem Industries Ltd.	Receivables from affiliates	Yes	298,500	298,500	298,500	1.348	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Apparel (Holding) Ltd.	Receivables from affiliates	Yes	447,750	447,750	447,750	1.348	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Polytex (Holding) Ltd.	Receivables from affiliates	Yes	1,940,250	1,880,550	1,773,090	1.348	2	-	For revolving fund	-	Promissory note	-	3,462,101	6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Oriental Textile (Holding) Ltd.	Receivables from affiliates	Yes	\$ 2,238,750	\$ 2,238,750	\$ 2,238,750	1.348	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,462,101	\$ 6,231,782	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
8	PET Far Eastern (Holding) Ltd.	Tong Da Air Industry (Yangzhou) Co., Ltd.	Receivables from affiliates	Yes	1,492,500	1,492,500	-	-	2	-	For revolving fund	-	Promissory note	-	2,548,972	2,548,972	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	746,250	746,250	548,942	1.348	2	-	For revolving fund	-	Promissory note	-	3,186,215	5,735,187	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from affiliates	Yes	1,253,700	985,050	976,095	-	2	-	For revolving fund	-	Promissory note	-	2,548,972	2,548,972	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
9	Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	400,000	200,000	100,000	1.48-1.53	2	-	For revolving fund	-	Promissory note	-	485,477	2,427,383	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).
10	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	298,500	298,500	-	-	2	-	For revolving fund	-	Promissory note	-	4,108,825	7,395,884	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Wuhan Far Eastern New Material Ltd.	Receivables from affiliates	Yes	358,200	358,200	-	-	2	-	For revolving fund	-	Promissory note	-	4,108,825	7,395,884	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern New Century (China) Investment Ltd.	Receivables from affiliates	Yes	3,880,500	3,880,500	1,863,597	-	2	-	For revolving fund	-	Promissory note	-	4,108,825	7,395,884	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
11	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Technical Consultants Co, Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		FET Consulting Engineers Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Electronic Commerce Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Hotel Co., Ltd.	Receivables from affiliates	Yes	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Integrated Marketing Services Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	50,000	1.3817	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Receivables from affiliates	Yes	182,610	179,100	104,475	1.32-1.5	2	-	For revolving fund	-	Promissory note	-	1,718,965	4,297,413	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
13	Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	267,526	1,337,632	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).

(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			
		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 G); maximum amounts allowed for the period (Note K).
		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 G); maximum amounts allowed for the period (Note K).
15	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	149,250	149,250	86,565	1.348	2	-	For revolving fund	-	Promissory note	-	429,021	772,238	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	567,150	388,050	268,650	-	2	-	For revolving fund	-	Promissory note	-	429,021	772,238	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
20	Oriental Textile (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	Receivables from affiliates	Yes	179,100	179,100	-	-	2	-	For revolving fund	-	Promissory note	-	3,234,249	5,821,649	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	238,800	238,800	-	-	2	-	For revolving fund	-	Promissory note	-	2,587,400	2,587,400	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Industries (WuXi) Ltd.	Receivables from affiliates	Yes	1,937,265	1,937,265	-	-	2	-	For revolving fund	-	Promissory note	-	3,234,249	5,821,649	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	1,432,800	1,432,800	149,250	-	1	2,515,430	-	-	Promissory note	-	2,515,430	4,527,949	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note L).
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	2,686,500	2,686,500	2,686,500	-	2	-	For revolving fund	-	Promissory note	-	3,234,249	5,821,649	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates	Yes	597,000	597,000	-	-	1	1,050,750	-	-	Promissory note	-	1,050,750	1,632,238	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates	Yes	895,500	895,500	322,380	-	2	-	For revolving fund	-	Promissory note	-	1,165,884	2,098,592	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Apparel (Suzhou) Ltd.	Receivables from affiliates	Yes	895,500	895,500	537,300	-	2	-	For revolving fund	-	Promissory note	-	1,165,884	2,098,592	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
26	FETG Investment Antilles N.V.	Waldorf Services B.V.	Receivables from affiliates	Yes	29,850	-	-	-	2	-	For revolving fund	-	Promissory note	-	319,876	575,777	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
30	Far Eastern Industries (Shanghai) Ltd.	Martens Beers Trading (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	33,646	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,131,968	7,437,542	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to related parties	Yes	96,130	96,130	-	-	2	-	For revolving fund	-	Promissory note	-	826,394	1,239,590	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H).
34	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	480,650	480,650	-	3.02205-3.37199	2	-	For revolving fund	-	Promissory note	-	1,859,337	4,131,860	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).

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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			
36	Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	Receivables from affiliates	Yes	\$ 149,250	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,519,811	\$ 28,559,433	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Chuang Yuan Co., Ltd.	Other receivables	No	298,500	298,500	190,443	1.348	2	-	For revolving fund	-	Promissory note	-	9,519,811	28,559,433	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	298,500	298,500	298,500	1.348	2	-	For revolving fund	-	Promissory note	-	9,519,811	28,559,433	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
41	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	48,065	48,065	-	-	2	-	For revolving fund	-	Promissory note	-	468,240	1,404,720	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H).
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	96,130	96,130	-	-	2	-	For revolving fund	-	Promissory note	-	468,240	1,404,720	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H).
43	Far Eastern Industries (WuXi) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	720,975	720,975	-	-	2	-	For revolving fund	-	Promissory note	-	3,005,527	6,678,948	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	961,300	480,650	480,650	3.6	2	-	For revolving fund	-	Promissory note	-	3,005,527	6,678,948	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
44	Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	961,300	961,300	-	2.56-54-3.375	2	-	For revolving fund	-	Promissory note	-	3,232,550	7,183,445	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
45	Far Eastern Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	720,975	480,650	-	3.02883-3.375	2	-	For revolving fund	-	Promissory note	-	558,257	1,240,571	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
46	Wuhan Far Eastern New Material Ltd.	Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to related parties	Yes	48,065	48,065	-	-	2	-	For revolving fund	-	Promissory note	-	370,813	370,813	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
47	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	480,650	480,650	22,081	3.57332-3.73354	2	-	For revolving fund	-	Promissory note	-	1,127,108	2,504,684	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	288,390	192,260	91,006	3.57332-3.73355	2	-	For revolving fund	-	Promissory note	-	1,127,108	2,504,684	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	961,300	961,300	230,356	3.57332-3.73356	2	-	For revolving fund	-	Promissory note	-	1,127,108	2,504,684	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	384,520	384,520	275,802	3.57332-3.73357	2	-	For revolving fund	-	Promissory note	-	1,127,108	2,504,684	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to related parties	Yes	528,715	480,650	328,024	3.57332-3.73358	2	-	For revolving fund	-	Promissory note	-	1,127,108	2,504,684	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).

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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			
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	\$ 158,615	\$ -	\$ -	5.8	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 951,000	\$ 1,711,801	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
51	Sino Belgium Beer (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	144,195	48,065	-	3.02883-3.375	2	-	For revolving fund	-	Promissory note	-	57,456	127,680	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	150,000	150,000	120,000	1.2463-1.3817	2	-	For revolving fund	-	Promissory note	-	150,487	188,109	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	220,000	220,000	220,000	1.2463-1.3817	2	-	For revolving fund	-	Promissory note	-	223,076	278,845	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
64	New Century InfoComm Tech Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	250,000	241,000	1.64	2	-	For revolving fund	-	-	-	2,252,455	3,378,682	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D).
		Far EasTone Telecommunications Co., Ltd.	Receivables from affiliates	Yes	2,200,000	2,200,000	2,200,000	1.14	2	-	For revolving fund	-	-	-	2,252,455	3,378,682	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D).
		Far EasTone Telecommunications Co., Ltd.	Receivables from affiliates	Yes	3,000,000	3,000,000	3,000,000	1.14	1	3,940,034	-	-	-	3,940,034	11,262,275	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note O).	

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 reviewed financial statements) as of June 30, 2014.

C. The limit is equal to 10% of the net value of the financier (based on reviewed financial statements) as of June 30, 2014.

D. The limit is equal to 15% of the net value of the financier (based on reviewed financial statements) as of June 30, 2014.

E. The limit is equal to 50% of the net value of the financier (based on reviewed financial statements) as of June 30, 2014.

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

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

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

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

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

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

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

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

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

O. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of June 30, 2013.

P. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of June 30, 2013.

Q. The limit is equal to business transaction amount.

R. The limit is equal to the lower of business transaction amount and 70% of the net value of the financier (based on audited financial statements) as of December 31, 2013.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	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)	\$ 95,198,110	\$ 3,247,600	\$ 2,247,750	\$ 300,000	\$ -	1.18	\$ 190,396,220	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.	KGEx.com Co., Ltd.	(Note A)	33,883,570	45,000	45,000	6,006	-	0.07	67,767,140	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
2	Yuan Ding Investment Co., Ltd.	FEDP (Holding) Ltd	(Note C)	19,422,752	303,500	-	-	-	0	38,845,503	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Apparel Co., Ltd	(Note A)	19,422,752	130,000	130,000	-	-	0.33	38,845,503	-	-	-	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)	19,422,752	200,000	200,000	76,000	-	0.51	38,845,503	-	-	-	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)	19,422,752	394,000	394,000	140,000	-	1.01	38,845,503	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		PET Far Eastem (Holding) Ltd.	(Note C)	19,422,752	1,062,250	1,029,825	-	-	2.65	38,845,503	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastem Apparel (Holding) Ltd.	(Note A)	19,422,752	1,821,000	1,492,500	287,987	-	3.84	38,845,503	-	-	-	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		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											
		Far Eastern Polychem Industries Ltd.	(Note C)	\$ 19,422,752	\$ 2,731,500	\$ 2,388,000	\$ 8,093	\$ -	6.15	\$ 38,845,503	-	-	-	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)	19,422,752	2,731,500	2,388,000	294,022	-	6.15	38,845,503	-	-	-	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)	19,422,752	300,000	300,000	300,000	-	0.77	38,845,503	-	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)	19,422,752	305,350	298,500	-	-	0.77	38,845,503	-	-	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)	19,422,752	610,700	597,000	-	-	1.54	38,845,503	-	-	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)	19,422,752	620,474	597,000	298,500	-	1.54	38,845,503	-	-	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	6,271,448	6,271,448	4,100,055	6,271,448	3.29	25,740,458	-	Yes	-	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)	95,198,110	4,126,256	4,126,256	245,756	-	2.17	190,396,220	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note H).
11	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,297,413	803,000	803,000	130,839	50,000	0.42	8,594,825	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	4,297,413	61,070	59,700	-	-	0.03	8,594,825	-	-	Yes	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		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											
12	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	\$ 32,264,892	\$ 1,179,200	\$ 1,179,200	\$ 1,109,200	\$ -	10.96	\$ 32,264,892	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note J).
30	Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note C)	8,263,936	384,520	-	-	-	-	16,527,872	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note E).
40	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	95,198,110	1,024,530	1,000,498	-	-	2.58	190,396,220	-	-	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 June 30, 2013.

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 June 30, 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 June 30, 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 June 30, 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 amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows: (1) Far Eastern Industries (WuXi) Ltd: RMB12,580 thousand (NT\$60,466 thousand), the actual remittance was this same amount.

M. 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

JUNE 30, 2014

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				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	Asia Cement Corporation	(Note A)	Equity-method investments	735,795	\$ 18,064,581	22.33	\$ 30,094,016	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	237,029	4,613,048	16.80	6,648,663	
	Oriental Union Chemical Corp.	(Note A)	Equity-method investments	81,216	1,474,684	9.17	2,513,635	
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments	129	1,434	0.03	2,309	
	Oriental Securities Corp.	(Note A)	Equity-method investments	140,278	2,057,724	19.65	-	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	67,500	1,761,797	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity-method investments	1,822,822	38,226,943	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Equity-method investments	557,354	94,050,056	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity-method investments	124	8,021,167	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity-method investments	830,815	7,722,355	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity-method investments	705,147	7,835,396	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity-method investments	302,843	4,943,269	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity-method investments	1,700	7,626,100	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity-method investments	333	6,718,405	90.54	-	
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	(Note A)	Equity-method investments	881,078	6,024,737	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Equity-method investments	188,875	6,921,124	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Equity-method investments	186,929	3,515,143	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Equity-method investments	66,346	1,705,835	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity-method investments	205,000	2,696,746	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Equity-method investments	244	350,902	50.43	-	
Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity-method investments	3,999	177,741	99.99	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Equity-method investments	19,772	137,990	19.00	-		
Far Eastern Textile Ltd.	(Note A)	Equity-method investments	100	1,115	100.00	-		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	72,459	797,047	2.66	797,047		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity-method investments	9,817	384,042	0.30	401,515	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corp.	(Note A)	Equity-method investments	80,709	1,653,591	9.11	2,497,944	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	5,593	150,218	0.40	156,884	
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments	118,869	1,065,355	25.23	2,127,755	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	1,066,658	22,136,188	32.73	72,532,744	
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity-method investments	306,644	2,850,420	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity-method investments	111	2,270,978	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Equity-method investments	20,282	1,228,426	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Equity-method investments	24,736	345,196	100.00	-	
	Yuan Faun Ltd.	(Note A)	Equity-method investments	5,000	120,022	100.00	-	
	Yue Ming Co., Ltd.	(Note A)	Equity-method investments	1,468	71,979	45.50	-	
	Yuan Ding Leasing Corp.	(Note A)	Equity-method investments	36,706	417,792	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity-method investments	79,241	993,248	100.00	-	
	Oriental Resources Development Ltd.	(Note A)	Equity-method investments	34,242	336,602	70.00	-	
	Air Liquide Far Eastern Ltd.	(Note A)	Equity-method investments	86,615	1,403,036	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity-method investments	13,052	239,707	29.80	-	
Oriental Securities Corp.	(Note A)	Equity-method investments	185,247	2,823,892	25.96	-		
							78,125 thousand shares pledged or mortgaged as collaterals for loans	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Yuan Ding Company Ltd.	(Note A)	Equity-method investments	64,759	\$ 1,254,194	12.86	\$ -	16,500 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern International Leasing Corp.	(Note A)	Equity-method investments	75,268	1,141,930	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Equity-method investments	89	6,385,586	100.00	-	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	59,827	1,475,192	14.92	-	
	Yue Yuan Investment Co., Ltd.	(Note A)	Equity-method investments	98,198	1,193,902	18.96	-	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Equity-method investments	1,400	21,665	1.00	-	
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	(Note A)	Equity-method investments	60,590	407,401	5.20	-	
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - noncurrent	2,985	81,405	5.27	-	
	Taipei, Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - noncurrent	980	22,493	0.16	-	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - noncurrent	1,400	14,000	1.16	-	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - noncurrent	1,000	10,000	1.11	-	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - noncurrent	1,287	8,250	0.80	-	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - noncurrent	1	10	-	-	
	Gallery Management Limited	-	Financial assets carried at cost - noncurrent	914	6,597	9.81	-	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - noncurrent	2,165	30,669	0.50	-	
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	56,900	-	56,900	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - noncurrent	5,281	266,162	0.62	266,162	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	98,577	1,084,348	3.61	1,084,348	
	Financial assets under asset management contracts (Note E)	-						
	FuBon SS ETF	-	Financial assets at fair value through profit or loss - current	1,085	19,790	-	19,790	
	Ta Yih Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	135	11,786	-	11,786	
	Tyc Brother Industrial Co, Ltd.	-	Financial assets at fair value through profit or loss - current	47	980	-	980	
	Long Chen Paper Co., Ltd.	-	Financial assets at fair value through profit or loss - current	206	3,203	-	3,203	
	Yc Inox Co., Ltd.	-	Financial assets at fair value through profit or loss - current	367	10,643	-	10,643	
	Taipei, Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	27	3,416	-	3,416	
	Realtek Semiconductor Corp.	-	Financial assets at fair value through profit or loss - current	180	17,028	-	17,028	
	Hanpin Electron Co., Ltd.	-	Financial assets at fair value through profit or loss - current	474	14,078	-	14,078	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	400	18,660	-	18,660	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	850	16,915	-	16,915	
	Kinsus Interconnet Technology Corp.	-	Financial assets at fair value through profit or loss - current	72	9,648	-	9,648	
	Avalue Technology Inc.	-	Financial assets at fair value through profit or loss - current	68	3,298	-	3,298	
	Ledlink Optics, Inc.	-	Financial assets at fair value through profit or loss - current	105	7,999	-	7,999	
	F-Casetek Holdings Limited	-	Financial assets at fair value through profit or loss - current	146	25,623	-	25,623	
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	250	19,025	-	19,025	
	Lanner Electronics Inc.	-	Financial assets at fair value through profit or loss - current	205	9,327	-	9,327	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	100	16,100	-	16,100	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Equity-method investments	6	\$ 909,231	100.00	\$ -	
	Filsyn Corporation	(Note A)	Equity-method investments	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Equity-method investments	Common shares 5,000 Preferred shares 3,000	179,399	50.00	-	
	Com2B	(Note A)	Equity-method investments	9,000	13,543	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity-method investments	(Note H)	224,532	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Equity-method investments	2,700	87,640	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Equity-method investments	-	1,552	34.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity-method investments	12,962	474,859	0.39	530,146	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	2,562	66,586	0.18	71,864	
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments	4,129	33,130	0.88	73,909	
	Oriental Union Chemical Corp.	(Note A)	Equity-method investments	16,183	446,145	1.83	500,864	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	920	40,142	0.03	62,560	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	9,000	216,623	2.24	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments	9,057	299,408	13.20	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	73,250	805,754	2.69	805,754	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity-method investments	19,811	714,987	0.60	810,270	15,000 thousand shares pledged or mortgaged as collaterals for loans
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	34,149	1,102,401	1.05	2,322,132	
	Oriental Union Chemical Corp.	(Note A)	Equity-method investments	31,836	710,483	3.59	985,324	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	20,267	558,302	1.44	568,489	
	Kowloon Cement Co., Ltd.	(Note A)	Equity-method investments	1,127	399,507	49.00	-	
	Far Eastern International Leasing Corp.	(Note A)	Equity-method investments	74,970	1,142,133	16.80	-	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	9,000	216,824	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	88,929	978,220	3.26	978,220	
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - noncurrent	819	41,278	0.10	41,278	
	Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity-method investments	(Note H)	7,630,957	87.64	
PET Far Eastern (Holding) Ltd.		(Note A)	Equity-method investments	35	711,029	9.46	-	
FEDP (Holding) Ltd.		(Note A)	Equity-method investments	240	344,919	49.57	-	
Far Eastern Industries (Yangzhou) Ltd.		(Note A)	Equity-method investments	(Note H)	1,480,555	100.00	-	
Far Eastern Ishizuka Green Pet Corporation		(Note A)	Equity-method investments	120	282,698	80.00	-	
The Bank of Chungking		-	Available-for-sale financial assets - noncurrent	8,787	172,916	0.76	172,916	
Nippon Parison Co., Ltd.		-	Financial assets carried at cost - noncurrent	4	65,239	10.00	-	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	Equity-method investments	138,507	1,961,904	98.95	-	
	Asia Cement Corporation	(Note A)	Equity-method investments	17,379	577,881	0.53	710,801	
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	1,590	80,125	0.19	80,125	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	459,714	38.46	-	
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	2,113,410	100.00	-	
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments	5	88	0.01	-	
Far Eastern General Contractor Co., Ltd.	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	37,623	0.09	37,623	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - noncurrent	7,572	47,945	2.72	-	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - noncurrent	3,106	25,142	16.03	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Equity-method investments	450	3,870	9.00	-	
	CTBC Money Market Fund	-	Financial assets at fair value through profit or loss - current	19,101	250,447	-	250,447	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				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	13,013	\$ 159,693	-	\$ 159,693	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,253	20,001	-	20,001	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	18,904	250,446	-	250,446	
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,641	45,003	-	45,003	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Equity-method investments	2	909,183	100.00	-	
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(10,852)	50.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Equity-method investments	30	71,585	37.92	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(11,647)	41.00	-	
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost - current	-	11,409	25.00	-	
	Filsyn Corporation	-	Financial assets carried at cost - noncurrent	20,513	-	9.95	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	40,818	1,026,494	1.25	2,775,624	26,750 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity-method investments	5,974	245,370	0.18	244,337	
	Oriental Union Chemical Corp.	(Note A)	Equity-method investments	154	4,837	0.02	4,766	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	363	10,880	0.03	10,182	
	Oriental Securities Corp.	(Note A)	Equity-method investments	5,890	90,468	0.83	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments	10,751	257,096	15.66	-	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	4,841	121,706	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity-method investments	5,502	159,202	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	18,241	200,646	0.67	200,646	
Yuan Faun Ltd.	Far Eastern Resources Development Co	(Note A)	Equity-method investments	745	11,749	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	3,865	42,517	0.14	42,517	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - noncurrent	3,504	28,519	3.56	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	520	19,964	0.02	35,360	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	100,237	2,686,556	3.08	6,816,116	32,100 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	38,842	1,210,548	2.75	1,089,518	
	Oriental Union Chemical Corp.	(Note A)	Equity-method investments	41,161	1,562,951	4.65	1,273,933	
	Asia Cement Corporation	(Note A)	Equity-method investments	28,019	1,113,133	0.85	1,145,977	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	9,000	215,626	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity-method investments	77,257	364,168	11.98	-	
	Air Liquide Far Eastern Ltd.	(Note A)	Equity-method investments	1	21	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	30	(28,527)	92.56	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity-method investments	1	27	-	-	
	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	9,862	111,934	-	111,934	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	17,627	193,896	0.65	193,896	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - noncurrent	39,600	396,000	18.00	-	
	Bockhold N.V.-stock	-	Financial assets carried at cost - noncurrent	1	108,533	12.51	-	
	Bockhold N.V. - conversion option embedded into convertible bonds	-	Financial assets carried at cost - noncurrent	-	7,895	-	-	
	Bockhold N.V. - convertible bonds	-	-	-	264,603	-	-	
	Financial assets under asset management contracts (Note E)	-	-	-	-	-	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Ta Yih Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	193	\$ 16,849	-	\$ 16,849	
	Tyc Brother Industrial Co, Ltd.	-	Financial assets at fair value through profit or loss - current	87	1,814	-	1,814	
	Long Chen Paper Co., Ltd.	-	Financial assets at fair value through profit or loss - current	423	6,578	-	6,578	
	YC Inox Co., Ltd.	-	Financial assets at fair value through profit or loss - current	341	9,889	-	9,889	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	28	3,542	-	3,542	
	Realtek Semiconductor Corp.	-	Financial assets at fair value through profit or loss - current	106	10,028	-	10,028	
	Hanpin Electron Co., Ltd.	-	Financial assets at fair value through profit or loss - current	529	15,711	-	15,711	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	905	18,010	-	18,010	
	Kinsus Interconnect Technology Corp.	-	Financial assets at fair value through profit or loss - current	75	10,050	-	10,050	
	Champion Microelectronic Corp.	-	Financial assets at fair value through profit or loss - current	82	8,774	-	8,774	
	F-Casetek Holdings Limited	-	Financial assets at fair value through profit or loss - current	154	27,027	-	27,027	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	207	33,327	-	33,327	
	Avalue Technology Inc.	-	Financial assets at fair value through profit or loss - current	70	3,395	-	3,395	
	F-Cowearth Medical Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	60	8,280	-	8,280	
	Ledlink Optics, Inc.	-	Financial assets at fair value through profit or loss - current	110	8,356	-	8,356	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	242	13,092	-	13,092	
	Lanner Electronics Inc.	-	Financial assets at fair value through profit or loss - current	193	8,782	-	8,782	
	Ibase Technology Inc.	-	Financial assets at fair value through profit or loss - current	318	21,465	-	21,465	
	FuBon SS ETF	-	Financial assets at fair value through profit or loss - current	1,033	18,840	-	18,840	
Far Eastern Apparel (Suzhou) Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Equity-method investments	(Note H)	36,169	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Equity-method investments	(Note H)	4,517,971	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Equity-method investments	(Note H)	1,906,897	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Equity-method investments	(Note H)	987,433	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Equity-method investments	(Note H)	3,162,757	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	3,810,084	100.00	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	482,854	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Equity-method investments	(Note H)	961,827	100.00	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	731,388	61.54	-	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Equity-method investments	(Note H)	1,977,563	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Equity-method investments	(Note H)	4,231,227	60.00	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity-method investments	(Note H)	1,053,287	12.36	-	
	Far Eastern Tech-Info (Shanghai) Ltd.	(Note A)	Equity-method investments	(Note H)	63,970	100.00	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Equity-method investments	(Note H)	553,863	8.11	-	
	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Equity-method investments	(Note H)	509,489	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				Note	
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value		
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd. Martens Beers Trading (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note H)	\$ (21,975)	100.00	\$ -		
		(Note A)	Equity-method investments	(Note H)	54,846	100.00	-		
Oriental Petrochemical (Shanghai) Corp.	Shanghai Yuan Hua Logistic Ltd.	(Note A)	Equity-method investments	(Note H)	118,120	100.00	-		
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	(Note A)	Equity-method investments		13,992	478,847	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity-method investments		8,577	114,836	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Equity-method investments		4,550	48,723	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Equity-method investments		200	7,609	17.70	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity-method investments		64,502	450,048	61.99	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments		23,913	57,424	53.08	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Equity-method investments		85,000	462,756	100.00	-	
	Asia Cement Corporation	(Note A)	Equity-method investments		5,224	205,974	0.16	213,662	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments		4,164	106,864	0.13	283,152	
	Yue Yuan Investment Co., Ltd.	(Note A)	Equity-method investments		129,637	2,363,321	25.02	-	
	Yue Ming Co., Ltd.	(Note A)	Equity-method investments		32	776	1.00	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments		1,779	42,104	2.59	-	
	FEDS Asia Pacific Development Ltd.	(Note A)	Equity-method investments		10,350	123,893	5.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. Far Eastern New Century Corporation	(Note A) (Note A) -	Equity-method investments Equity-method investments Financial assets at fair value through profit or loss - current		96,312 30,000 749	448,421 286,508 24,084	14.93 20.00 0.01	- - -	
Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent		6,896	75,851	0.25	75,851		
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments		79	190	0.18	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Equity-method investments		22,515	215,022	15.01	-	
	Pacific Sogo Department Stores Co., Ltd.	-	Financial assets carried at cost - noncurrent		1	12	-	-	
Far Eastern Electronic Commerce Co., Ltd.	Deutsche Far Eastern DWS Equity Fund	-	Financial assets at fair value through profit or loss - current		8,745	100,186	-	100,186	
Far Eastern Technical Consultants Co., Ltd.	Yuantai Foreign Trade	-	Financial assets carried at cost - noncurrent		480	4,800	4.00	-	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Other liabilities - other	(Note H)	(19,981)	100.00	-		
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc. Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Other liabilities - other	(Note H)	(149)	0.85	-		
		(Note A)	Equity-method investments	(Note H)	41,671	100.00	-		
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note H)	(19,283)	99.15	-		
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	(Note A)	Equity-method investments		793	6,561	0.17	14,195	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments		2,710	93,112	0.19	76,016	
	Asia Cement Corporation	(Note A)	Equity-method investments		59	2,335	-	2,413	
	YDC (Virgin Islands) Ltd.	(Note A)	Equity-method investments		930	35,379	82.3	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent		2,425	26,674	0.09	26,674	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - noncurrent		1	10	-	-	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity-method investments		2,100,000	24,803,141	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Equity-method investments		82,009	1,220,154	61.07	-	
	KGEx.com Co., Ltd.	(Note A)	Equity-method investments		112,391	859,242	99.99	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity-method investments		1	15,640	100.00	-	
	Yuan Cing Co., Ltd.	(Note A)	Equity-method investments		19,350	121,095	99.99	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	E. World (Holdings) Ltd.	(Note A)	Equity-method investments	6,015	93,514	85.92	-	
	Far EasTron Holding Ltd.	(Note A)	Equity-method investments	4,487	25,506	100.00	-	
	Omusic Co., Ltd.	(Note A)	Other liabilities - other	2,500	(227)	50.00	-	
	HIIIR Inc.	(Note A)	Equity-method investments	8,000	81,763	80.00	-	
	Q-ware Communications Co., Ltd.	(Note A)	Other liabilities - other	33,983	(52,435)	81.46	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity-method investments	254,240	752,569	39.42	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments	6,691	16,183	14.85	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity-method investments	2,144	30,957	15.00	-	
	iScreen Corporation	(Note A)	Equity-method investments	4,000	16,416	40.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Equity-method investments	45,000	429,762	30.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Equity-method investments	3,000	25,475	16.67	-	
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	167,349	-	167,349	
	Asia Cement Corporation bond	-	Held-to-maturity financial assets - current	-	99,988	-	100,240	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Equity-method investments	80,000	654,445	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Equity-method investments	14,878	99,478	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Equity-method investments	4,320	43,195	100.00	-	
	Simple InfoComm Co., Ltd.	(Note A)	Equity-method investments	3,400	20,824	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity-method investments	715	10,319	5.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments	2,392	5,785	5.31	-	
	Opas Fund Segregated Portfolio Tranche B	-	Available-for-sale financial assets - current	11,499	476,383	-	476,383	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - noncurrent	8,858	50,000	3.18	-	
	BankPro E-Service Technology Co., Ltd.	-	Financial assets carried at cost - noncurrent	450	4,500	3.33	-	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Equity-method investments	12,392	196,423	70.00	-	
	THI consultants	-	Financial assets carried at cost - noncurrent	1,214	12,190	18.32	-	
	VIBO Telecom Inc.	-	Financial assets carried at cost - noncurrent	24	-	-	-	
	Chunghwa Int'l Communication Network Co., Ltd.	-	Financial assets carried at cost - noncurrent	2,087	6,714	3.98	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - noncurrent	161	1,618	0.63	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Equity-method investments	-	273	100.00	-	
	Far Eastern New Diligent Co., Ltd.	(Note A)	Equity-method investments	-	150,206	100.00	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Equity-method investments	-	42,992	100.00	-	
	Home Master Technology Ltd.	(Note A)	Equity-method investments	-	11,033	99.99	-	
	Jing Yuan Technology Ltd.	(Note A)	Equity-method investments	-	-	-	-	
Digital United (Cayman) Ltd.	Digital United Information Technologies (Shanghai) Co., Ltd.	(Note A)	Equity-method investments	-	23,337	100.00	-	
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Equity-method investments	-	134,024	2.12	-	
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Equity-method investments	-	52,690	76.92	-	
	Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity-method investments	-	82,692	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity-method investments	-	59,066	41.67	-	

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

C. The vice chairman of investee is the chairman of the investor company.

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

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

(Continued)

- F. The chairman of the investee is the chairman of FENC.
- G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- H. The investee was privately owned by foreign companies.
- I. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it can't be reliably measured.
- J. Relevant information about investment of subsidiaries, related parties 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 SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	PET Far Eastern (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	264	\$ 5,785,936	69	\$ 1,566,047	-	\$ -	\$ -	\$ -	\$ (633,578)	333	\$ 6,718,405
	Far Eastern Polytex (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	116	8,320,143	8	482,900	-	-	-	-	(781,876)	124	8,021,167
Far Eastern General Contractor Co., Ltd.	CTBC Money Market Fund	Financial assets at fair value through profit or loss	-	-	-	-	26,274	344,000	7,173	94,008	94,000	8	-	19,101	250,000
PET Far Eastern (Holding) Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Equity-method investments	Cash capital increase	(Note B)	-	1,405,970	-	545,558	-	-	-	-	(44,631)	-	1,906,897
	Tong Da Air Industry (Yangzhou) Co., Ltd.	Equity-method investments	Cash capital increase	(Note B)	-	-	-	1,020,489	-	-	-	-	(33,056)	-	987,433
Far Eastern Polytex (Holding) Ltd.	Far Eastern New Century (China) Investment Ltd.	Equity-method investments	Cash capital increase	(Note A)	-	2,118,100	-	502,400	-	-	-	-	(642,937)	-	1,977,563
Far EasTone Telecommunications Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Equity-method investments	Cash capital increase	(Note B)	9,000	78,330	36,000	360,000	-	-	-	-	(8,568)	45,000	429,762

Notes: A. Parent company's direct or indirect subsidiaries.

B. Equity-method investee.

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 SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Sale	\$ (230,041)	(1)	Based on contract	\$ -	-	\$ -	-	\$ 101,117	1	
	Far Eastern Industries (WuXi) Ltd.	(Note D)	Sale	(111,231)	-	Based on contract	-	-	-	-	20,715	-	
	Worldwide Polychem (HK) Limited	(Note D)	Sale	(511,987)	(2)	Based on contract	-	-	-	-	470,009	5	
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note D)	Purchase	176,708	2	Based on contract	-	-	-	-	(20,574)	(1)	
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	(Note D)	Purchase	4,530,373	41	Based on contract	-	-	-	-	(797,620)	(21)	
	Oriental Resources Development Ltd.	(Note D)	Purchase	160,024	1	Based on contract	-	-	-	-	(30,334)	(1)	
	Everest Textile Co., Ltd.	(Note A)	Sale	(229,968)	(1)	Based on contract	-	-	-	-	23,072	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note F)	Sale	(203,222)	(1)	Based on contract	-	-	-	-	66,917	1	
	Oriental Union Chemical Corp.	(Note A)	Purchase	732,199	7	Based on contract	-	-	-	-	(773,078)	(20)	
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(656,644)	(46)	Based on contract	-	-	-	-	133,684	35	
	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sale	(176,181)	(12)	Based on contract	-	-	-	-	80,273	21	
	Far Eastern New Century Corporation	(Note C)	Sale	(176,708)	(12)	Based on contract	-	-	-	-	20,574	5	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note E)	Purchase	176,181	27	Based on contract	-	-	-	-	(80,273)	(26)	
	Suzhou An Ho Apparel Ltd.	(Note D)	Purchase	167,676	26	Based on contract	-	-	-	-	(74,568)	(25)	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note D)	Purchase	656,644	100	Based on contract	-	-	-	-	(133,684)	(99)	
Far Eastern Industries (Shanghai) Ltd.	Worldwide Polychem (HK) Limited	(Note E)	Sale	(183,829)	(1)	Based on contract	-	-	-	-	177,006	5	
	Far Eastern New Century Corporation	(Note C)	Purchase	230,041	2	Based on contract	-	-	-	-	(101,117)	(2)	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	3,539,526	27	Based on contract	-	-	(1,242,191)	(94)	(779,318)	(18)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(4,392,466)	(32)	Based on contract	-	-	-	-	1,042,431	31	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sale	(550,645)	(4)	Based on contract	-	-	-	-	456,647	13	
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(318,353)	(19)	Based on contract	-	-	-	-	145,319	42	
	Far Eastern New Century Corporation	(Note C)	Purchase	111,231	7	Based on contract	-	-	-	-	(20,715)	(14)	
Far Eastern Industries (Suzhou) Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Purchase	594,561	30	Based on contract	-	-	-	-	(268,996)	(29)	
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	(Note E)	Purchase	493,686	25	Based on contract	-	-	-	-	(213,353)	(23)	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	148,922	7	Based on contract	-	-	-	-	(170,844)	(19)	
	Oriental Industries (Suzhou) Ltd.	(Note E)	Sale	(1,632,870)	(84)	Based on contract	-	-	363,591	100	311,526	78	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note C)	Sale	(160,024)	(52)	Based on contract	-	-	-	-	30,334	46	
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note E)	Sale	(540,691)	(11)	Based on contract	-	-	-	-	269,814	21	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sale	(188,233)	(4)	Based on contract	-	-	-	-	83,268	6	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	282,686	6	Based on contract	-	-	-	-	(107,711)	(9)	
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Purchase	4,392,466	93	Based on contract	-	-	-	-	(1,042,431)	(87)	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sale	(594,561)	(100)	Based on contract	-	-	-	-	268,996	100	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	589,293	100	Based on contract	-	-	-	-	-	-	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sale	\$ (3,539,526)	(35)	Based on contract	\$ -	-	\$ 1,242,191	37	\$ 779,318	82	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Sale	(589,293)	(6)	Based on contract	-	-	-	-	-	-	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sale	(148,922)	(1)	Based on contract	-	-	-	-	170,844	18	
	PET Far Eastern (Holding) Ltd.	(Note C)	Purchase	620,023	6	Based on contract	-	-	-	-	-	-	
Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note C)	Sale	(4,530,373)	(51)	Based on contract	-	-	-	-	797,620	46	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sale	(493,686)	(6)	Based on contract	-	-	-	-	213,353	12	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Purchase	1,632,870	58	Based on contract	-	-	(363,591)	(100)	(311,526)	(51)	
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(1,700,943)	(42)	Based on contract	-	-	-	-	594,392	41	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note D)	Purchase	318,353	15	Based on contract	-	-	-	-	(145,319)	(20)	
	Oriental Industries (Suzhou) Ltd.	(Note D)	Purchase	1,700,943	85	Based on contract	-	-	-	-	(594,392)	(80)	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note D)	Sale	(620,023)	(100)	Based on contract	-	-	-	-	-	-	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	550,645	58	Based on contract	-	-	-	-	(456,647)	(75)	
	Far Eastern Polychem Industries Ltd.	(Note E)	Sale	(282,686)	(27)	Based on contract	-	-	-	-	107,711	40	
	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	188,233	20	Based on contract	-	-	-	-	(83,268)	(14)	
Worldwide Polychem (HK) Limited	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	183,829	21	Based on contract	-	-	-	-	(177,006)	(24)	
	Far Eastern New Century Corporation	(Note C)	Purchase	511,987	57	Based on contract	-	-	-	-	(470,009)	(64)	
Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sale	(167,676)	(100)	Based on contract	-	-	-	-	74,568	100	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	540,691	80	Based on contract	-	-	-	-	(269,814)	(89)	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note H)	Sale	(110,038)	-	Based on contract	-	-	-	-	32,072	13	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp.	(Note J)	Purchase	323,443	14	Based on contract	-	-	-	-	(202,505)	(20)	
	Far Eastern Department Stores Co., Ltd.	(Note H)	Construction revenue	(160,943)	(7)	Based on contract	-	-	-	-	72,876	18	
											Advance on real estate receipts	17	
											3,216,479		
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	Cost of telecommunications services, marketing expense and purchase	6,364,692	23	Based on contract	-	-	-	-	(1,248,960)	(13)	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note D)	Operating revenue	(170,962)	-	Based on contract	-	-	-	-	179,851	3	
			Operating revenue	(551,049)	(1)	Based on contract	-	-	-	-	2,206	-	
			Cost of telecommunications services	1,418,968	7	Based on contract	-	-	-	-	(632,534)	(7)	(Note B)
	HIIIR Inc.	(Note D)	Service fee	107,856	-	Based on contract	-	-	-	-	(17,862)	-	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(1,418,968)	(22)	Based on contract	-	-	-	-	632,534	45	
			Cost of telecommunications services	551,049	12	Based on contract	-	-	-	-	(2,206)	-	(Note G)
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(6,364,692)	(70)	Based on contract	-	-	-	-	1,248,960	81	
			Purchase and cost of telecommunications services	170,962	2	Based on contract	-	-	-	-	(179,851)	(10)	
HIIIR Inc.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Telecommunications service revenues	(107,856)	(61)	Based on contract	-	-	-	-	17,862	36	

(Continued)

- Notes:
- A. The 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. The equity-method investee of FENC's subsidiary\
 - G. Including the receivables collected by Far EasTone Telecommunications Co., Ltd. for New Century InfoComm Tech Co., Ltd.
 - H. The Equity-method investee 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 is the chairman of the ultimate parent company.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM AFFILIATES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE SIX MONTHS ENDED JUNE 30, 2014**

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd. Worldwide Polychem (HK) Limited	(Note D) (Note D)	\$ 101,117	4.66	\$ -	-	\$ 48,475	\$ -
			470,009	1.73	-	-	176,883	-
Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Ltd. Far Eastern New Century Corporation	(Note C) (Note E)	213,353	4.98	-	-	81,739	-
			797,620	11.34	-	-	795,516	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	675,117	4.51	-	-	311,105	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note E)	133,684	10.10	-	-	-	-
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	145,319	5.14	-	-	US\$ 4,905	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	594,392	6.43	-	-	502,311	-
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	(Note C)	268,996	4.55	-	-	-	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	269,814	3.42	-	-	HK\$ 10,258	-
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd. Wuhan Far Eastern New Material Ltd. Worldwide Polychem (HK) Limited	(Note E) (Note C) (Note C)	1,042,431	7.22	-	-	145,612	-
			456,647	2.42	-	-	35,246	-
			177,006	2.34	-	-	-	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd.	(Note C) (Note C)	2,021,509	3.67	-	-	RMB 162,138	-
			170,844	1.79	-	-	RMB 35,544	-
Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	107,711	6.45	-	-	107,711	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd. New Century InfoComm Tech Co., Ltd.	(Note D) (Note D)	182,047	12.10	-	-	110,234	-
			195,055	(Note B)	-	-	102,837	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	5,932,860	(Note G)	-	-	419,877	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	1,248,960	10.76	-	-	1,131,582	-

(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 related parties.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars)**

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
0	Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	\$ 101,117	Based on agreement	-
		Worldwide Polychem (HK) Limited	1	Accounts receivable	470,009	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	230,041	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Sales	111,231	Based on agreement	-
		Worldwide Polychem (HK) Limited	1	Sales	511,987	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Other receivables	108,891	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Other receivables	2,002,215	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest revenue	19,994	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest receivables	5,300	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Other receivables	1,874,535	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest revenue	30,245	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest receivables	7,953	Based on agreement	-
		1	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	1	Other receivables	192,849
New Century InfoComm Tech Co., Ltd.	1			Telecommunications revenue	551,026	Based on agreement	-
ARCOA Communication Co., Ltd.	1			Accounts receivable	179,851	Based on agreement	-
ARCOA Communication Co., Ltd.	1			Sales	123,832	Based on agreement	-
2	Yuan Ding Investment Co., Ltd.	An Ho Garment Co., Ltd.	3	Other receivables	358,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	800,000	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Other receivables	800,000	Based on agreement	-
4	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	3	Other receivables	80,000	Based on agreement	-
5	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	269,814	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	540,691	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	188,233	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Other receivables	2,358,150	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	794,010	Based on agreement	-
6	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	213,353	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	797,620	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	493,686	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	4,530,373	Based on agreement	4

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
7	Far Eastern Investment (Holding) Ltd.	Pet Far Eastern (M) Sdn. Bhd.	1	Interest revenue	\$ 1,689	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest receivables	61,930	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	259,957	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	20	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	1,621	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest receivables	960	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	235,218	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	14,383	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest receivables	1,757	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	2,238,750	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	1,944	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest receivables	466	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	298,500	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest revenue	2,923	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest receivables	787	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other receivables	447,750	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest revenue	12,122	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest receivables	2,589	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other receivables	1,773,090	Based on agreement	-
		Worldwide Polychem (HK) Limited	1	Other receivables	44,775	Based on agreement	-
Far Eastern Apparel (Vietnam) Ltd.	1	Other receivables	267,456	Based on agreement	-		
Oriental Petrochemical (Shanghai) Corp.	3	Interest revenue	28	Based on agreement	-		
8	PET Far Eastern (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest revenue	945	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other receivables	548,942	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	976,095	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Sales	620,023	Based on agreement	1
10	Far Eastern Polytex (Holding) Ltd.	Far Eastern New Century (China) Investment Ltd.	1	Other receivables	1,863,597	Based on agreement	-
11	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	1	Rent revenue	258,653	Based on agreement	-
		Ding Ding Integrated Marketing Services Co., Ltd.	1	Other receivables	50,000	Based on agreement	-
		Ding Ding Integrated Marketing Services Co., Ltd.	1	Interest revenue	34	Based on agreement	-
		Ding Ding Integrated Marketing Services Co., Ltd.	1	Interest receivables	34	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Other receivables	104,475	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Interest revenue	432	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Interest receivables	324	Based on agreement	-
15	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest revenue	298	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest receivables	295	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other receivables	86,565	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	1	Other receivables	268,650	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
20	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	1	Other receivables	\$ 2,835,750	Based on agreement	-
21	Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	3	Other receivables	537,300	Based on agreement	1
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	1	Other receivables	322,380	Based on agreement	-
24	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	160,024	Based on agreement	-
30	Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	456,647	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	550,645	Based on agreement	-
		Worldwide Polychem (HK) Limited	3	Sales	183,829	Based on agreement	-
		Worldwide Polychem (HK) Limited	3	Accounts receivable	177,006	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Sales	4,392,466	Based on agreement	4
		Far Eastern Polychem Industries Ltd.	2	Accounts receivable	1,042,431	Based on agreement	-
34	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	2	Accounts receivable	133,684	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Sales	656,644	Based on agreement	1
		Far Eastern Apparel (Suzhou) Ltd.	3	Sales	176,181	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	176,708	Based on agreement	-
36	Waldorf Services B.V.	Far Eastern Investment (Holding) Ltd.	2	Interest revenue	1,506	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Interest receivables	3,494	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Other receivables	298,500	Based on agreement	-
39	Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales	167,676	Based on agreement	-
41	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	1,242,191	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	779,318	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	3,539,526	Based on agreement	3
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	170,844	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	148,922	Based on agreement	-
		Far Eastern Yihua Petrochemical (Yangzhou) Corporation	3	Sales	589,293	Based on agreement	1
43	Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	145,319	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales	318,353	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest receivables	9,685	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest revenue	7,843	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	480,650	Based on agreement	-
44	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	594,392	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales	1,700,943	Based on agreement	1
45	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Notes receivable	363,591	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	311,526	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	1,632,870	Based on agreement	1

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
46	Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Accounts receivable	\$ 107,711	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	282,686	Based on agreement	-
47	Far Eastern Apparel (Suzhou) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	275,802	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	230,356	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	3	Other receivables	328,024	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	22,081	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Other receivables	91,006	Based on agreement	-
48	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	3	Sales	594,561	Based on agreement	1
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	268,996	Based on agreement	-
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Other receivables	4,385,258	Based on agreement	1
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	120,000	Based on agreement	-
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	220,000	Based on agreement	-
64	New Century InfoComm Tech Co., Ltd.	Q-ware Communications Co., Ltd.	3	Other receivables	241,325	Based on agreement	-
		Far Eastone Telecommunications Co., Ltd.	2	Other receivables	5,773,975	Based on agreement	-

Note A: Parties to the intercompany transactions are identified and numbered as follows:

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

Note B: The flow of related-party transactions is as follows:

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2014			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				June 30, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	735,795	22.33	\$ 18,064,581	\$ 5,222,426	\$ 856,063	Gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	237,029	16.80	4,613,048	687,031	115,421	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,474,684	121,995	11,187	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,434	142,526	43	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	2,057,724	268,175	52,696	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	810,000	810,000	67,500	16.83	1,761,797	281,896	47,443	(Note A)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,041	100,041	1,822,822	99.40	38,226,943	3,184,315	3,139,392	Including write off and reversed by side-stream transactions \$25,817, (Note B)
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate construction and selling	14,931,733	14,931,733	557,354	100.00	94,050,056	1,924,543	1,924,543	(Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,678,309	7,195,409	124	100.00	8,021,167	(52,377)	(52,377)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	7,722,355	45,246	33,047	(Note B)
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,835,396	167,420	167,555	Including write off and reversed by upstream transactions \$135, (Note B)
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,843	100.00	4,943,269	161,672	161,672	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	7,626,100	591,798	591,798	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	4,245,203	333	90.54	6,718,405	(494,094)	(437,795)	Including premium and discount amortization \$4,863 thousand, (Note B)
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	7,897,641	7,897,641	881,078	75.56	6,024,737	(793,400)	(584,998)	Including write off and reversed by upstream transactions \$14,495, (Note B)
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	188,875	65.11	6,921,124	132,613	86,345	(Note B)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,511	857,511	186,929	37.13	3,515,143	575,822	127,971	Including write off and reversed by side-stream transactions \$(86,096), (Note B)
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Investment	1,023	1,023	66,346	100.00	1,705,835	113,596	113,519	Including write off and reversed by side-stream transactions \$(77), (Note B)
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,696,746	71,506	71,506	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	350,902	(150,950)	(76,124)	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	99.99	177,741	9,070	8,995	(Note B)	
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	393,651	393,651	19,772	19.00	137,990	(113,571)	(21,703)	(Note B)	
Far Eastern Textile Ltd.	Taipei, Taiwan	Chemical fiber production	1,000	1,000	100	100.00	1,115	(120)	(120)	(Note B)	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	275,406	263,935	9,817	0.30	384,042	5,222,426	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,277,029	1,041,479	80,709	9.11	1,653,591	121,995	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	5,593	0.40	150,218	687,031	-	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,065,355	142,526	-	(Note A)
	Far Eastone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,136,188	6,579,022	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,850,420	45,246	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	2,179,442	2,179,442	111	100.00	2,270,978	19,698	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Investment	263,790	263,790	20,282	41.86	1,228,426	71,212	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	345,196	(7,707)	-	(Note B)
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	120,022	1,009	-	(Note B)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	97,852	97,852	1,468	45.50	71,979	2,141	-	(Note A)
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	417,792	14,298	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2014			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				June 30, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
	Far Eastern Fibertech Co., Ltd.	Taipei, Taiwan	Nylon production	\$ 585,000	\$ 585,000	79,241	100.00	\$ 993,248	\$ 58,925	\$ -	(Note B)
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	336,602	(2,048)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,403,036	406,383	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	239,707	148,345	-	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,823,892	268,175	-	(Note A)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,254,194	575,822	-	(Note B)
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	1,141,930	115,721	-	(Note A)
	Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	5,842,331	5,842,331	89	100.00	6,385,586	102,315	-	(Note B)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,475,192	281,896	-	(Note A)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	673,704	673,704	98,198	18.96	1,193,902	1,396,147	-	(Note A)
Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,400	1.00	21,665	49,773	-	(Note B)	
Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	207,839	207,839	60,590	5.20	407,401	(793,400)	-	(Note B)	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	Kaya W.F.G. Mensing 14, Curacao	Investment	US\$ 6	US\$ 6	6	100.00	909,231	265,960	-	(Note B)
	Filsyn Corporation	Unit 8, 5B Pearlbank Centre 146 Valero St. Makati City 1227, Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50.00	179,399	30,180	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	13,543	(11,340)	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	No. 46 Dai Lo Tu Do, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100.00	224,532	(52,427)	-	(Notes B and D)
Far Eastern Investment (Holding) Ltd.	Worldwide Polychem (HK) Ltd.	Hong Kong	Polyester production trading	US\$ 3,500	US\$ 3,500	2,700	100.00	87,640	1,421	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34.00	1,552	14	-	(Note A)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	12,962	0.39	474,859	5,222,426	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	53,506	53,506	2,562	0.18	66,586	687,031	-	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	111,240	149,480	4,129	0.88	33,130	142,526	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	387,687	387,687	16,183	1.83	446,145	121,995	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	40,142	6,579,022	-	(Note B)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	216,623	281,896	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	9,057	13.20	299,408	42,029	-	(Note A)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	483,448	483,448	19,811	0.60	714,987	5,222,426	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,102,401	6,579,022	-	(Note B)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	707,458	526,597	31,836	3.59	710,483	121,995	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	519,473	519,473	20,267	1.44	558,302	687,031	-	(Note A)
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	399,507	20,390	-	(Note A)
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,142,133	115,721	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	216,824	281,896	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	711,029	(494,094)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	344,919	(150,950)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET production and sale	JPY 1,200,000	1,200,000	120	80.00	282,698	(39,938)	-	(Note B)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	271,587	271,587	138,507	98.95	1,961,904	49,773	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	216,959	216,959	17,379	0.53	577,881	5,222,426	-	(Note A)
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	29	29	5	0.01	88	42,029	-	(Note A)
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	3,870	1,866	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2014			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				June 30, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
FETG Investment Antilles N.V.	Waldorf Services B.V.	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	\$ 909,183	\$ 266,086	\$ -	(Note B)
Waldorf Services B.V.	Cemtex Apparel Inc.	No. 100 Marc Alvarez Ave. Talon Las Pinas City Filipino	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	(10,852)	210	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	No. 5-9, Little Rd, Singapore (536985)	Garment production	SGD 3,000	SGD 3,000	30	37.92	71,585	6,737	-	(Note A)
	Far Eastern International Garments	Bldg. No. 5 Cor. Sirloinand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production	US\$ 290	290	59	41.00	(11,647)	(25)	-	(Note A)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,026,494	6,579,022	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	206,551	206,551	5,974	0.18	245,370	5,222,426	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	4,814	4,814	154	0.02	4,837	121,995	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	10,483	10,483	363	0.03	10,880	687,031	-	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	95,103	95,103	5,890	0.83	90,468	268,175	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	10,751	15.66	257,096	42,029	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	67,285	67,285	4,841	1.21	121,706	281,896	-	(Note A)
Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	159,202	3,184,315	-	(Note B)	
Yuan Faun Ltd.	Far Eastern Resources Development Co	Taipei, Taiwan	Investment	7,214	7,304	745	55.19	11,749	3,637	-	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	19,964	6,579,022	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,686,556	6,579,022	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,159,521	1,159,521	38,842	2.75	1,210,548	687,031	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,511,986	1,350,827	41,161	4.65	1,562,951	121,995	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	888,648	888,648	28,019	0.85	1,113,133	5,222,426	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	215,626	281,896	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	364,168	(154,692)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	20	20	1	-	21	406,383	-	(Note A)
	Sino Belgium (Holding) Ltd.	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	1,874,310	1,874,310	30	92.56	(28,527)	(105,528)	-	(Note B)
Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	27	148,345	-	(Note A)	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Taipei, Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	478,847	247,900	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	240,000	240,000	8,577	60.00	114,836	19,153	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	48,723	1,866	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	200	17.70	7,609	99	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	645,021	645,021	64,502	61.99	450,048	(113,571)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	239,130	239,130	23,913	53.08	57,424	(55,278)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taipei, Taiwan	Business consulting	822,701	822,701	85,000	100.00	462,756	(98,740)	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,037	136,037	5,224	0.16	205,974	5,222,426	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	100,412	100,412	4,164	0.13	106,864	6,579,022	-	(Note B)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	411,187	411,187	129,637	25.02	2,363,321	1,396,147	-	(Note A)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	787	787	32	1.00	776	2,141	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	22,676	22,676	1,779	2.59	42,104	42,029	-	(Note A)
	FEDS Asia Pacific Development Ltd.	Taipei, Taiwan	Department store operations	100,000	100,000	10,350	5.00	123,893	67,448	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	448,421	(154,692)	-	(Note B)	
Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	300,000	60,000	30,000	20.00	286,508	(30,341)	-	(Note B)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2014			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes	
				June 30, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value				
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	\$ 745	\$ 745	79	0.18	\$ 190	\$ (55,278)	\$ -	(Note B)	
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	225,150	45,030	22,515	15.01	215,022	(30,341)	-	(Note B)	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	-	100.00	(19,981)	(101,096)	-	(Notes B and D)	
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	16,173	16,173	793	0.17	6,561	142,526	-	(Note A)	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	51,673	51,673	2,710	0.19	93,112	687,031	-	(Note A)	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	862	862	59	-	2,335	5,222,426	-	(Note A)	
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	930	82.30	35,379	99	-	(Note B)	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Type I & II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	24,803,141	1,127,937	-	(Note B)	
	ARCOA Communication Co., Ltd.	Taipei, Taiwan	Type I & II telecommunications services, sales of communications products and office equipment	1,295,035	1,295,035	82,009	61.07	1,220,154	126,937	-	(Note B)	
Far EasTone Telecommunications Co., Ltd.	KGEx.com Co., Ltd.	Taipei, Taiwan	Type I & II telecommunications services	2,540,442	2,540,442	112,391	99.99	859,242	4,011	-	(Note B)	
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	15,640	(11,647)	-	(Note B)	
	Yuan Cing Co., Ltd.	Taipei, Taiwan	Call center services	101,371	101,371	19,350	99.99	121,095	9,732	-	(Note B)	
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	93,514	379	-	(Note B)	
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	25,506	(85)	-	(Note B)	
	Omusic Co., Ltd.	Taipei, Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	(227)	(149)	-	(Note B)	
	HIIIR Inc.	Taipei, Taiwan	Electronic information providing services	80,000	80,000	8,000	80.00	81,763	27,297	-	(Note B)	
	Q-ware Communications Co., Ltd.	Taipei, Taiwan	Type I & II telecommunications services	832,038	832,038	33,983	81.46	(52,435)	(28,393)	-	(Note B)	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	2,542,396	2,542,396	254,240	39.42	752,569	(154,692)	-	(Note B)	
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	80,893	80,893	6,691	14.85	16,183	(55,278)	-	(Note B)	
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	60,000	60,000	2,144	15.00	30,957	19,153	-	(Note B)	
	iScreen Corporation	Taipei, Taiwan	Electronic information providing services	100,000	100,000	4,000	40.00	16,416	2,155	-	(Note A)	
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	450,000	90,000	45,000	30.00	429,762	(30,341)	-	(Note B)	
	Alliance Digital Technology Co., Ltd.	Taipei, Taiwan	Electronic information providing services	30,000	30,000	3,000	16.67	25,475	(20,685)	-	(Note A)	
	ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taipei, Taiwan	Sale of communications products	141,750	141,750	12,392	70.00	196,423	20,287	-	(Note B)
	New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taipei, Taiwan	Investment	800,000	800,000	80,000	100.00	654,445	(14,050)	-	(Note B)
		Information Security Service Digital United Inc.	Taipei, Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	99,478	1,043	-	(Note B)
		Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	132,406	4,320	100.00	43,195	(6,124)	-	(Note B)
		Simple InfoComm Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	34,000	34,000	3,400	100.00	20,824	(63)	-	(Note B)
		Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	20,000	20,000	715	5.00	10,319	19,153	-	(Note B)
Far Eastern Electronic Commerce Co., Ltd.		Taipei, Taiwan	Electronic information providing services	28,922	28,922	2,392	5.31	5,785	(55,278)	-	(Note B)	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	273	(44)	-	(Note B)	
	Far Eastern New Diligent Co., Ltd.	British Virgin Islands	Investment	133,048	133,048	-	100.00	150,206	(16,574)	-	(Note B)	
Data Express Infotech Co., Ltd.	Linkwell Tech. Ltd.	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	42,992	(910)	-	(Note B)	
	Home Master Technology Ltd.	Taipei, Taiwan	Sale of communications products	9,999	9,999	-	99.99	11,033	(1,856)	-	(Note B)	
	Jing Yuan Technology Ltd.	Taipei, Taiwan	Data Processing service	-	10,000	-	-	-	(20)	-	(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)