

**Far Eastern New Century Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2015 and 2014 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 September 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three months ended September 30, 2015 and 2014 and nine months ended September 30, 2015 and 2014, and changes in equity and cash flows for the nine months ended September 30, 2015 and 2014. 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 15 to the consolidated financial statements, the financial statements of some nonsignificant subsidiaries used as basis for the consolidated financial statements were unreviewed. As of September 30, 2015 and 2014, combined total assets of these nonsignificant subsidiaries were NT\$222,608,513 thousand and NT\$217,766,881 thousand, respectively, representing 43.05% and 44.24%, respectively, of the consolidated total assets and combined total liabilities of these subsidiaries were NT\$88,430,038 thousand and NT\$89,720,871 thousand, respectively, representing 34.93% and 38.31%, respectively, of the consolidated total liabilities. For the three months ended September 30, 2015 and 2014 combined comprehensive income of these subsidiaries were NT\$1,288,545 thousand and NT\$1,759,476 thousand, respectively, representing 31.28% and 26.40%, respectively; for the nine months ended September 30, 2015 and 2014 combined comprehensive income of these subsidiaries were NT\$1,753,156 thousand and NT\$160,586 thousand, respectively, representing 12.95% and 1.12%, respectively, of the consolidated total comprehensive income. In addition, as stated in Note 17 to the consolidated financial statements, the investments accounted for using equity-method as of September 30, 2015 and 2014, with carrying values of NT\$30,500,395 thousand and NT\$30,707,438 thousand, respectively, and the related share of the comprehensive income of associates for the three months ended September 30, 2015 and 2014 were NT\$604,199 thousand and NT\$486,528 thousand, respectively, and nine months ended September 30, 2015 and 2014 were NT\$1,865,570 thousand and NT\$1,467,937 thousand, respectively. These amounts referring to the investments accounted for using equity-method were based on unreviewed financial statements of associates. Related information on subsidiaries and associates measured above investments shown in Note 41 to the consolidated financial statements was not reviewed either.

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 have been prepared the consolidated financial statement in accordance Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission. As a result, the consolidated financial statements for the nine months ended September 30, 2014, the consolidated balance sheet as December 31, 2014, and the consolidated balance sheet as of January 1, 2014 have been restated.

November 11, 2015

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	September 30, 2015 (Reviewed)		December 31, 2014 (Audited after Restated)		September 30, 2014 (Reviewed after Restated)		January 1, 2014 (Audited after Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>								
Cash and cash equivalents (Note 6)	\$ 45,157,477	9	\$ 25,985,419	5	\$ 28,628,729	6	\$ 26,645,574	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,393,022	-	1,124,116	-	744,266	-	1,191,688	-
Available-for-sale financial assets - current (Notes 4, 8 and 37)	434,836	-	929,101	-	868,651	-	989,348	-
Held-to-maturity financial assets - current (Notes 4 and 9)	-	-	-	-	-	-	99,962	-
Derivative financial assets for hedging - current (Notes 4 and 10)	13,257	-	-	-	-	-	4,442	-
Financial assets measured at cost - current (Notes 4 and 11)	-	-	-	-	-	-	42,587	-
Debt investments with no active market - current (Notes 4, 6 and 12)	2,576,748	1	4,114,651	1	2,886,343	1	2,606,689	1
Notes and accounts receivable, net (Notes 4, 13 and 36)	22,813,224	4	27,720,022	6	29,495,653	6	27,741,701	6
Amounts due from customers for construction contracts (Notes 4 and 16)	830,254	-	2,286,911	1	2,024,031	-	1,473,786	-
Other receivables (Note 36)	2,201,838	-	3,503,430	1	2,897,845	1	2,900,592	1
Current tax assets (Notes 4 and 29)	140,971	-	68,920	-	87,528	-	48,216	-
Inventories, net (Notes 4, 14 and 37)	23,486,629	5	22,005,555	4	23,101,545	5	24,184,972	5
Prepayments	4,149,777	1	4,414,732	1	5,218,747	1	3,799,470	1
Other financial assets - current (Note 37)	4,357,467	1	3,661,203	1	3,635,378	1	3,946,576	1
Refundable deposits - current	35,895	-	33,954	-	48,838	-	52,292	-
Other current assets	2,329,858	-	2,227,072	-	2,682,890	-	1,934,219	-
Total current assets	<u>109,921,253</u>	<u>21</u>	<u>98,075,086</u>	<u>20</u>	<u>102,320,444</u>	<u>21</u>	<u>97,662,114</u>	<u>21</u>
<b>NONCURRENT ASSETS</b>								
Available-for-sale financial assets - noncurrent (Notes 4, 8 and 37)	4,447,067	1	4,718,618	1	4,555,472	1	5,257,220	1
Financial assets measured at cost - noncurrent (Notes 4 and 11)	1,139,191	-	1,071,152	-	925,569	-	926,908	-
Debt investment with no active market - noncurrent (Notes 4, 6 and 12)	-	-	182,583	-	193,077	-	-	-
Investments accounted for using the equity method (Notes 4, 17 and 37)	61,014,935	12	61,839,479	12	59,272,363	12	55,870,243	12
Property, plant and equipment (Notes 4, 5, 18 and 37)	145,304,718	28	139,055,972	28	133,757,479	27	124,767,713	26
Investment properties, net (Notes 4, 18, 19 and 37)	122,863,425	24	119,663,209	24	118,228,801	24	113,458,525	24
Concession (Notes 21 and 37)	35,694,681	7	37,314,277	8	37,819,880	8	37,734,135	8
Goodwill (Notes 4 and 20)	11,882,789	2	11,930,443	2	11,928,955	2	11,928,782	2
Other intangible assets (Notes 4 and 21)	3,418,196	1	3,772,439	1	3,794,468	1	4,184,122	1
Deferred tax assets, net (Notes 4 and 29)	2,366,380	1	2,737,657	1	2,976,020	1	2,812,572	1
Prepayment for equipment (Note 18)	4,638,023	1	4,914,856	1	5,126,576	1	6,103,204	1
Refundable deposits	867,799	-	708,974	-	664,924	-	576,314	-
Long-term other receivables from related parties (Note 36)	1,620,000	-	-	-	-	-	-	-
Other financial assets - noncurrent (Note 37)	4,321,476	1	3,044,303	1	3,474,816	1	4,071,707	1
Long-term prepayments for lease	7,360,901	1	7,164,761	1	6,999,062	1	7,406,266	2
Other noncurrent assets	285,218	-	410,481	-	228,023	-	239,647	-
Total noncurrent assets	<u>407,224,799</u>	<u>79</u>	<u>398,529,204</u>	<u>80</u>	<u>389,945,485</u>	<u>79</u>	<u>375,337,358</u>	<u>79</u>
<b>TOTAL</b>	<u>\$ 517,146,052</u>	<u>100</u>	<u>\$ 496,604,290</u>	<u>100</u>	<u>\$ 492,265,929</u>	<u>100</u>	<u>\$ 472,999,472</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>								
<b>CURRENT LIABILITIES</b>								
Short-term borrowings (Notes 22 and 36)	\$ 28,693,568	6	\$ 27,638,660	6	\$ 29,151,715	6	\$ 28,053,848	6
Short-term bills payable (Note 22)	18,749,339	4	4,662,532	1	5,966,555	1	5,117,694	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	21,169	-	807	-	44,582	-	590	-
Derivative financial liabilities for hedging - current (Notes 4 and 10)	-	-	14,950	-	7,490	-	-	-
Notes and accounts payable (Notes 4 and 36)	15,374,330	3	14,015,993	3	17,752,881	4	17,713,722	4
Amounts due to customers for construction contracts (Notes 4 and 16)	429,624	-	110,594	-	204,555	-	412,498	-
Payables to suppliers of machinery and equipment	2,531,294	-	3,202,004	1	2,084,367	-	3,133,810	1
Other payable	14,262,265	3	14,254,278	3	14,412,868	3	12,671,314	3
Current tax liabilities (Notes 4 and 29)	1,586,933	-	3,368,813	1	3,003,537	1	3,115,500	1
Provisions - current (Notes 4 and 23)	248,182	-	240,197	-	247,761	-	193,328	-
Guarantee deposits received - current (Note 36)	416,742	-	314,097	-	380,381	-	334,939	-
Receipts in advance	1,351,158	-	1,214,639	-	1,019,380	-	1,199,481	-
Unearned revenue	2,585,881	-	2,617,900	-	2,992,654	1	2,667,808	-
Current portion of long-term liabilities (Note 24)	15,563,206	3	14,127,895	3	15,452,883	3	8,845,696	2
Other current liabilities	2,626,965	1	2,293,289	-	2,284,462	1	2,317,709	-
Total current liabilities	<u>104,440,656</u>	<u>20</u>	<u>88,076,648</u>	<u>18</u>	<u>95,006,071</u>	<u>20</u>	<u>85,777,937</u>	<u>18</u>
<b>NONCURRENT LIABILITIES</b>								
Derivative financial liabilities for hedging - noncurrent (Notes 4 and 10)	407,678	-	535,837	-	493,508	-	421,280	-
Bonds payable (Note 24)	61,071,825	12	60,712,019	12	59,493,708	12	65,638,787	14
Long-term borrowings (Note 24)	66,573,112	13	63,999,210	13	60,004,183	12	43,622,704	9
Provisions - noncurrent (Notes 4 and 23)	785,484	-	763,223	-	735,445	-	705,863	-
Deferred tax liabilities (Notes 4 and 29)	16,187,626	3	15,110,447	3	14,755,387	3	13,329,928	3
Net defined benefit liabilities - noncurrent (Note 26)	2,468,668	1	2,648,882	1	2,517,456	1	2,593,770	1
Guarantee deposits received - noncurrent (Note 36)	676,640	-	715,764	-	673,027	-	645,013	-
Deferred credit-gains on related-party accounts (Note 36)	149,351	-	149,629	-	149,907	-	150,185	-
Other noncurrent liabilities	385,886	-	408,320	-	378,454	-	476,788	-
Total noncurrent liabilities	<u>148,706,270</u>	<u>29</u>	<u>145,043,331</u>	<u>29</u>	<u>139,201,075</u>	<u>28</u>	<u>127,584,318</u>	<u>27</u>
Total liabilities	<u>253,146,926</u>	<u>49</u>	<u>233,119,979</u>	<u>47</u>	<u>234,207,146</u>	<u>48</u>	<u>213,362,255</u>	<u>45</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)</b>								
Capital stock								
Common stock	53,528,751	10	52,479,168	11	52,479,168	10	51,450,165	11
Capital surplus	2,731,027	1	3,666,948	1	3,666,430	1	4,681,042	1
Retained earnings								
Legal reserve	14,511,559	3	13,408,217	3	13,408,217	3	12,687,509	3
Special reserve	108,745,336	21	105,911,942	21	105,911,942	21	105,911,942	22
Unappropriated earnings	14,204,362	3	17,383,706	3	15,792,466	3	14,143,946	3
Total retained earnings	<u>137,461,257</u>	<u>27</u>	<u>136,703,865</u>	<u>27</u>	<u>135,112,625</u>	<u>27</u>	<u>132,743,397</u>	<u>28</u>
Other equity	7,715,799	1	6,841,068	1	4,074,868	1	4,653,726	1
Treasury stocks	(25,063)	-	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	<u>201,411,771</u>	<u>39</u>	<u>199,665,986</u>	<u>40</u>	<u>195,308,028</u>	<u>39</u>	<u>193,503,267</u>	<u>41</u>
<b>NONCONTROLLING INTERESTS (Note 27)</b>	<u>62,587,355</u>	<u>12</u>	<u>63,818,325</u>	<u>13</u>	<u>62,750,755</u>	<u>13</u>	<u>66,133,950</u>	<u>14</u>

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2015 (Reviewed)		2014 (Reviewed after Restated)		2015 (Reviewed)		2014 (Reviewed after Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>OPERATING REVENUES</b>								
(Notes 4, 10 and 36)								
Net sales	\$ 30,917,611	60	\$ 39,630,003	67	\$ 98,212,138	61	\$ 113,765,511	65
Telecommunications service income	17,570,095	34	17,555,297	29	52,310,818	33	51,907,523	29
Gain on disposal of investments, net	552,690	1	14,182	-	624,982	-	72,149	-
Construction income	602,716	1	521,650	1	2,727,058	2	2,887,557	2
Other operating revenue	<u>2,262,125</u>	<u>4</u>	<u>1,679,689</u>	<u>3</u>	<u>7,005,357</u>	<u>4</u>	<u>7,587,771</u>	<u>4</u>
Total operating revenues	<u>51,905,237</u>	<u>100</u>	<u>59,400,821</u>	<u>100</u>	<u>160,880,353</u>	<u>100</u>	<u>176,220,511</u>	<u>100</u>
<b>OPERATING COSTS</b> (Notes 4, 28 and 36)								
Cost of sales	30,510,750	59	39,474,550	66	96,373,269	60	112,410,903	64
Cost of telecommunications services	6,604,412	13	6,662,522	11	19,233,698	12	19,836,053	11
Construction cost	641,300	1	494,578	1	2,623,810	2	2,742,134	2
Other operating cost	<u>1,226,582</u>	<u>2</u>	<u>384,594</u>	<u>1</u>	<u>3,656,907</u>	<u>2</u>	<u>4,312,130</u>	<u>2</u>
Total operating costs	<u>38,983,044</u>	<u>75</u>	<u>47,016,244</u>	<u>79</u>	<u>121,887,684</u>	<u>76</u>	<u>139,301,220</u>	<u>79</u>
<b>GROSS PROFIT</b>	<u>12,922,193</u>	<u>25</u>	<u>12,384,577</u>	<u>21</u>	<u>38,992,669</u>	<u>24</u>	<u>36,919,291</u>	<u>21</u>
<b>REALIZED CONSTRUCTION INCOME</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>278</u>	<u>-</u>
<b>OPERATING EXPENSES</b>								
(Notes 4, 28 and 36)								
Selling and marketing	5,856,846	11	6,088,861	10	17,479,673	11	16,797,747	10
General and administrative	2,954,460	6	3,052,941	5	8,767,041	6	8,835,010	5
Research and development	<u>185,760</u>	<u>1</u>	<u>192,456</u>	<u>1</u>	<u>575,359</u>	<u>-</u>	<u>536,333</u>	<u>-</u>
Total operating expenses	<u>8,997,066</u>	<u>18</u>	<u>9,334,258</u>	<u>16</u>	<u>26,822,073</u>	<u>17</u>	<u>26,169,090</u>	<u>15</u>
<b>OPERATING INCOME</b>	<u>3,925,127</u>	<u>7</u>	<u>3,050,319</u>	<u>5</u>	<u>12,170,874</u>	<u>7</u>	<u>10,750,479</u>	<u>6</u>
<b>NONOPERATING INCOME</b>								
Share of the profit or loss of associates (Note 17)	707,403	1	565,275	1	2,275,289	1	3,151,662	2
Interest income	130,945	-	129,131	-	390,743	-	334,836	-
Other income - other (Note 36)	165,946	-	369,056	-	690,975	-	1,104,201	1
Gain on disposal of investment properties (Note 36)	-	-	-	-	983,629	1	-	-
Foreign exchange gain, net	-	-	71,019	-	-	-	-	-
Gain (loss) on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	61,205	-	56,092	-	183,805	-	116,149	-
Valuation gain on investment properties (Note 19)	(232,839)	-	1,618,188	3	3,563,971	2	4,804,637	3
Interest expense (Note 28)	(619,400)	(1)	(498,426)	(1)	(1,832,484)	(1)	(1,405,442)	(1)
Other expense	(184,344)	-	(121,819)	-	(382,449)	-	(243,407)	-
Loss on disposal of property, plant and equipment, net (Note 18)	(173,190)	-	(216,658)	-	(605,641)	-	(681,187)	(1)
Loss on disposal of intangible properties, net (Note 21)	(113)	-	-	-	(522)	-	(1,329)	-
Foreign exchange loss, net (Note 4)	(553,569)	(1)	-	-	(734,700)	-	(126,409)	-
Impairment loss on assets	<u>(1,423)</u>	<u>-</u>	<u>(14,900)</u>	<u>-</u>	<u>(122,127)</u>	<u>-</u>	<u>(34,692)</u>	<u>-</u>
Total nonoperating incomes and expenses	<u>(699,379)</u>	<u>(1)</u>	<u>1,956,958</u>	<u>3</u>	<u>4,410,489</u>	<u>3</u>	<u>7,019,019</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)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2015 (Reviewed)		2014 (Reviewed after Restated)		2015 (Reviewed)		2014 (Reviewed after Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
CONSOLIDATED INCOME BEFORE INCOME TAX	\$ 3,225,748	6	\$ 5,007,277	8	\$ 16,581,363	10	\$ 17,769,498	10
INCOME TAX EXPENSE (Notes 4 and 29)	(846,936)	(1)	(509,977)	(1)	(4,009,966)	(2)	(3,311,397)	(2)
NET PROFIT	<u>2,378,812</u>	<u>5</u>	<u>4,497,300</u>	<u>7</u>	<u>12,571,397</u>	<u>8</u>	<u>14,458,101</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	-	-	-	-	-	-	39	-
Share of the other comprehensive income of associates accounted for using the equity method	(58)	-	471,133	1	(5,492)	-	501,636	-
	<u>(58)</u>	<u>-</u>	<u>471,133</u>	<u>1</u>	<u>(5,492)</u>	<u>-</u>	<u>501,675</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	2,109,436	4	1,737,707	3	961,817	-	784,029	-
Unrealized gain (loss) on available-for-sale financial assets	(380,972)	(1)	(154,459)	-	(298,463)	-	(734,101)	-
Cash flow hedges	26,804	-	(38,673)	-	161,681	-	(106,388)	-
Share of the other comprehensive loss of associates accounted for using the equity method	(14,689)	-	150,604	-	144,062	-	(505,584)	-
	<u>1,740,579</u>	<u>3</u>	<u>1,695,179</u>	<u>3</u>	<u>969,097</u>	<u>-</u>	<u>(562,044)</u>	<u>-</u>
Total other comprehensive income (loss)	<u>1,740,521</u>	<u>3</u>	<u>2,166,312</u>	<u>4</u>	<u>963,605</u>	<u>-</u>	<u>(60,369)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 4,119,333</u>	<u>8</u>	<u>\$ 6,663,612</u>	<u>11</u>	<u>\$ 13,535,002</u>	<u>8</u>	<u>\$ 14,397,732</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 774,026	2	\$ 2,849,461	5	\$ 7,079,958	4	\$ 9,063,523	5
Noncontrolling interests	1,604,786	3	1,647,839	3	5,491,439	4	5,394,578	3
	<u>\$ 2,378,812</u>	<u>5</u>	<u>\$ 4,497,300</u>	<u>8</u>	<u>\$ 12,571,397</u>	<u>8</u>	<u>\$ 14,458,101</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,341,960	5	\$ 4,823,302	8	\$ 7,949,255	5	\$ 8,484,704	5
Noncontrolling interests	1,777,373	3	1,840,310	3	5,585,747	3	5,913,028	3
	<u>\$ 4,119,333</u>	<u>8</u>	<u>\$ 6,663,612</u>	<u>11</u>	<u>\$ 13,535,002</u>	<u>8</u>	<u>\$ 14,397,732</u>	<u>8</u>

(Continued)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2015 (Reviewed)		2014		2015 (Reviewed)		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
CONSOLIDATED EARNINGS								
PER SHARE (NEW TAIWAN								
DOLLARS; Note 30)								
Basic	<u>\$ 0.15</u>		<u>\$ 0.57</u>		<u>\$ 1.42</u>		<u>\$ 1.81</u>	
Diluted	<u>\$ 0.15</u>		<u>\$ 0.57</u>		<u>\$ 1.41</u>		<u>\$ 1.81</u>	

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

(With Deloitte & Touche review report dated November 11, 2015)

(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												
	Equity					Other Equity							
	Common Stock	Capital Surplus (Notes 4 and 27)	Legal Reserve (Note 27)	Special Reserve (Note 27)	Unappropriated Earnings (Note 27)	Exchange Differences on Translating Foreign Operations (Notes 4 and 27)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 27)	Cash Flow Hedge (Notes 4 and 27)	Unrealized Revaluation Increments (Note 27)	Treasury Stocks (Note 27)	Total	Noncontrolling Interests (Note 27)	Total Equity
BALANCE AT JANUARY 1, 2014	\$ 51,450,165	\$ 4,681,042	\$ 12,687,509	\$ 105,911,942	\$ 13,955,940	\$ 291,196	\$ 4,472,732	\$ (118,363)	\$ 8,161	\$ (25,063)	\$ 193,315,261	\$ 66,133,950	\$ 259,449,211
Effect of the retrospective application of an accounting policy and financial statement restatement	-	-	-	-	188,006	-	-	-	-	-	188,006	-	188,006
BALANCE AT JANUARY 1, 2014 AS RESTATED	51,450,165	4,681,042	12,687,509	105,911,942	14,143,946	291,196	4,472,732	(118,363)	8,161	(25,063)	193,503,267	66,133,950	259,637,217
Appropriation of the 2013 earnings													
Legal reserve	-	-	720,708	-	(720,708)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,688,522)	-	-	-	-	-	(6,688,522)	-	(6,688,522)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,960,785)	(7,960,785)
Stock dividends from capital surplus - NT\$0.2 per share	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2014	-	-	-	-	9,063,523	-	-	-	-	-	9,063,523	5,394,578	14,458,101
Other comprehensive loss for the nine months ended September 30, 2014	-	-	-	-	39	410,647	(1,457,913)	(32,971)	501,379	-	(578,819)	518,450	(60,369)
Total comprehensive income (loss) for the nine months ended September 30, 2014	-	-	-	-	9,063,562	410,647	(1,457,913)	(32,971)	501,379	-	8,484,704	5,913,028	14,397,732
Change in associates accounted for using the equity method	-	14,070	-	-	(1,072)	-	-	-	-	-	12,998	157	13,155
Disposal of investments accounted for using the equity method	-	-	-	-	(4,705)	-	-	-	-	-	(4,705)	228	(4,477)
Partial acquisition/disposal of interests in subsidiaries	-	(653)	-	-	(35)	-	-	-	-	-	(688)	(1,025)	(1,713)
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, SEPTEMBER 30, 2014	\$ 52,479,168	\$ 3,666,430	\$ 13,408,217	\$ 105,911,942	\$ 15,792,466	\$ 701,843	\$ 3,014,819	\$ (151,334)	\$ 509,540	\$ (25,063)	\$ 195,308,028	\$ 62,750,755	\$ 258,058,783
BALANCE AT JANUARY 1, 2015	\$ 52,479,168	\$ 3,666,948	\$ 13,408,217	\$ 105,911,942	\$ 17,218,149	\$ 2,871,860	\$ 3,629,652	\$ (173,051)	\$ 512,607	\$ (25,063)	\$ 199,500,429	\$ 63,818,325	\$ 263,318,754
Effect of the retrospective application of an accounting policy and financial statement restatement	-	-	-	-	165,557	-	-	-	-	-	165,557	-	165,557
BALANCE AT JANUARY 1, 2015 AS RESTATED	52,479,168	3,666,948	13,408,217	105,911,942	17,383,706	2,871,860	3,629,652	(173,051)	512,607	(25,063)	199,665,986	63,818,325	263,484,311
Appropriation of the 2014 earnings													
Legal reserve	-	-	1,103,342	-	(1,103,342)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,348,583	(4,348,583)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.2 per share	-	-	-	-	(6,297,500)	-	-	-	-	-	(6,297,500)	-	(6,297,500)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,933,930)	(7,933,930)
Stock dividends from capital surplus - NT\$0.2 per share	1,049,583	(1,049,583)	-	-	-	-	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2015	-	-	-	-	7,079,958	-	-	-	-	-	7,079,958	5,491,439	12,571,397
Other comprehensive income for the nine months ended September 30, 2015	-	-	-	-	(5,434)	1,045,603	(231,350)	60,478	-	-	869,297	94,308	963,605
Total comprehensive income for the nine months ended September 30, 2015	-	-	-	-	7,074,524	1,045,603	(231,350)	60,478	-	-	7,949,255	5,585,747	13,535,002
Change in associates accounted for using the equity method	-	9,848	-	-	(11,870)	-	-	-	-	-	(2,022)	(51)	(2,073)
Increase in noncontrolling interests	-	65,341	-	-	-	-	-	-	-	-	65,341	1,147,059	1,212,400
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	916	-	-	-	-	-	-	-	-	916	-	916
Partial acquisition/disposal of interests in subsidiaries	-	37,557	-	-	(7,762)	-	-	-	-	-	29,795	(29,795)	-
Reversal of special reserve	-	-	-	(1,515,189)	1,515,189	-	-	-	-	-	-	-	-
BALANCE, SEPTEMBER 30, 2015	\$ 53,528,751	\$ 2,731,027	\$ 14,511,559	\$ 108,745,336	\$ 14,204,362	\$ 3,917,463	\$ 3,398,302	\$ (112,573)	\$ 512,607	\$ (25,063)	\$ 201,411,771	\$ 62,587,355	\$ 263,999,126

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

(With Deloitte & Touche review report dated November 11, 2015)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2015 (Reviewed)	2014 (Reviewed after Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated income before income tax	\$ 16,581,363	\$ 17,769,498
Adjustments for:		
Depreciation	10,497,014	10,372,447
Amortization	2,956,438	2,211,855
Allowance for doubtful accounts	208,875	226,338
Interest expenses	1,832,484	1,405,442
Interest income	(390,743)	(334,836)
Dividend revenue	(228,904)	(170,531)
Loss on disposal of property, plant and equipment, net	605,641	681,187
Gain on disposal of investment properties	(983,629)	-
Loss on disposal of intangible assets, net	522	1,329
Share of the profit of associates	(2,275,289)	(3,151,662)
Gain on disposal of investments, net	(633,800)	(73,713)
Impairment loss recognized on assets	122,127	34,692
Realized gain on the transactions with associates	(278)	(278)
Net loss on unrealized foreign currency exchange	94,500	40,190
Revaluation gain on investment properties	(3,563,971)	(4,804,637)
Deferred loss (gain) on derivative assets for hedging	5,315	(22,228)
Net changes in operating assets and liabilities		
Financial assets held for trading	(268,906)	447,422
Notes and accounts receivable	4,696,798	(1,980,796)
Amounts due from customers for construction contracts	1,456,657	(550,245)
Other receivables	1,588,125	12,888
Inventories	(1,327,139)	1,083,427
Prepayments	263,539	(1,835,142)
Other current assets	(102,193)	(1,338,085)
Financial liabilities held for trading	20,362	43,992
Notes and accounts payable	1,345,298	332,341
Amounts due to customers for construction contracts	319,030	(207,943)
Other payables	(141,353)	1,344,556
Provisions	30,246	84,015
Receipts in advance	136,519	(180,101)
Other current liabilities	332,978	(33,247)
Net defined benefit liabilities	(180,214)	(76,314)
Unearned revenue	(32,019)	324,846
Cash generated from operations	32,965,393	21,656,707
Interest received	412,345	266,175
Dividend received	4,156,666	4,076,068
		(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2015 (Reviewed)	2014 (Reviewed after Restated)
Interest paid	\$ (1,774,562)	\$ (1,383,853)
Income tax paid	<u>(4,415,139)</u>	<u>(2,200,661)</u>
Net cash generated from operating activities	<u>31,344,703</u>	<u>22,414,436</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	(198,559)	(72,588)
Proceeds of the disposal of available-for-sale financial assets	816,810	330,734
Decrease (increase) in debt investments with no active market	1,720,486	(512,921)
Proceeds on redemption of held-to-maturity financial assets	-	100,000
Acquisition of financial assets at cost	(66,802)	-
Proceeds from capital reduction of financial assets carried at cost	-	8,348
Acquisition of equity-method investments	(568,455)	(2,529,090)
Proceeds of the disposal of equity-method investments	13,425	53,366
Net cash outflow on acquisition of subsidiary	(159,449)	-
Net cash outflow on the loss of control over subsidiaries	-	(857,294)
Acquisition of property, plant, equipment and prepayment for equipment	(16,317,546)	(21,665,282)
Proceeds of the disposal of property, plant and equipment	67,930	171,618
Increase in refundable deposits	(160,766)	(85,684)
Increase in other receivables	(100,000)	(213,303)
Acquisition of intangible assets	(662,070)	(642,182)
Proceeds of the disposal of intangible assets	478	-
Acquisition of investment properties	(244,552)	(6,776)
Proceeds of the disposal of investment properties	66,347	-
Increase in long-term prepayments for lease	(176,512)	(144,591)
Acquisition of concession	(135,044)	(1,056,345)
Proceeds of the disposal of concession	38	-
(Increase) decrease in other financial assets	(1,973,437)	908,089
Decrease (increase) in other assets - noncurrent	<u>118,212</u>	<u>8,870</u>
Net cash used in investing activities	<u>(17,959,466)</u>	<u>(26,205,031)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	950,197	1,097,867
Increase in short-term bills payables	14,088,000	849,000
Proceeds of the issue of bonds	13,600,000	6,200,000
Repayments of bonds payable	(12,350,000)	(7,250,000)
Proceeds of long-term borrowings	152,334,616	138,999,063
Repayment of long-term borrowings	(149,340,951)	(121,079,684)

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2015 (Reviewed)	2014 (Reviewed after Restated)
Increase in guarantee deposits	\$ 56,337	\$ 73,456
Decrease in other liabilities - noncurrent	(22,434)	(98,334)
Cash dividend paid	(14,178,767)	(14,133,643)
Increase in noncontrolling interests	<u>566,337</u>	<u>433,931</u>
Net cash generated from financing activities	<u>5,703,335</u>	<u>5,091,656</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>83,486</u>	<u>682,094</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,172,058	1,983,155
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>25,985,419</u>	<u>26,645,574</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 45,157,477</u>	<u>\$ 28,628,729</u>

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

(With Deloitte & Touche review report dated November 11, 2015)

(Concluded)

# **FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)**

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### **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 New Taiwan dollars, the functional currency of the Company.

### **2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the board of directors on November 11, 2015.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and 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 and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version would not have 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 12 “Disclosure of Interests in Other Entities”

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

3) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required by 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. Refer to Notes 19 and 35 for related disclosures.

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

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those 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 retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and unrealized revaluation Increments. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (losses) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates accounted for using the equity method. However, the application of the above amendments did not have any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

5) Revision to IAS 19 “Employee Benefits”

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

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

In addition, revised IAS 19 changes the definition of short-term employee benefits. The revised definition is “employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service”. The Group’s unused annual leave, which can be carried forward within 24 months after the end of the annual period in which the employee renders service and which is currently classified as short-term employee benefits, is classified as other long-term

employee benefits under revised IAS 19. Related defined benefit obligation of such other long-term benefit is calculated using the Projected Unit Credit Method. However, this change does not affect unused annual leave to be presented as a current liability in the consolidated balance sheet.

On initial application of the revised IAS 19, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to net defined benefit liabilities and retained earnings. In addition, in preparing the consolidated financial statements for the nine months ended September 30, 2015, the Group elects not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The impact on the current period is set out below:

<b>Impact on Assets, Liabilities and Equity</b>	<b>As Originally Stated</b>	<b>IAS 19 Adjustment</b>	<b>Restated</b>
<u>December 31, 2014</u>			
Net defined benefit liabilities - noncurrent	\$ 2,814,439	\$ (165,557)	\$ 2,648,882
Unappropriated earnings	\$ 17,218,149	\$ 165,557	\$ 17,383,706
<u>September 30, 2014</u>			
Net defined benefit liabilities - noncurrent	\$ 2,570,214	\$ (52,758)	\$ 2,517,456
Unappropriated earnings	\$ 15,739,708	\$ 52,758	\$ 15,792,466
<u>January 1, 2014</u>			
Net defined benefit liabilities - noncurrent	\$ 2,781,776	\$ (188,006)	\$ 2,593,770
Unappropriated earnings	\$ 13,955,940	\$ 188,006	\$ 14,143,946
<b>Impact on Total Comprehensive Income</b>	<b>As Originally Stated</b>	<b>IAS 19 Adjustment</b>	<b>Restated</b>
<u>For the three months ended September 30, 2014</u>			
Operating expense	\$ (3,007,858)	\$ (45,083)	\$ (3,052,941)
Total effect on net profit for the period	\$ 4,542,383	\$ (45,083)	\$ 4,497,300
Total effect on other comprehensive income for the period	\$ 6,708,695	\$ (45,083)	\$ 6,663,612
Impact on net profit attributable to:			
Owners of the Company	\$ 2,894,544	\$ (45,083)	\$ 2,849,461
Impact on total comprehensive income attributable to:			
Owners of the Company	\$ 4,868,385	\$ (45,083)	\$ 4,823,302

(Continued)

<b>Impact on Total Comprehensive Income</b>	<b>As Originally Stated</b>	<b>IAS 19 Adjustment</b>	<b>Restated</b>
For the nine months ended <u>September 30, 2014</u>			
Operating expense	<u>\$ (8,699,762)</u>	<u>\$ (135,248)</u>	<u>\$ (8,835,010)</u>
Total effect on net profit for the period	<u>\$ 14,593,349</u>	<u>\$ (135,248)</u>	<u>\$ 14,458,101</u>
Total effect on other comprehensive income for the period	<u>\$ 14,532,980</u>	<u>\$ (135,248)</u>	<u>\$ 14,397,732</u>
Impact on net profit attributable to: Owners of the Company	<u>\$ 9,198,771</u>	<u>\$ (135,248)</u>	<u>\$ 9,063,523</u>
Impact on total comprehensive income attributable to: Owners of the Company	<u>\$ 8,619,952</u>	<u>\$ (135,248)</u>	<u>\$ 8,484,704</u> (Concluded)

6) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

b. New IFRSs in issue 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 the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

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

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

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

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

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

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

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 the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the 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, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

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

For purchased or originated credit-impaired financial assets, the 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.

## 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 19: Amendment in 2013

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

### 3) 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.

### 4) IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The 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.

### 5) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

#### 6) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 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:

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

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

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

#### 8) IFRS 15 “Revenue from Contracts with Customers”

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

When applying IFRS 15, 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.

Under IFRS 15, the Group will allocate the transaction price to each performance obligation identified in bundle sale contract on a relative stand-alone selling price basis. Under the former standard, the Group enters into transactions that involve the bundling of the service of air time with goods such as data card and handset, resulting in the recognition of the revenue for service and goods based on the allocation of the total consideration received from customers using the relative fair values, and the sales of goods are limited to the amount that customers pay for.

Direct and incremental costs of obtaining a contract will be recognized as an asset to the extent the Group expects to recover those costs. Such asset will be amortized on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. This will lead to the later recognition of charges for certain customer-obtaining costs.

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.

#### 9) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 “Noncurrent assets held for sale and discontinued operations”, IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

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

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. In addition, the amendments clarify that the offsetting disclosures are not explicitly required for all interim periods.

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

IAS 34 was amended to clarify that other disclosure information required by IAS 34 should be included in interim financial statements. If the Group includes the information in other statements (such as management commentary or risk report) issued at the same time, it is not required to repeat the disclosure in the interim financial statements. However, it is required to include a cross-reference from the interim financial statements to that issued statements that is available to users on the same terms and at the same time as the interim financial statements.

#### 10) Amendment to IAS 1 “Disclosure Initiative”

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

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

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

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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

Refer to Note 15, Tables 13 and 14 for the detailed information of subsidiaries, including the percentage of ownership and main business.

### 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, 2014.

#### 1) Retirement benefit costs

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

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, (past service cost/, as well as gains and losses on settlements) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur, (or when the plan amendment or curtailment occurs/when the settlement occurs). Remeasurement, comprising actuarial gains and losses, (the effect of the changes to the asset ceiling) and the return on plan assets (excluding interest), is recognized in other

comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in (retained earnings/other equity) and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

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 plan amendments, settlements, or other significant one-off events.

## 2) 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.

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

## 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, 2014.

## 6. CASH AND CASH EQUIVALENTS

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Cash			
Cash on hand and petty cash	\$ 35,795	\$ 36,872	\$ 38,779
Demand and checking accounts	<u>28,791,262</u>	<u>16,414,588</u>	<u>10,759,489</u>
	<u>28,827,057</u>	<u>16,451,460</u>	<u>10,798,268</u>
Cash equivalents			
Time deposits with original maturities of less than three months	3,954,012	6,308,925	4,276,254
Commercial paper purchased under resell agreements	40,000	2,627,403	10,942,245
Corporate bonds purchased under resell agreements	<u>12,188,560</u>	<u>429,774</u>	<u>2,489,557</u>
	<u>16,182,572</u>	<u>9,366,102</u>	<u>17,708,056</u>
Management discretionary accounts			
Demand accounts	<u>147,848</u>	<u>167,857</u>	<u>122,405</u>
	<u>\$ 45,157,477</u>	<u>\$ 25,985,419</u>	<u>\$ 28,628,729</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\$147,848 thousand, NT\$167,857 thousand and NT\$122,405 thousand as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively.

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Time deposits	0.001%-4.30%	0.10%-4.48%	0.001%-4.75%
Commercial paper purchased under resell agreements	0.50%	0.46%-0.70%	0.60%-0.65%
Corporate bonds purchased under resell agreement	0.43%-3.17%	0.60%-10.71%	0.10%-7.98%

Time deposits with original maturities of over three months amounted to NT\$2,576,748 thousand, NT\$4,077,160 thousand and NT\$2,852,603 thousand as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively, and were classified under debt investments with no active market (Note 12).

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
<u>Financial assets held for trading</u>			
Beneficial certificates	\$ 836,130	\$ 630,567	\$ 120,358
Marketable equity securities	466,497	374,567	446,819
Guarantee deposits - cotton futures contracts	43,123	41,450	39,881
Guarantee deposits - PTA futures contracts	13,925	12,451	69,313
Combined foreign exchange options	776	40,085	57,944
Forward exchange contracts	<u>32,571</u>	<u>24,996</u>	<u>9,951</u>
	<u>\$ 1,393,022</u>	<u>\$ 1,124,116</u>	<u>\$ 744,266</u>
Current	<u>\$ 1,393,022</u>	<u>\$ 1,124,116</u>	<u>\$ 744,266</u>
<u>Financial liabilities held for trading</u>			
Forward exchange contracts	\$ 3,410	\$ -	\$ 6,250
Foreign exchange options	362	-	-
Combined foreign exchange options	<u>17,397</u>	<u>807</u>	<u>38,332</u>
	<u>\$ 21,169</u>	<u>\$ 807</u>	<u>\$ 44,582</u>
Current	<u>\$ 21,169</u>	<u>\$ 807</u>	<u>\$ 44,582</u>

### a. Cotton futures contracts

The Group entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices in the nine months ended September 30, 2015 and 2014. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding cotton futures contracts as of September 30, 2015, December 31, 2014 and September 30, 2014.

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices in the nine months ended September 30, 2015 and 2014. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding cotton futures contracts as of September 30, 2015 and December 31, 2014.

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

	<b>Maturity Date</b>	<b>Units</b>	<b>Contract Amount (Thousands)</b>
<u>September 30, 2014</u>			
PTA futures contracts	September 2014	600	RMB18,534/NTD91,437

c. Forward exchange contracts

The Group entered into forward exchange contracts for the nine months ended September 30, 2015 and 2014 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.

As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group had outstanding forward exchange contracts, as follows:

	<b>Currency</b>	<b>Maturity</b>	<b>Contract Amount (Thousands)</b>
<u>September 30, 2015</u>			
Buy	USD/RMB	2015.10.28	USD1,000/RMB6,459
Sell	USD/CAD	2015.10.23	USD2,000/CAD2,676
Sell	USD/JPY	2015.10.30-2015.12.30	USD18,000/JPY2,157,783
Buy	USD/NTD	2015.10.07-2016.01.13	USD37,670/NTD1,212,150
Sell	EUR/USD	2015.11.16-2016.01.28	EUR3,000/USD3,324
Buy	EUR/USD	2015.12.18	EUR1,000/USD1,099
<u>December 31, 2014</u>			
Sell	EUR/USD	2015.03.27-2015.05.28	EUR9,000/USD11,121
Buy	USD/JPY	2015.03.05-2015.04.28	USD5,000/JPY592,722
Buy	USD/NTD	2015.01.05-2015.03.27	USD39,200/NTD1,226,708
<u>September 30, 2014</u>			
Sell	USD/NTD	2014.10.03-2014.11.20	USD12,390/NTD370,056
Sell	EUR/USD	2014.10.29-2014.12.29	EUR12,000/USD15,380
Buy	USD/JPY	2014.11.12-2014.12.10	USD8,000/JPY861,598
Buy	USD/NTD	2014.10.03-2014.12.19	USD31,940/NTD961,784
Sell	USD/CAD	2014.10.24	USD1,000/CAD1,104
Buy	USD/MYR	2014.10.31	USD500/MYR1,640

d. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the nine months ended September 30, 2015.

The outstanding option contracts as of September 30, 2015 and 2014 were as follows:

	<b>Currency</b>	<b>Maturity</b>	<b>Contract Amount (Thousands)</b>
<u>September 30, 2015</u>			
Sell call option	USD/NTD	2015.10.2-2015.10.06	USD3,000/NTD99,588

As of December 31, 2014 and September 30, 2014, the Group had no outstanding option contracts.

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the nine months ended September 30, 2015 and 2014 to hedge against the exchange risks on foreign currency assets and liabilities. As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group had outstanding combined foreign exchange options, as follows:

	<b>Currency</b>	<b>Maturity</b>	<b>Contract Amount (Thousands)</b>
<u>September 30, 2015</u>			
Sell EUR call options	EUR/USD	2015.11.12-2016.01.05	EUR54,570/USD62,481
Buy EUR put options	EUR/USD	2015.11.12-2016.01.05	EUR18,190/USD20,827
Sell USD put options	USD/JPY	2015.10.21-2015.12.29	USD102,450/JPY12,335,069
Buy USD call options	USD/JPY	2015.10.21-2015.12.29	USD34,150/JPY4,111,690
Buy EUR call options	EUR/USD	2015.10.06-2015.12.15	EUR550/USD584
Sell EUR put options	EUR/USD	2015.10.06-2015.12.15	EUR2,200/USD2,336
<u>December 31, 2014</u>			
Sell EUR call options	EUR/USD	2015.01.27-2015.03.27	EUR76,650/USD98,139
Buy EUR put options	EUR/USD	2015.01.27-2015.03.27	EUR25,550/USD32,713
Sell EUR put options	EUR/USD	2015.01.02-2015.01.23	EUR800/USD999
Buy EUR call options	EUR/USD	2015.01.02-2015.01.23	EUR200/USD250
Sell USD put options	USD/JPY	2015.01.28-2015.04.01	USD91,500/JPY10,146,776
Buy USD call options	USD/JPY	2015.01.28-2015.04.01	USD30,500/JPY3,382,259
<u>September 30, 2014</u>			
Buy USD call options	USD/JPY	2014.11.07-2015.01.30	USD32,700/JPY3,293,157
Sell USD put options	USD/JPY	2014.11.07-2015.01.30	USD98,100/JPY9,879,471
Buy EUR call options	EUR/USD	2014.08.01-2014.12.31	EUR7,000/USD9,214
Sell EUR put options	EUR/USD	2014.08.01-2014.12.31	EUR28,000/USD36,856
Buy EUR put options	EUR/USD	2014.11.03-2015.01.28	EUR28,150/USD38,180
Sell EUR call options	EUR/USD	2014.11.03-2015.01.28	EUR84,450/USD114,540

## 8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Equity investments</u>			
Marketable equity securities	\$ 4,440,641	\$ 4,620,397	\$ 4,484,781
Open-end mutual funds - beneficial certificates	-	111,100	98,800
Oversea mutual funds - beneficial certificates	353,066	701,421	661,681
Oversea securities	<u>88,196</u>	<u>214,801</u>	<u>178,861</u>
Available-for-sale financial assets	<u>\$ 4,881,903</u>	<u>\$ 5,647,719</u>	<u>\$ 5,424,123</u>
Current	\$ 434,836	\$ 929,101	\$ 868,651
Noncurrent	<u>4,447,067</u>	<u>4,718,618</u>	<u>4,555,472</u>
	<u>\$ 4,881,903</u>	<u>\$ 5,647,719</u>	<u>\$ 5,424,123</u>

## 9. HELD-TO-MATURITY FINANCIAL ASSETS

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. The Group had no outstanding held-to-maturity financial assets of December 31, 2014.

## 10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Derivative financial assets under hedge accounting</u>			
Cash flow hedges - cross-currency interest rate swaps	\$ 2,000	\$ -	\$ -
Cash flow hedges - forward exchange contracts	9,257	-	-
Cash flow hedges - foreign exchange swap contracts	<u>2,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,257</u>	<u>\$ -</u>	<u>\$ -</u>
Current	<u>\$ 13,257</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Derivative financial liabilities under hedge accounting</u>			
Cash flow hedges - cross-currency interest rate swaps	\$ -	\$ 3,150	\$ 1,925
Cash flow hedges - forward exchange contracts	-	11,800	5,565
Cash flow hedges - interest rate swaps	<u>407,678</u>	<u>535,837</u>	<u>493,508</u>
	<u>\$ 407,678</u>	<u>\$ 550,787</u>	<u>\$ 500,998</u>

(Continued)

	September 30, 2015	December 31, 2014	September 30, 2014
Current	\$ -	\$ 14,950	\$ 7,490
Noncurrent	<u>407,678</u>	<u>535,837</u>	<u>493,508</u>
	<u>\$ 407,678</u>	<u>\$ 550,787</u>	<u>\$ 500,998</u> (Concluded)

### 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:

#### September 30, 2015

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2015.11.30	USD5,000
Forward exchange contracts	NTD/EUR	2015.10.26-2016.03.24	EUR15,000
Foreign exchange swap contracts	USD/NTD	2016.01.15	USD5,000

#### December 31, 2014

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2015.01.30	USD5,000
Forward exchange contracts	USD/NTD	2015.02.17-2015.03.12	USD15,000

#### September 30, 2014

	Currency	Maturity Date	Contract Amount (Thousands)
Cross-currency interest rate swaps	USD/NTD	2014.11.28	USD5,000
Forward exchange contracts	USD/NTD	2014.11.14-2014.12.12	USD15,000

The Group invested in overseas mutual funds and used cross-currency interest rate swaps and foreign exchange swaps to hedge against adverse cash flow fluctuations, and the foreign exchange agreements were designated as cash flow hedge. Far EasTone used forward exchange contracts to hedge against fluctuations of exchange rates for expected future purchases, and the forward exchange contracts 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 (loss) on the hedged items that was reclassified from equity to profit in the consolidated comprehensive statements of income for the three months and nine months ended September 30, 2015 and 2014 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Net gain (loss) on sales of securities	<u>\$ (34,988)</u>	<u>\$ -</u>	<u>\$ (34,988)</u>	<u>\$ 3,825</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
NTD2,066,139	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 September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Interest expense debits (credits)	<u>\$ 39,330</u>	<u>\$ (22,198)</u>	<u>\$ 128,947</u>	<u>\$ (58,615)</u>

## 11. FINANCIAL ASSETS CARRIED AT COST

	September 30, 2015	December 31, 2014	September 30, 2014
Domestic unlisted common shares	\$ 884,992	\$ 886,533	\$ 743,646
Overseas unlisted common shares	254,199	177,671	174,975
Convertible bonds - conversion rights (Note 12)	<u>-</u>	<u>6,948</u>	<u>6,948</u>
	<u>\$ 1,139,191</u>	<u>\$ 1,071,152</u>	<u>\$ 925,569</u>
Noncurrent	<u>\$ 1,139,191</u>	<u>\$ 1,071,152</u>	<u>\$ 925,569</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. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2015	December 31, 2014	September 30, 2014
Bond investments - Bockhold N.V.	\$ -	\$ 220,074	\$ 226,817
Time deposits with original maturities of more than 3 months	<u>2,576,748</u>	<u>4,077,160</u>	<u>2,852,603</u>
	<u>\$ 2,576,748</u>	<u>\$ 4,297,234</u>	<u>\$ 3,079,420</u>
Current	\$ 2,576,748	\$ 4,114,651	\$ 2,886,343
Noncurrent	<u>-</u>	<u>182,583</u>	<u>193,077</u>
	<u>\$ 2,576,748</u>	<u>\$ 4,297,234</u>	<u>\$ 3,079,420</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). As of September 30, 2015, all of investment amount had been redeemed.

## 13. NOTES AND ACCOUNTS RECEIVABLE

	September 30, 2015	December 31, 2014	September 30, 2014
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 24,073,891	\$ 28,966,370	\$ 30,749,770
Less: Allowance for doubtful accounts	<u>(1,260,667)</u>	<u>(1,246,348)</u>	<u>(1,254,117)</u>
	<u>\$ 22,813,224</u>	<u>\$ 27,720,022</u>	<u>\$ 29,495,653</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.

	September 30, 2015	December 31, 2014	September 30, 2014
1-90 days	\$ 19,272,318	\$ 26,735,704	\$ 25,903,709
91-180 days	3,265,921	804,162	3,191,072
181-365 days	172,903	43,878	146,560
More than 365 days	<u>102,082</u>	<u>136,278</u>	<u>254,312</u>
	<u>\$ 22,813,224</u>	<u>\$ 27,720,022</u>	<u>\$ 29,495,653</u>

The above aging schedule was based on the invoice date.

Movements of the allowance for doubtful accounts were as follows:

	<b>Individually Assessed for Impairment</b>	<b>Collectively Assessed for Impairment</b>	<b>Total</b>
Balance at January 1, 2015	\$ 7,957	\$ 1,238,391	\$ 1,246,348
Add: Accounts recovered during the period	-	227,059	227,059
Add: Impairment losses/bad debts	7,990	200,885	208,875
Deduct: Amounts written off during the period as uncollectible	(3,313)	(419,730)	(423,043)
Effect of exchange rate differences	<u>-</u>	<u>1,428</u>	<u>1,428</u>
Balance at September 30, 2015	<u>\$ 12,634</u>	<u>\$ 1,248,033</u>	<u>\$ 1,260,667</u>
Balance at January 1, 2014	\$ 17,341	\$ 1,108,328	\$ 1,125,669
Add: Accounts recovered during the period	-	219,980	219,980
Add: Impairment losses/bad debts	-	226,338	226,338
Deduct: Amounts written off during the period as uncollectible	(13,489)	(304,888)	(318,377)
Effect of exchange rate differences	<u>-</u>	<u>507</u>	<u>507</u>
Balance at September 30, 2014	<u>\$ 3,852</u>	<u>\$ 1,250,265</u>	<u>\$ 1,254,117</u>

#### 14. INVENTORIES

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Merchandise inventories	\$ 3,478,758	\$ 4,165,565	\$ 4,115,451
Finished goods	5,112,298	4,974,502	5,266,672
Work in progress	3,398,022	2,662,558	2,829,424
Raw materials	5,851,024	6,238,013	7,261,972
Supplies	690,145	809,452	929,737
Available-for-sale - buildings and land	4,255,495	995,149	995,149
Available-for-construction - land	700,887	700,887	700,887
Construction-in-progress - buildings and land	<u>-</u>	<u>1,459,429</u>	<u>1,002,253</u>
	<u>\$ 23,486,629</u>	<u>\$ 22,005,555</u>	<u>\$ 23,101,545</u>

The costs of inventories recognized as cost of goods sold, which included inventory reversal of write-down (write-down) in the three months ended September 30, 2015, the nine months ended September 30, 2015, the three months ended September 30, 2014, the nine months ended September 30, 2014, were NT\$95,558 thousand, NT\$415,338 thousand, NT\$(37,148) thousand and NT\$(64,961) thousand, respectively.

## 15. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			
			September 30, 2015	December 31, 2014	September 30, 2014	
Far Eastern New Century Corporation	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29	38.29	
	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70	99.70	
	Far Eastern Resources Development Co.	Real estate leasing and development service	100.00	100.00	100.00	
	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00	100.00	
	Far Eastern Polychem Industries Ltd. (FEPI)	Investment	100.00	100.00	100.00	
	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76	80.76	
	Far Eastern Investment (Holding) Ltd.	Investment	100.00	100.00	100.00	
	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00	100.00	
	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00	
	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00	100.00	
	Yuan Ding Company Ltd.	Real estate construction and selling	49.99	49.99	49.99	
	Far Eastern Construction Co., Ltd.	Real estate construction and selling	65.11	65.11	65.11	
	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00	
	An Ho Garment Co., Ltd.	Investment	100.00	100.00	100.00	
	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00	100.00	
	Fu Kwok Garment Manufacturing Co., Ltd.	Garment production	99.99	99.99	99.99	
	Far Eastern Textile Ltd.	Textile production	100.00	100.00	100.00	
	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33	66.33	
	Yuan Hsin Digital Payment Co., Ltd.	Other financing and supporting services	65.01	65.01	68.43	
	Malaysia Garment Manufactures Pte. Ltd. (Note 7)	Clothing production and investment	50.92	-	-	
	Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd. (OTTI)	Investment	100.00	100.00	100.00
		Far Eastern Apparel (Holding) Ltd. (FEAH)	Sale of textile, garments, and clothing	100.00	100.00	100.00
		Far Eastern Fibertech Co., Ltd.	Nylon production	100.00	100.00	100.00
Far Eastern Apparel Co., Ltd.		Sale of textile, garments, and clothing	100.00	100.00	100.00	
Oriental Resources Development Ltd.		Waste recycling and processing	70.00	70.00	70.00	
Far Eastern Investment (Holding) Ltd. (FEIH)	Yuan Faun Ltd.	PET bottle production and selling	100.00	100.00	100.00	
	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00	
	PET Far Eastern (M) Sdn. Bhd.	Bottle production	50.00	50.00	50.00	
	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00	
	Worldwide Polychem (HK) Ltd. (WWPI)	Petrochemical, PET and apparel productions foreign trade	100.00	100.00	100.00	
	Far Eastern Polytex (Vietnam) Ltd. (Note 8)	Chemical fiber and textile production	100.00	-	-	
	Far Eastern New Apparel (Vietnam) Ltd. (Note 9)	Clothing production	100.00	-	-	
Far Eastern Polychem Industries Ltd. (FEPI)	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00	100.00	
	Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	100.00	100.00	100.00	
Far Eastern Construction Co., Ltd.	Far Eastern Ishizuka Green Pet Corporation (FIGP)	PET production and sale	85.15	80.00	80.00	
	Far Eastern General Contractor Co., Ltd.	Construction	99.95	99.95	99.95	
Far Eastern Apparel (Holding) Ltd. (FEAH)	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Dyeing and finishing	100.00	100.00	100.00	
FETG Investment Antilles N.V.	Waldorf Services B.V.	Investment	100.00	100.00	100.00	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Personnel recruitment	55.19	55.19	55.19	
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Investment	90.88	93.55	92.56	
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	Garment production	100.00	100.00	100.00	
	Suqian Far Eastern Apparel Co., Ltd. (Note 2)	Garment production and accessories	-	-	-	
PET Far Eastern (Holding) Ltd. (PETH)	Oriental Petrochemical (Shanghai) Corp.	PTA production and sale	61.35	61.35	61.35	
	Far Eastern Union Petrochemical (Yangzhou) Corporation (Note 3)	MEG and its by-product sale	-	-	-	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			September 30, 2015	December 31, 2014	September 30, 2014
Oriental Textile (Holding) Ltd. (OTTI)	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00	100.00
	Oriental Industries (Suzhou) Ltd.	Textile production	100.00	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	Far Eastern Industries (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Garment production and sale	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
Far Eastern New Century (China) Investment Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	Far Eastern New Century (China) Investment Ltd.	Investment	100.00	100.00	100.00
	Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	100.00	100.00	100.00
Sino Belgium (Holding) Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	Software development	100.00	100.00	100.00
	Sino Belgium Beer (Suzhou) Ltd.	Brewer	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corp.	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00	100.00
	Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	100.00	100.00	100.00
Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	Hotel	80.99	80.99	80.99
	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	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
	FET Consulting Engineers Co., Ltd.	Investment	100.00	100.00	100.00
	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00	80.00
	Far Eastern Electronic Commerce Co., Ltd.	Electronic information providing services	73.42	73.42	73.42
	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
	YDC (Virgin Islands) Ltd.	Investment	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
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan (Note 7)	Internet software development services	99.00	-	-
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00	100.00
	ARCOA Communication Co., Ltd.	Type II telecommunications services, sale of communications products and office equipment	61.63	61.63	61.07
ARCOA Communication Co., Ltd.	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99	99.99
	Yuan Cing Co., Ltd.	Call center services	99.99	99.99	99.99
	E. World (Holdings) Ltd. (Note 6)	Investment	-	85.92	85.92
	Far EasTron Holding Ltd.	Investment	100.00	100.00	100.00
	Far Eastern Info Service Holding Ltd.	Investment	100.00	100.00	100.00
	O-music Co., Ltd.	Electronic information providing services	50.00	50.00	50.00
	Q-Ware Communication Co., Ltd.	Type II telecommunications services	81.46	81.46	81.46
ARCOA Communication Co., Ltd.	Hiiir Co., Ltd.	Electronic information providing services	89.54	89.54	80.00
	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00	70.00
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Investment	100.00	100.00	100.00
	Information Security Service Digital United Co., Ltd.	Security and monitoring service via Internet	100.00	100.00	100.00
Digital United (Cayman) Ltd.	Digital United (Cayman) Ltd.	Investment	100.00	100.00	100.00
	Simple InfoComm Co., Ltd.	Type II telecommunications	100.00	100.00	100.00
New Diligent Co., Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Design and research of computer system	100.00	100.00	100.00
	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00
New Diligent (Hong Kong) Co., Ltd. (Note 4)	Far Eastern New Diligent Co., Ltd.	Electronic toll collection service	100.00	100.00	100.00
	New Diligent (Hong Kong) Co., Ltd. (Note 4)	Investment	-	-	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			September 30, 2015	December 31, 2014	September 30, 2014
Far Eastern New Diligent Co., Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	Far Eastern New Century Information Technology (Beijing) Limited	Software development, equipment maintenance and consulting	79.04	79.04	79.04
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Sale of communications products	100.00	100.00	100.00
	Home Master Technology Co., Ltd.	Sale of communications products	100.00	99.99	99.99
	Jing Yuan Technology Co., Ltd. (Note 5)	Data Processing services	-	-	-

(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 directors of Far EasTone were served by the Group. Thus, Far EasTone were included in a subsidiaries in the consolidated financial statement.

Note 2: A subsidiary was liquidated as of May 2014.

Note 3: The Group lost control over the subsidiaries by re-electing the board of directors as of June 30, 2014.

Note 4: A subsidiary was established completed on December 4, 2014, but the investment amount had not been remitted to the investee as of September 30, 2015.

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

Note 6: Under liquidation process.

Note 7: The Group acquired control of it on September 30, 2015 (Note 31).

Note 8: The investment amount US\$5,300 thousand was fully paid as of July 2, 2015.

Note 9: The investment amount US\$900 thousand was fully paid as of August 19, 2015.

Except for the financial statements as of and for the nine months ended September 30, 2015 and 2014 of the Company, Far EasTone Telecommunications Co., Ltd. (Far EasTone), New Century InfoComm Tech Co., Ltd. (NCIC) and ARCOA Communication Co., Ltd. (ARCOA), all the financial statements of nonsignificant subsidiaries were unreviewed.

b. Details of subsidiaries that have material noncontrolling interests

Name of Subsidiary	Profit Allocated to Noncontrolling Interests				Accumulated Noncontrolling Interests		
	For the Three Months Ended September 30		For the Nine Months Ended September 30		September 30,	December 31,	September 30,
	2015	2014	2015	2014	2015	2014	2014
Far EasTone	\$ 1,991,956	\$ 1,778,937	\$ 5,815,261	\$ 5,891,564	\$ 43,838,160	\$ 45,697,926	\$ 44,398,062

Far EasTone and Far EasTone's subsidiaries:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Current assets	\$ 31,473,340	\$ 20,806,012	\$ 23,816,281
Noncurrent assets	103,047,369	102,902,175	101,134,909
Current liabilities	(30,401,050)	(22,675,815)	(23,989,183)
Noncurrent liabilities	<u>(33,542,804)</u>	<u>(27,479,371)</u>	<u>(29,513,025)</u>
Equity	<u>\$ 70,576,855</u>	<u>\$ 73,553,001</u>	<u>\$ 71,448,982</u>
Equity attributable to:			
Owners of the Group	\$ 26,738,695	\$ 27,855,075	\$ 27,050,920
Noncontrolling interests of Far EasTone	43,093,364	44,892,575	43,596,559
Noncontrolling interests of Far EasTone's subsidiaries	<u>744,796</u>	<u>805,351</u>	<u>801,503</u>
	<u>\$ 70,576,855</u>	<u>\$ 73,553,001</u>	<u>\$ 71,448,982</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>
	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenue	<u>\$ 22,983,552</u>	<u>\$ 23,248,856</u>	<u>\$ 71,404,573</u>
Profit for the period	\$ 3,222,897	\$ 2,872,884	\$ 9,398,133
Other comprehensive income for the period	<u>(16,536)</u>	<u>4,837</u>	<u>8,710</u>
Total comprehensive income for the period	<u>\$ 3,206,361</u>	<u>\$ 2,877,721</u>	<u>\$ 9,406,843</u>
Profit attributable to:			
Owners of the Group	\$ 1,230,941	\$ 1,093,947	\$ 3,582,872
Noncontrolling interests of Far EasTone	1,983,842	1,763,058	5,774,328
Noncontrolling interests of Far EasTone's subsidiaries	<u>8,114</u>	<u>15,879</u>	<u>40,933</u>
	<u>\$ 3,222,897</u>	<u>\$ 2,872,884</u>	<u>\$ 9,398,133</u>
Total comprehensive income attributable to:			
Owners of the Group	\$ 1,224,594	\$ 1,095,674	\$ 3,586,251
Noncontrolling interests of Far EasTone	1,973,616	1,765,840	5,779,775
Noncontrolling interests of Far EasTone's subsidiaries	<u>8,151</u>	<u>16,207</u>	<u>40,817</u>
	<u>\$ 3,206,361</u>	<u>\$ 2,877,721</u>	<u>\$ 9,406,843</u>
	<u>\$ 9,465,131</u>	<u>\$ 9,465,131</u>	<u>\$ 9,465,131</u>

	<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>
Net cash inflow from:		
Operating activities	\$ 16,522,694	\$ 20,329,267
Investing activities	(10,334,036)	(10,677,376)
Financing activities	5,206,297	(4,925,928)
Effect of exchange rate changes	<u>(701)</u>	<u>259</u>
Net cash inflow	<u>\$ 11,394,254</u>	<u>\$ 4,726,222</u>

#### 16. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
<u>Amount due from customers for construction contracts</u>			
Construction costs incurred plus recognized profits less recognized losses to date	\$ 7,885,090	\$ 11,212,107	\$ 14,479,312
Less: Progress billings	<u>7,054,836</u>	<u>8,925,196</u>	<u>12,455,281</u>
	<u>\$ 830,254</u>	<u>\$ 2,286,911</u>	<u>\$ 2,024,031</u>
<u>Amounts due to customers for construction contracts</u>			
Progress billings	\$ 5,035,432	\$ 2,541,337	\$ 5,729,725
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>4,605,808</u>	<u>2,430,743</u>	<u>5,525,170</u>
	<u>\$ 429,624</u>	<u>\$ 110,594</u>	<u>\$ 204,555</u>
Retentions receivable	<u>\$ 160,932</u>	<u>\$ 100,978</u>	<u>\$ 286,976</u>
Retentions payable	<u>\$ 297,328</u>	<u>\$ 356,256</u>	<u>\$ 427,017</u>

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.

## 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in Associates

	September 30, 2015		December 31, 2014		September 30, 2014	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Associate that are individually material						
Asia Cement Corp.	<u>\$ 23,648,287</u>	25	<u>\$ 24,231,445</u>	25	<u>\$ 22,304,555</u>	25
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Co., Ltd.	7,203,663	23	7,370,454	22	7,232,433	22
Oriental Union Chemical Corp.	6,611,060	32	6,597,024	31	6,226,419	30
Everest Textile Co., Ltd.	<u>1,141,117</u>	26	<u>1,172,804</u>	26	<u>1,128,949</u>	26
	<u>14,955,840</u>		<u>15,140,282</u>		<u>14,587,801</u>	
Unlisted companies						
Oriental Securities Corp.	4,741,333	46	4,995,787	46	4,934,346	46
Pacific Liu Tong Investment Co., Ltd.	3,906,856	40	4,201,060	40	4,018,315	40
Yu Yuan Investment Co.	2,677,926	44	2,984,472	44	3,525,635	44
Far Eastern International Leasing Corp.	2,840,677	34	2,362,406	34	2,287,707	34
Far Easter Union Petrochemical (Yangzhou) Corporation	1,835,126	50	1,974,612	50	1,937,015	50
Liquid Air Far East Co., Ltd.	1,607,421	35	1,600,555	35	1,484,603	35
Da Ju Fiber Corp.	1,490,394	42	1,193,637	42	1,155,202	42
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,081,771	50	1,048,327	50	1,014,791	50
Yu Ding Industry Co., Ltd.	685,275	31	617,990	31	607,198	31
Kowloon Cement Corp.	473,847	49	448,282	49	404,187	49
Yuan Ding Leasing Corp.	503,400	46	428,360	46	418,620	46
Freudenberg Far Eastern Spunweb Co., Ltd.	316,683	30	291,867	30	266,240	30
FEDS Asia Pacific Development Co., Ltd.	126,795	5	128,195	5	125,613	5
Malaysia Garment Manufactures PET Ltd.	-	-	65,794	38	72,786	38
Yue Ming Corp.	72,946	47	71,869	47	72,826	47
Alliance Digital Technology Co., Ltd.	16,576	13	21,917	13	23,135	17
iScreen Corporation	17,050	40	16,526	40	16,329	40
Com 2B Corporation	15,016	20	14,450	20	13,875	20
Opas Fund Segregated Portofolio Company	<u>1,716</u>	34	<u>1,646</u>	34	<u>1,584</u>	34
	<u>22,410,808</u>		<u>22,467,752</u>		<u>22,380,007</u>	
	<u>\$ 61,014,935</u>		<u>\$ 61,839,479</u>		<u>\$ 59,272,363</u>	

Material associates were as follow:

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			September 30, 2015	December 31, 2014	September 30, 2014
Asia Cement Corp.	Cement production	Taiwan	25.38%	25.37%	25.36%

On September 30, 2015, the Group acquired 13% equity interest in Malaysia Garment Manufactures Pte. Ltd. for 171,115 thousand for organizational realignment, after that the Group totally held 50.92%. And the Group included Malaysia Garment Manufactures Pte. Ltd. in consolidated financial statements since the day (Note 31).

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.

On February 26, 2014, the Group and Oriental Union Chemical Corp. co-establish Tong Da Air Industry (Yangzhou) Co., Ltd. and acquired a 50% ownership of the latter company.

As of September 30, 2015 and 2014, 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 nine months ended September 30, 2015 and 2014 had been unreviewed, except those of Asia Cement Corp. (ACC), Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corp., Everest Textile Co., Ltd. and Pacific Liu Tong Investment Co., Ltd. The independent auditors expressed a qualified reviewed report on the financial statements of these five 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	September 30, 2015	December 31, 2014	September 30, 2014
Listed companies	<u>\$ 41,816,596</u>	<u>\$ 51,674,947</u>	<u>\$ 51,067,864</u>

## 18. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2015	December 31, 2014	September 30, 2014
Total property, plant and equipment	\$ 145,304,718	\$ 139,055,972	\$ 133,757,479
Prepayment for equipment	<u>4,638,023</u>	<u>4,914,856</u>	<u>5,126,576</u>
	<u>\$ 149,942,741</u>	<u>\$ 143,970,828</u>	<u>\$ 138,884,055</u>

	Land	Buildings	Machinery and Equipment	Telecommuni- cations Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in- progress and Prepayment for Equipment	Total
<b>Cost</b>									
Balance at January 1, 2015	\$ 17,327,539	\$ 29,327,112	\$ 116,998,189	\$ 141,788,190	\$ 14,008,541	\$ 4,957,919	\$ 18,898,657	\$ 30,945,222	\$ 374,251,369
Acquisitions through business combinations	1,112,035	465,055	-	-	-	-	1,109	-	1,578,199
Additions	15,079	37,634	250,229	53,743	22,741	34,262	261,108	14,972,040	15,646,836
Disposals	-	(218,673)	(1,006,255)	(12,544,401)	(308,538)	(453,522)	(245,989)	(17,103)	(14,794,481)
Adjustments and reclassification	18,399	959,217	4,064,793	9,027,586	984,845	168,300	914,448	(16,744,217)	(606,629)
Effect of exchange rate difference	-	148,537	568,039	2	317	11	62,058	175,214	954,178
Balance at September 30, 2015	<u>\$ 18,473,052</u>	<u>\$ 30,718,882</u>	<u>\$ 120,874,995</u>	<u>\$ 138,325,120</u>	<u>\$ 14,707,906</u>	<u>\$ 4,706,970</u>	<u>\$ 19,891,391</u>	<u>\$ 29,331,156</u>	<u>\$ 377,029,472</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2015	\$ (96,557)	\$ (13,088,831)	\$ (79,700,476)	\$ (109,278,453)	\$ (11,286,648)	\$ (3,446,256)	\$ (13,383,320)	\$ -	\$ (230,280,541)
Acquisitions through business combinations	-	(207,434)	-	-	-	-	(496)	-	(207,930)
Disposals	-	214,500	1,001,914	11,985,225	307,637	365,150	246,484	-	14,120,910
Impairment loss	-	-	(70,000)	-	-	-	-	-	(70,000)
Depreciation expense	-	(549,427)	(2,923,841)	(4,900,345)	(851,807)	(312,865)	(958,729)	-	(10,497,014)
Adjustments and reclassification	-	(2,396)	139,313	-	-	-	26,951	-	163,868
Effect of exchange rate differences	-	(45,448)	(231,999)	(1)	(171)	(9)	(38,396)	-	(316,024)
Balance at September 30, 2015	<u>\$ (96,557)</u>	<u>\$ (13,679,036)</u>	<u>\$ (81,785,089)</u>	<u>\$ (102,193,574)</u>	<u>\$ (11,830,989)</u>	<u>\$ (3,393,980)</u>	<u>\$ (14,107,506)</u>	<u>\$ -</u>	<u>\$ (227,086,731)</u>
<b>Cost</b>									
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	254	18,501	575,003	47,103	21,230	23,535	387,640	19,542,573	20,615,839
Disposals	(5,016)	(94,596)	(1,207,662)	(6,025,992)	(136,293)	(63,567)	(580,493)	(20,313)	(8,133,932)
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	(20,565)	(1,505,414)	(1,525,979)
Adjustments and reclassification	-	752,217	3,064,938	6,942,659	951,922	278,755	1,028,119	(12,741,340)	277,270
Effect of exchange rate difference	-	40,158	158,405	-	76	-	12,606	(3,632)	207,613
Balance at September 30, 2014	<u>\$ 17,327,539</u>	<u>\$ 28,883,048</u>	<u>\$ 114,766,034</u>	<u>\$ 145,735,365</u>	<u>\$ 13,552,993</u>	<u>\$ 4,870,721</u>	<u>\$ 18,445,245</u>	<u>\$ 28,540,026</u>	<u>\$ 372,120,971</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Telecommunications Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Accumulated depreciation and impairment									
Balance at January 1, 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	-	73,544	1,180,725	5,330,739	135,514	47,344	513,261	-	7,281,127
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	2,335	-	2,335
Depreciation expense	-	(516,963)	(2,718,577)	(5,285,036)	(695,706)	(281,543)	(874,622)	-	(10,372,447)
Adjustments and reclassification	-	(155,080)	(10,866)	1,593	(3,852)	(431)	(56,030)	-	(224,666)
Effect of exchange rate difference	-	(12,679)	(94,422)	-	(30)	(1)	(6,890)	-	(114,022)
Balance at September 30, 2014	<u>\$ (96,557)</u>	<u>\$ (12,804,656)</u>	<u>\$ (78,318,751)</u>	<u>\$ (114,304,857)</u>	<u>\$ (11,094,633)</u>	<u>\$ (3,373,353)</u>	<u>\$ (13,244,109)</u>	<u>\$ -</u>	<u>\$ (233,236,916)</u>

(Concluded)

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 September 30, 2015, December 31, 2014 and September 30, 2014, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,591 thousand, NT\$34,591 thousand, and NT\$34,783 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmlands belong to the Company or have pledged the land to the Company.

## 19. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at January 1, 2015	\$ 119,663,209
Additions	441,540
Disposals	(1,998,238)
Adjustments and reclassifications	1,848,777
Gain on change in fair value of investment properties	2,894,102
Effect of exchange rate differences	<u>14,035</u>
Balance at September 30, 2015	<u>\$ 122,863,425</u>
Balance at January 1, 2014	\$ 113,458,525
Additions	6,776
Adjustments and reclassifications	(61,402)
Gain on change in fair value of investment properties	4,804,637
Effect of exchange rate differences	<u>20,265</u>
Balance at September 30, 2014	<u>\$ 118,228,801</u>

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 construction of Bangiao Zhong Ben commercial building was completed in the three months ended March 31, 2015 and recognized as inventories (available for sale-land and building). A portion of floors has been rent out was reclassified from inventories to investment properties in an amount of NT\$1,240,173 thousand by its fair value and recognized valuation gain on investment properties NT\$669,896 thousand (recognized as gain on change in fair value of investment properties).

The construction project - Taipei Far Eastern Telecom Park, investment property located in Banqiao was in accordance with the enforcement rules of Act for Promotion of Private Participation in Infrastructure Projects and the market rentals were valued between NT\$0.4 thousand and NT\$1.1 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair values of investment properties were as follows:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Independent valuation	<u>\$ 122,863,425</u>	<u>\$ 119,663,209</u>	<u>\$ 118,228,801</u>

The fair values of the investment properties as of December 31, 2014 and January 1, 2014 were based on the valuations carried out at these dates by an independent qualified professional valuator, Mr. Tsai, Chia-ho and Ms. Hu Chun-Chun, 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, 2014 and January 1, 2014 were still valid as of September 30, 2015 and 2014.

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Expected future cash inflows	\$ 58,399,998	\$ 57,791,454	\$ 55,674,858
Expected future cash outflows	<u>(2,047,440)</u>	<u>(1,952,832)</u>	<u>(1,984,178)</u>
Expected future cash inflows, net	<u>\$ 56,352,558</u>	<u>\$ 55,838,622</u>	<u>\$ 53,690,680</u>
Discount rate	2.055%-2.32%	2.125%-2.28%	2.125%-2.28%

The Group identified the investment properties located in Banqiao on the basis of their individual operating purposes and estimated future cash inflows/outflows by type of investment property. The difference between the estimated future cash inflows and outflows was used in estimating the total fair value of the Group's investment properties in Banqiao.

All floors of the investment properties had been leased out under operating leases. The rental incomes generated for the nine months ended September 30, 2015 and 2014 were NT\$792,224 thousand and NT\$747,717 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 1.28%, 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%.

The Group's undeveloped lands were located in Zhongli District and Taipei City. The fair value was measured using the land development analysis, because it was undeveloped and cannot be measured by income approach. The significant assumptions used were as follows:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Estimated total sale price	<u>\$ 27,051,660</u>	<u>\$ 27,051,660</u>	<u>\$ 25,492,100</u>
Rate of return	15%-18%	15%-18%	15%-18%
Overall capital interest rate	1.36%-1.56%	1.36%-1.56%	1.36%-1.46%

The estimated total sale price located in Chung Li, Taoyuan is disclosed by reference to any existing lease, local rents, or market rents for similar comparable subjects. The fair value in that area is determined by the sale price of each constructing building which is adjusted according to different conditions and calculated the estimated fair value of total areas.

The total selling price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, optimism of domestic macroeconomic prospects, local land use, and market rates.

## 20. GOODWILL

	<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>
<u>Cost</u>		
Beginning balance	\$ 11,930,443	\$ 11,928,782
Impairment loss	(43,535)	-
Effect of exchange rate differences, net	<u>(4,119)</u>	<u>173</u>
Ending balance	<u>\$ 11,882,789</u>	<u>\$ 11,928,955</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.

## 21. CONCESSION AND INTANGIBLE ASSETS

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>	
<u>Carrying amounts</u>				
Concession	<u>\$ 35,694,681</u>	<u>\$ 37,314,277</u>	<u>\$ 37,819,880</u>	
Other intangible assets				
Computer software	2,611,683	2,602,855	2,483,523	
Others	<u>806,513</u>	<u>1,169,584</u>	<u>1,310,945</u>	
	<u>3,418,196</u>	<u>3,772,439</u>	<u>3,794,468</u>	
	<u>\$ 39,112,877</u>	<u>\$ 41,086,716</u>	<u>\$ 41,614,348</u>	
	<b>Concession</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2015	\$ 37,314,277	\$ 2,602,855	\$ 1,169,584	\$ 41,086,716
Additions	135,044	595,505	66,565	797,114
Amortization	(1,751,672)	(618,263)	(432,018)	(2,801,953)
Disposals	(560)	-	(478)	(1,038)
Adjustments and reclassifications	(2,408)	30,102	755	28,449
Effect of exchange rate differences	<u>-</u>	<u>1,484</u>	<u>2,105</u>	<u>3,589</u>
Balance at September 30, 2015	<u>\$ 35,694,681</u>	<u>\$ 2,611,683</u>	<u>\$ 806,513</u>	<u>\$ 39,112,877</u>
Balance at January 1, 2014	\$ 37,734,135	\$ 2,557,237	\$ 1,626,885	\$ 41,918,257
Additions	1,056,345	498,585	143,597	1,698,527
Amortization	(969,274)	(586,876)	(461,124)	(2,017,274)
Disposals	(1,326)	(3)	-	(1,329)

(Continued)

	<b>Concession</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
Derecognition of subsidiaries due to control loss	\$ -	\$ (4,563)	\$ -	\$ (4,563)
Adjustments and reclassifications	-	18,512	1,270	19,782
Effect of exchange rate differences	<u>-</u>	<u>631</u>	<u>317</u>	<u>948</u>
Balance at September 30, 2014	<u>\$ 37,819,880</u>	<u>\$ 2,483,523</u>	<u>\$ 1,310,945</u>	<u>\$ 41,614,348</u> (Concluded)

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

Concession	17 years
Computer software	10 years
Others	16 years

## 22. SHORT-TERM BORROWINGS AND SHORT-TERM BILLS PAYABLE

### a. Short-term borrowings

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Credit loans	\$ 25,095,786	\$ 23,365,794	\$ 25,051,985
Secured and pledged borrowings	-	283,036	561,673
Loans from related parties	<u>3,597,782</u>	<u>3,989,830</u>	<u>3,538,057</u>
	<u>\$ 28,693,568</u>	<u>\$ 27,638,660</u>	<u>\$ 29,151,715</u>

- 1) The interest rates for bank loans were 0.70%-4.85%, 0.80%-4.48% and 0.63%-4.49% as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of September 30, 2015, December 31, 2014 and September 30, 2014.

### b. Short-term bills payable

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Commercial paper	\$ 18,754,000	\$ 4,666,000	\$ 5,970,000
Less: Unamortized discount on bills payable	<u>4,661</u>	<u>3,468</u>	<u>3,445</u>
	<u>\$ 18,749,339</u>	<u>\$ 4,662,532</u>	<u>\$ 5,966,555</u>

The short-term bills payable outstanding were issued at interest rates of 0.69%-1.44%, 0.80%-1.40% and 0.67%-1.40% as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively.

## 23. PROVISIONS

	September 30, 2015	December 31, 2014	September 30, 2014	
Decommissioning obligations	\$ 897,511	\$ 870,515	\$ 838,081	
Warranties	131,720	124,565	109,767	
Onerous contracts	<u>4,435</u>	<u>8,340</u>	<u>35,358</u>	
	<u>\$ 1,033,666</u>	<u>\$ 1,003,420</u>	<u>\$ 983,206</u>	
Current	\$ 248,182	\$ 240,197	\$ 247,761	
Noncurrent	<u>785,484</u>	<u>763,223</u>	<u>735,445</u>	
	<u>\$ 1,033,666</u>	<u>\$ 1,003,420</u>	<u>\$ 983,206</u>	
	<b>Decommissioning Obligations</b>	<b>Warranties</b>	<b>Onerous Contracts</b>	<b>Total</b>
Balance at January 1, 2015	\$ 870,515	\$ 124,565	\$ 8,340	\$ 1,003,420
Additional provisions recognized	45,255	47,307	-	92,562
Reductions	<u>(18,259)</u>	<u>(40,152)</u>	<u>(3,905)</u>	<u>(62,316)</u>
Balance at September 30, 2015	<u>\$ 897,511</u>	<u>\$ 131,720</u>	<u>\$ 4,435</u>	<u>\$ 1,033,666</u>
Balance at January 1, 2014	\$ 799,760	\$ 87,260	\$ 12,171	\$ 899,191
Additional provisions recognized	47,648	71,415	23,187	142,250
Reductions	<u>(9,327)</u>	<u>(48,908)</u>	<u>-</u>	<u>(58,235)</u>
Balance at September 30, 2014	<u>\$ 838,081</u>	<u>\$ 109,767</u>	<u>\$ 35,358</u>	<u>\$ 983,206</u>

## 24. LONG-TERM BORROWINGS

	September 30, 2015	December 31, 2014	September 30, 2014
Bank loans	\$ 67,806,537	\$ 64,785,517	\$ 61,617,046
Less: Current portion	<u>1,233,425</u>	<u>786,307</u>	<u>1,612,863</u>
	<u>\$ 66,573,112</u>	<u>\$ 63,999,210</u>	<u>\$ 60,004,183</u>
Nonconvertible bonds	\$ 75,488,500	\$ 74,144,000	\$ 73,431,000
Discount of nonconvertible bonds	<u>(86,894)</u>	<u>(90,393)</u>	<u>(97,272)</u>
	75,401,606	74,053,607	73,333,728
Less: Current portion	<u>14,329,781</u>	<u>13,341,588</u>	<u>13,840,020</u>
	<u>\$ 61,071,825</u>	<u>\$ 60,712,019</u>	<u>\$ 59,493,708</u>

## Bank Loans

The foregoing loans are repayable through a lump sum payment on maturity in New Taiwan dollars, Japanese yen and U.S. dollars. 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:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Maturity	October 2016- March 2031	January 2016- March 2031	October 2015- March 2031
Bank interest rates	0.69%-1.93%	0.65%-2.09%	0.65%-2.95%

On March 22, 2011, a company subsidiary, FECC entered into a credit agreement with Hua Nan Bank and other financial institutions, and update the credit agreement into NT\$7,400,000 thousand on March 20, 2015. FECC pledged its land and construction pertaining to the Zhong Ben and Zhong Ben (2) project (Ban Qiao - New Section No. 8) and amounting to NT\$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were as follows:

	<b>Credit Line</b>	<b>Maturity Period</b>	<b>Interest Rate</b>	<b>Repayment</b>
A	NT\$ 2,000,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.4% then over 0.946%	No revolving credit but batch employed available within 5 years; No repayment in the first 5 years; quarterly repayments of NT\$30,000 thousand quarterly from the sixth year and redemption of rest on maturity
B	NT\$ 1,400,000 thousand	5 years after approve of the credit	Reference interest rate plus 0.6295% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity
C	NT\$ 1,000,000 thousand	5 years after approve of the credit	Reference interest rate plus 0.6295% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity
D	NT\$ 3,000,000 thousand	7 years after drawn of the credit	Reference interest rate plus 0.804% (negotiated by each loan, but no less than 1.5%)	No revolving credit but be partly drawn available within 3 years; credit will be paid every 6 months from 3 years after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan.
	<hr/> NT\$ 7,400,000 <hr/> thousand			

Note: The reference interest rate is based on The Taipei Inter-bank 90 days' Offered Rate (TAIBOR).

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 September 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\$11,000,000 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 September 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 36). The terms of loan A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathy United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral.

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

## **Bonds**

### FENC

On 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 JPY10,000 thousand, respectively. These three-year bonds will be repaid in lump sum on maturity. The interest rate of (a) is 2.95% and that of (b) is defined as three month JPY LIBOR + 1.10%. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

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

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

On August 21, 2014, the Company issued the five-year unsecured bonds (the first tranche) amounting to NT\$3,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 4, 2014, the Company issued the five-year unsecured bonds (second tranche) amounting to NT\$2,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On February 6, 2015, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,600,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.38% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 25, 2015, the Company issued the five-year unsecured bonds (first tranche) amounting to NT\$8,000,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.39% 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.

#### Yuan Ding Investment Co., Ltd. (YDI)

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.

On July 10, 2015 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 1.43% 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 NT\$10,000,000 thousand and a par value of NT\$10,000 thousand. The bonds included three-year bonds, four-year bonds and six-year bonds, with the principal amounts of NT\$1,600,000 thousand and NT\$5,200,000 thousand and NT\$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.

## 25. 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:

	<b>September 30, 2015</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 558,100	\$ 160,945	\$ 719,045
Inventories - construction and real estate	4,255,495	700,887	4,956,382
Amounts due from customers for construction contracts	6,794	823,460	830,254
Other financial assets - current	376,704	798,620	1,175,324
Refundable deposits - current	3	7,884	7,887
<u>Liabilities</u>			
Notes and accounts payable	1,137,898	297,327	1,435,225
Notes and accounts payable to related parties	3,892	-	3,892
Amounts due to customers for construction contracts	7,251	422,373	429,624
Provisions - current	-	53,141	53,141

	<b>December 31, 2014</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 126,283	\$ 174,481	\$ 300,764
Inventories - construction and real estate	2,454,578	700,887	3,155,465
Amounts due from customers for construction contracts	1,195,314	1,091,597	2,286,911
Other financial assets - current	315,863	1,276,691	1,592,554
Refundable deposits - current	531	7,068	7,599
<u>Liabilities</u>			
Notes and accounts payable	1,461,336	356,256	1,817,592
Notes and accounts payable to related parties	193,195	-	193,195
Amounts due to customers for construction contracts	3,737	106,857	110,594
Provisions - current	-	53,445	53,445
	<b>September 30, 2014</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 502,767	\$ 74,622	\$ 577,389
Inventories - construction and real estate	1,997,402	700,887	2,698,289
Amounts due from customers for construction contracts	20,861	2,003,170	2,024,031
Other financial assets - current	314,123	1,265,511	1,579,634
Refundable deposits - current	-	8,617	8,617
<u>Liabilities</u>			
Notes and accounts payable	413,604	427,017	840,621
Notes and accounts payable to related parties	42,694	-	42,694
Amounts due to customers for construction contracts	52,589	151,966	204,555
Provisions - current	-	54,270	54,270

## 26. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expense were calculated using the actuarially determined pension cost discount rate as of December 31, 2014 and 2013 and were recognized in their respective periods.

The pension expense were included in the following line item:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Defined contribution plans	\$ 213,895	\$ 194,921	\$ 634,605	\$ 566,610
Defined benefit plans	40,329	43,521	121,471	131,783
Total retirement benefit plan expenses	\$ 254,224	\$ 238,442	\$ 756,076	\$ 698,393

## 27. EQUITY

### a. Share capital

#### Common shares

	September 30, 2015	December 31, 2014	September 30, 2014
Number of shares authorized (in thousands)	<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>
Number of shares issued and fully paid (in thousands)	<u>5,352,875</u>	<u>5,247,917</u>	<u>5,247,917</u>
Shares issued	<u>\$ 53,528,751</u>	<u>\$ 52,479,168</u>	<u>\$ 52,479,168</u>

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

### b. Capital surplus

	September 30, 2015	December 31, 2014	September 30, 2014
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Difference between consideration and carrying amounts arising from disposal/acquisition subsidiaries	\$ 2,587,241	\$ 3,636,824	\$ 3,636,056
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	107,081	4,183	5,087
Treasury stock transaction	11,729	10,813	10,813
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>24,976</u>	<u>15,128</u>	<u>14,474</u>
	<u>\$ 2,731,027</u>	<u>\$ 3,666,948</u>	<u>\$ 3,666,430</u>

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

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

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

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

Under the Company Act amended in May 2015, the recipients of dividends and bonuses are limited to shareholders, i.e., excluding employees. Thus, the Company will make consequential amendments to the Company's Articles of Incorporation and present these amendments for approval at the 2016 annual shareholders' meeting. For information on the accrued employee remuneration and remuneration to directors and supervisors for the three months and the nine months ended September 30, 2015 and 2014, and the actual appropriations for the years ended December 31, 2014 and 2013, please refer to Note 28,c on Employee benefits expense.

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed. Furthermore, Rule No. 1030006415 is followed.

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 2014 and 2013 earnings were approved in the stockholders' meetings on June 26, 2015 and 2014, respectively. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share</b>	
			<b>(NT\$)</b>	
	<b>For Year 2014</b>	<b>For Year 2013</b>	<b>For Year 2014</b>	<b>For Year 2013</b>
Legal reserve	\$ 1,103,342	\$ 720,708		
Special reserve	4,348,583	-		
Cash dividends	<u>6,297,500</u>	<u>6,688,522</u>	\$ 1.2	\$ 1.3
	<u>\$ 11,749,425</u>	<u>\$ 7,409,230</u>		

In order to refine company's financial and capital structures, the Company's stockholders' meetings resolved to issue share dividends from capital surplus of NT\$1,049,583 thousand of par value at NT\$0.2 and NT\$1,029,003 thousand of par value at NT\$0.2 on June 26, 2015 and 2014.

In considering of earning available for appropriation each year, the Company did not recognize the number of the shares held by associates as treasury shares and did not deduct 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\$2.1 per share in 2014.

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

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Special reserve	<u>\$ 21,860,117</u>	<u>\$ 22,275,153</u>	<u>\$ 22,275,153</u>

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

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2015</b>	<b>2014</b>
Balance at January 1, 2015	\$ 22,275,153	\$ 22,275,153
Reversed on elimination of the original need to appropriate a special reserve		
Disposal of investment properties	<u>(415,036)</u>	<u>-</u>
Balance at September 30, 2015	<u>\$ 21,860,117</u>	<u>\$ 22,275,153</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>
Balance at January 1, 2015	\$ 80,462,245	\$ 80,462,245
Reversed on elimination of the original need to appropriate a special reserve		
Disposal of investment properties	(1,100,153)	-
Appropriation in respect of		
Application of the fair value method to investment properties	<u>4,348,583</u>	<u>-</u>
Balance at September 30, 2015	<u>\$ 83,710,675</u>	<u>\$ 80,462,245</u>

e. Other equity items

The changes in other equity items were as follow:

	<b>Exchange Differences on Translating Operations</b>	<b>Unrealized Gain (Loss) on Available-for- sale Financial Assets</b>	<b>Cash Flow Hedges</b>	<b>Unrealized Revaluation Increments</b>	<b>Total</b>
Balance at January 1, 2015	\$ 2,871,860	\$ 3,629,652	\$ (173,051)	\$ 512,607	\$ 6,841,068
Exchange differences on translating operations	914,799	-	-	-	914,799
Unrealized gain (loss) on available-for-sale financial assets	-	(238,198)	-	-	(238,198)
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	56,953	-	56,953
Share of the other comprehensive income (loss) of associates	<u>130,804</u>	<u>6,848</u>	<u>3,525</u>	<u>-</u>	<u>147,177</u>
Balance at September 30, 2015	<u>\$ 3,917,463</u>	<u>\$ 3,398,302</u>	<u>\$ (112,573)</u>	<u>\$ 512,607</u>	<u>\$ 7,715,799</u>
Balance at January 1, 2014	\$ 291,196	\$ 4,472,732	\$ (118,363)	\$ 8,161	\$ 4,653,726
Exchange differences on translating operations	177,680	-	-	-	177,680
Unrealized gain (loss) on available-for-sale financial assets	-	(726,338)	-	-	(726,338)
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(34,554)	-	(34,554)
Share of the other comprehensive income (loss) of associates	<u>232,967</u>	<u>(731,575)</u>	<u>1,583</u>	<u>501,379</u>	<u>4,354</u>
Balance at September 30, 2014	<u>\$ 701,843</u>	<u>\$ 3,014,819</u>	<u>\$ (151,334)</u>	<u>\$ 509,540</u>	<u>\$ 4,074,868</u>

f. Noncontrolling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>
Beginning balance	\$ 63,818,325	\$ 66,133,950
Attributable to noncontrolling interests:		
Share of current profit	5,491,439	5,394,578
Cash dividends distributed by subsidiaries	(7,933,930)	(7,960,785)
Exchange differences arising on translation of foreign operations	47,018	606,304
		(Continued)

	<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>
Gain (loss) on hedging instruments in cash flow hedges arising from fair value changes	\$ 104,728	\$ (71,834)
Unrealized gains (loss) on available-for-sale financial assets	(60,265)	(11,251)
Noncontrolling interests arising from the new capital stock issued by subsidiaries	500,996	434,850
Acquisition of subsidiary (Note 31)	646,063	-
Noncontrolling decreases arising from the lossing control of subsidiaries	-	(1,769,648)
Acquisition (disposal) of partial interests of subsidiaries	(29,795)	(1,025)
Share of net comprehensive income of associates	2,827	(4,769)
Change in unappropriated earning from investment in associates	(51)	-
Change in capital surplus from investments in associates	-	157
Disposal of investment in associates	-	228
Ending balance	<u>\$ 62,587,355</u>	<u>\$ 62,750,755</u>

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:

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>September 30, 2015</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 22,836</u>
<u>December 31, 2014</u>			
Yuan Ding	764	<u>\$ 25,063</u>	<u>\$ 23,992</u>
<u>September 30, 2014</u>			
Yuan Ding	764	<u>\$ 25,063</u>	<u>\$ 23,419</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.

## 28. NET PROFIT FROM CONTINUING OPERATIONS

a. Capital interest expenses were as follow:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Capitalized interests on properties	\$ 59,992	\$ 52,813	\$ 181,497	\$ 152,265
Capitalization rates	1.16%-1.56%	1.07%-1.55%	1.14%-1.56%	1.07%-1.71%

b. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Property, plant and equipment	\$ 3,642,360	\$ 3,438,686	\$ 10,497,014	\$ 10,372,447
Intangible assets	983,297	760,279	2,801,953	2,017,274
Long-term prepayments for lease	<u>54,425</u>	<u>47,429</u>	<u>154,485</u>	<u>194,581</u>
	<u>\$ 4,680,082</u>	<u>\$ 4,246,394</u>	<u>\$ 13,453,452</u>	<u>\$ 12,584,302</u>

An analysis of deprecation by function

Operating costs	\$ 3,142,678	\$ 2,966,408	\$ 9,051,999	\$ 9,095,677
Operating expenses	473,682	445,380	1,360,450	1,215,667
Other expense	<u>26,000</u>	<u>26,898</u>	<u>84,565</u>	<u>61,103</u>
	<u>\$ 3,642,360</u>	<u>\$ 3,438,686</u>	<u>\$ 10,497,014</u>	<u>\$ 10,372,447</u>

An analysis of amortization by function

Operating costs	\$ 799,148	\$ 530,200	\$ 2,246,259	\$ 1,420,208
Operating expenses	<u>238,574</u>	<u>277,508</u>	<u>710,179</u>	<u>791,647</u>
	<u>\$ 1,037,722</u>	<u>\$ 807,708</u>	<u>\$ 2,956,438</u>	<u>\$ 2,211,855</u>

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Post-employment benefits				
Defined contribution plans	\$ 213,895	\$ 194,921	\$ 634,605	\$ 566,610
Defined benefit plans	40,329	43,521	121,471	131,783
Other employee benefits	<u>5,008,835</u>	<u>4,184,961</u>	<u>14,416,381</u>	<u>13,216,981</u>
Total employee benefit expense	<u>\$ 5,263,059</u>	<u>\$ 4,423,403</u>	<u>\$ 15,172,457</u>	<u>\$ 13,915,374</u>

(Continued)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Analysis of employee benefit expense by function			
Operating costs	\$ 2,393,162	\$ 2,147,996	\$ 7,032,344	\$ 6,393,458
Operating expenses	<u>2,869,897</u>	<u>2,275,407</u>	<u>8,140,113</u>	<u>7,521,916</u>
	<u>\$ 5,263,069</u>	<u>\$ 4,423,403</u>	<u>\$ 15,172,457</u>	<u>\$ 13,915,374</u> (Concluded)

Under the Company Act as amended in May 2015, the Company's Articles of Incorporation should stipulate a fixed amount or ratio of annual profit to be distributed as employee remuneration. However, the Company has not made consequential amendments to its policies for distribution of employee remuneration. In accordance with Company's Articles of Incorporation, the bonus to employees and remuneration to directors and supervisors, were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Bonuses to employees	\$ 17,267	\$ 59,251	\$ 207,208
Remuneration to directors and supervisors	12,950	44,438	155,406	171,404

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The bonus to employees and the remuneration to directors and supervisors for 2014 and 2013, which were approved in the stockholders' meetings on June 26, 2015 and 2014, respectively, were as follows:

	<b>For the Years Ended December 31</b>			
	<b>2014</b>		<b>2013</b>	
	<b>Cash</b>	<b>Stock</b>	<b>Cash</b>	<b>Stock</b>
Bonuses to employees	\$ 270,860	\$ -	\$ 287,678	\$ -
Remuneration to directors and supervisors	203,145	-	215,759	-

The approved amounts of the bonus to employees and the remuneration to directors and supervisors were the same as the accrual amounts reflected in the financial statements for the years ended December 31, 2014 and 2013.

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>).

## 29. INCOME TAXES

### a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current tax	\$ 992,292	\$ 674,122	\$ 2,547,193	\$ 2,048,793
Deferred tax	(145,356)	(164,145)	1,448,456	1,262,011
Prior year's adjustments	<u>-</u>	<u>-</u>	<u>14,317</u>	<u>593</u>
Income tax expense recognized in profit or loss	<u>\$ 846,936</u>	<u>\$ 509,977</u>	<u>\$ 4,009,966</u>	<u>\$ 3,311,397</u>

### b. Integrated income tax

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	<u>\$ 79,161</u>	<u>\$ 98,793</u>	<u>\$ 185,732</u>
Imputation credits accounts	<u>\$ 785,690</u>	<u>\$ 922,151</u>	<u>\$ 917,641</u>
		<b>For the Year Ended December 31</b>	
		<b>2014</b>	<b>2013</b>
		<b>(Actual)</b>	<b>(Actual)</b>
Creditable ratio for distribution of earning		9.85%	13.90%

### c. Income tax assessments

	<b><u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u></b>
Far Eastern New Century Corporation	2009
Far Eastern Resources Development Co.	2009
Far Eastern Fibertech Co., Ltd.	2013
Oriental Petrochemical (Taiwan) Co., Ltd.	2013
Yuan Tong Investment Co., Ltd.	2013
Ding Ding Integrated Marketing Service Co., Ltd.	2013
Ding Ding Hotel Co., Ltd.	2013
Fu Kwok Garment Manufacturing Co., Ltd.	2012
Far Eastern Apparel Co., Ltd.	2012
Yuan Cheng Human Resources Consultant Corp.	2013
Yuan Ding Investment Co., Ltd.	2013
Oriental Resources Development Ltd.	2013

(Continued)

**Latest Year of Income  
Tax Return That Tax  
Authorities Had  
Examined and Cleared**

Yuan Faun Co., Ltd.	2013
Kai Yuan International Investment Co., Ltd.	2013
Ding Yuan International Investment Co., Ltd.	2013
An Ho Garment Co., Ltd.	2013
Far Eastern Electronic Toll Collection Co., Ltd.	2012
Far Eastern Textile Co., Ltd.	2013
Far Eastern Construction Co., Ltd.	2013
Far Eastern General Contractor Inc.	2012
Yuan Ding Co., Ltd.	2013
FET Consulting Engineers Co., Ltd.	2013
Far Eastern Technical Consultants Co., Ltd.	2013
Far Eastern Electronic Commerce Co., Ltd.	2013
YDT Technology International Co., Ltd.	2013
Far EasTone Telecommunications Co., Ltd.	2013
New Century InfoComm Tech Co., Ltd.	2012
Arcoa Communication Co., Ltd.	2011
Simple InfoComm Co., Ltd.	2013
Q-Ware Communication Corp.	2013
Information Security Service Digital United Co., Ltd.	2013
Linkwell Tech. Co., Ltd.	2013
Data Express Infotech Co., Ltd.	2012
Yuan Cing Co., Ltd.	2013
O-music Co., Ltd.	2013
New Diligent Co., Ltd.	2013
KGEx.com Co., Ltd.	2013
Homet Master Technology Co., Ltd.	2013

(Concluded)

**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 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

**NCIC**

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

### 30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Basic earnings per share				
Basic earnings per share	<u>\$ 0.15</u>	<u>\$ 0.57</u>	<u>\$ 1.42</u>	<u>\$ 1.81</u>
Diluted earnings per share				
Diluted earnings per share	<u>\$ 0.15</u>	<u>\$ 0.57</u>	<u>\$ 1.41</u>	<u>\$ 1.81</u>

The earnings and weighted average number of common stock used in the calculation of basic earnings per share are as follows:

#### Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Profit for the period attributable to owners of the Company	<u>\$ 774,026</u>	<u>\$ 2,849,461</u>	<u>\$ 7,079,958</u>	<u>\$ 9,063,523</u>

#### Weighted Average Number of Common Shares Outstanding

Unit: In Thousand Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Weighted average number of common shares used in the computation of basic earnings per share	5,002,436	5,004,488	5,002,529	5,004,606
Effect of dilutive potential common shares:				
Bonus issue to employee	<u>7,072</u>	<u>7,605</u>	<u>12,928</u>	<u>14,147</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>5,009,508</u>	<u>5,012,093</u>	<u>5,015,457</u>	<u>5,018,753</u>

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 actual outstanding shares in the current period. Based on the calculation, for the three months ended September 30, 2015 and 2014 and nine months ended September 30, 2015 and 2014, the Company's EPS were NT\$0.14, NT\$0.53, NT\$1.32 and NT\$1.69, respectively.

### 31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Equity Interests with Voting Rights/ Acquisition Percentage (%)</b>	<b>Consideration Transferred</b>
Malaysia Garment Manufactures Pte. Ltd.	Garment production and investment	September 30, 2015	13.00	<u>\$ 171,115</u>

On September 30, 2015, the Group acquired 13% equity interest in Malaysia Garment Manufactures Pte. Ltd. for organizational restructuring, the Group's interests in Malaysia Garment Manufactures Pte. Ltd. is over 50% due to newly acquired 13% and original holding interests of 37.92% in Malaysia Garment Manufactures Pte. Ltd. And the Group included Malaysia Garment Manufactures Pte. Ltd. in consolidated financial statements on September 30, 2015.

b. Considerations transferred

	<b>Malaysia Garment Manufactures Pte. Ltd.</b>
Cash	<u>\$ 171,115</u>

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

	<b>Malaysia Garment Manufactures Pte. Ltd.</b>
Current assets	
Cash and cash equivalents	\$ 11,666
Accounts receivables	303
Prepayments	108
Other current assets	593
Noncurrent assets	
Property, plant and equipment	1,429,993
Other noncurrent assets	302
Current liabilities	
Short-term borrowings	(104,711)
Accounts payable	(13,039)
Other payable	(944)
Other noncurrent liabilities	(7,882)
Noncurrent liabilities	
Credit balance of investment accounted for using the equity method	<u>(43)</u>
	<u>\$ 1,316,346</u>

d. Noncontrolling interests

The noncontrolling interest of Malaysia Garment Manufactures Pte. Ltd. recognized amounted to NT\$646,063 thousand and was measured at the fair value of the related actual purchasing price at the acquisition date.

e. Net cash outflow on the acquisition of a subsidiary

	<b>For the Nine Months Ended September 30, 2015</b>
Consideration paid in cash	\$ 171,115
Less: Cash and cash equivalent balances acquired	<u>(11,666)</u>
	<u>\$ 159,449</u>

f. Impact of acquisition on the results of the Group

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

	<b>September 30, 2015</b>
Revenue	
Malaysia Garment Manufactures Pte. Ltd.	\$ <u>          -</u>
Profit	
Malaysia Garment Manufactures Pte. Ltd.	\$ <u>          -</u>

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from Malaysia Garment Manufactures Pte. Ltd. would have been NT\$51,905,237 thousand for the three months ended September 30, 2015 and NT\$160,880,353 thousand for the nine months ended September 30, 2015, and the profit from continuing operations would have been NT\$2,383,515 thousand for the three months ended September 30, 2015 and NT\$12,587,398 thousand for the nine months ended September 30, 2015. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2015, nor is it intended to be a projection of future results.

### 32. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

For the nine months ended September 30, 2015

The Group acquired an additional equity interest in Far Eastern Ishizuka Green Pet Corporation, Sino Belgium (Holding) Ltd., DDIM (Virgin Islands) Ltd. and Yuan Ding Integrated Information Service (Shanghai) Inc.

	<b>Ishizuka Green Pet Corporation</b>	<b>Sino Belgium (Holding) Ltd.</b>	<b>DDIM (Virgin Islands) Ltd.</b>	<b>Yuan Ding Integrated Information Service (Shanghai) Inc.</b>
Cash consideration received (paid)	\$ (59,701)	\$ (63,550)	\$ -	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from noncontrolling interests	<u>55,952</u>	<u>59,537</u>	<u>37,408</u>	<u>149</u>
Differences arising from equity transactions	<u>\$ (3,749)</u>	<u>\$ (4,013)</u>	<u>\$ 37,408</u>	<u>\$ 149</u>
<u>Line items adjusted for equity transactions</u>				
Capital surplus - changes in percentage of ownership interest in subsidiaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,408</u>	<u>\$ 149</u>
Retained earning	<u>\$ (3,749)</u>	<u>\$ (4,013)</u>	<u>\$ -</u>	<u>\$ -</u>

In August 2015, Sino Belgium (Holding) Ltd. issued new shares for cash, the Group did not subscribe the capital call. Thus, the consolidated ownership of the Company and its subsidiaries to SINO decreased from 93.72% to 90.88%.

	<b>Sino Belgium (Holding) Ltd.</b>
Cash consideration received (paid)	\$ 75,420
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from noncontrolling interests	<u>(10,079)</u>
Differences arising from equity transactions	<u>\$ 65,341</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - changes in percentage of ownership interest in subsidiaries	<u>\$ 65,341</u>
<u>For the nine months ended September 30, 2014</u>	

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

	<b>Hiiir Co., Ltd.</b>	<b>PET Far Eastern (Holding) Ltd.</b>
Cash consideration received (paid)	\$ (457,260)	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from noncontrolling interests	<u>(456,200)</u>	<u>(35)</u>
Differences arising from equity transactions	<u>\$ (1,060)</u>	<u>\$ (35)</u>

(Continued)

	<b>Hiiir Co., Ltd.</b>	<b>PET Far Eastern (Holding) Ltd.</b>
<u>Line items adjusted for equity transactions</u>		
Capital surplus - difference between acquisition price and carrying amount from equity transaction	\$ (1,060)	\$ -
Retained earning	<u>\$ -</u>	<u>\$ (35)</u> (Concluded)

### 33. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

The operating lease were main related to lease of land, buildings, cell sites and office space.

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Up to 1 year	\$ 3,620,857	\$ 3,493,052	\$ 3,384,185
More than 1 year up to 5 years	7,009,843	6,181,599	6,200,761
More than 5 years	<u>1,161,164</u>	<u>1,326,541</u>	<u>1,189,633</u>
	<u>\$ 11,791,864</u>	<u>\$ 11,001,192</u>	<u>\$ 10,774,579</u>

b. The Group as lessor

The operating lease were main related to lease of investment properties owned by the Group. The future minimum lease payments for noncancellable operating lease commitments were as follows:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Up to 1 year	\$ 747,640	\$ 797,771	\$ 802,254
More than 1 year up to 5 years	2,809,325	2,544,406	2,881,978
More than 5 years	<u>1,207,250</u>	<u>1,912,682</u>	<u>1,473,745</u>
	<u>\$ 4,764,215</u>	<u>\$ 5,254,859</u>	<u>\$ 5,157,977</u>

### 34. 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.

### 35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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>September 30, 2015</u>		<u>December 31, 2014</u>		<u>September 30, 2014</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>						
Financial liabilities measured at amortized cost						
Bonds payable	\$ 75,401,606	\$ 75,707,456	\$ 74,053,607	\$ 74,247,159	\$ 73,333,728	\$ 731,561,484

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 836,130	\$ -	\$ -	\$ 836,130
Marketable equity securities	466,497	-	-	466,497
Guarantee deposits - cotton futures contracts	-	-	43,123	43,123
Guarantee deposits - PTA futures contracts	-	-	13,925	13,925
Combined exchange options	-	-	776	776
Forward exchange contracts	-	-	32,571	32,571
	<u>\$ 1,302,627</u>	<u>\$ -</u>	<u>\$ 90,395</u>	<u>\$ 1,393,022</u>
Hedging derivative financial assets				
Cross-currency interest rate swaps	\$ -	\$ -	\$ 2,000	\$ 2,000
Forward exchange contracts	-	-	9,257	9,257
Foreign exchange swap contracts	-	-	2,000	2,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,257</u>	<u>\$ 13,257</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Marketable equity securities	\$ 4,440,641	\$ -	\$ -	\$ 4,440,641
Mutual funds - beneficial certificates	-	353,066	-	353,066
Oversea equity securities	<u>88,196</u>	<u>-</u>	<u>-</u>	<u>88,196</u>
	<u>\$ 4,528,837</u>	<u>\$ 353,066</u>	<u>\$ -</u>	<u>\$ 4,881,903</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 3,410	\$ 3,410
Combined exchange options	-	-	17,397	17,397
Options	<u>-</u>	<u>-</u>	<u>362</u>	<u>362</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,169</u>	<u>\$ 21,169</u>
Hedging derivative financial liabilities				
Cross-currency interest rate swaps	\$ -	\$ -	\$ -	\$ -
Forward exchange contracts	-	-	-	-
Interest rate swaps	<u>-</u>	<u>-</u>	<u>407,678</u>	<u>407,678</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,678</u>	<u>\$ 407,678</u> (Concluded)

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 630,567	\$ -	\$ -	\$ 630,567
Marketable equity securities	374,567	-	-	374,567
Guarantee deposits - cotton futures contracts	-	-	41,450	41,450
Guarantee deposits - PTA futures contracts	-	-	12,451	12,451
Combined exchange options	-	-	40,085	40,085
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>24,996</u>	<u>24,996</u>
	<u>\$ 1,005,134</u>	<u>\$ -</u>	<u>\$ 118,982</u>	<u>\$ 1,124,116</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,620,397	\$ -	\$ -	\$ 4,620,397
Mutual funds - beneficial certificates	111,100	701,421	-	812,521
Oversea equity securities	<u>214,801</u>	<u>-</u>	<u>-</u>	<u>214,801</u>
	<u>\$ 4,946,298</u>	<u>\$ 701,421</u>	<u>\$ -</u>	<u>\$ 5,647,719</u> (Continued)

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities at FVTPL				
Combined exchange options	\$ <u>-</u>	\$ <u>-</u>	\$ <u>807</u>	\$ <u>807</u>
Hedging derivative financial liabilities				
Cross-currency interest rate swaps	\$ -	\$ -	\$ 3,150	\$ 3,150
Forward exchange contracts	-	-	11,800	11,800
Interest rate swaps	<u>-</u>	<u>-</u>	<u>535,837</u>	<u>535,837</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,787</u>	<u>\$ 550,787</u>

(Concluded)

September 30, 2014

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 120,358	\$ -	\$ -	\$ 120,358
Marketable equity securities	446,819	-	-	446,819
Guarantee deposits - cotton futures contracts	-	-	39,881	39,881
Guarantee deposits - PTA futures contracts	-	-	69,313	69,313
Combined exchange options	-	-	57,944	57,944
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>9,951</u>	<u>9,951</u>
	<u>\$ 567,177</u>	<u>\$ -</u>	<u>\$ 177,089</u>	<u>\$ 744,266</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,484,781	\$ -	\$ -	\$ 4,484,781
Mutual funds - beneficial certificates	98,800	661,681	-	760,481
Oversea equity securities	<u>178,861</u>	<u>-</u>	<u>-</u>	<u>178,861</u>
	<u>\$ 4,762,442</u>	<u>\$ 661,681</u>	<u>\$ -</u>	<u>\$ 5,424,123</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 6,250	\$ 6,250
Options	<u>-</u>	<u>-</u>	<u>38,332</u>	<u>38,332</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,582</u>	<u>\$ 44,582</u>
Hedging derivative financial liabilities				
Cross-currency interest rate swaps	\$ -	\$ -	\$ 1,925	\$ 1,925
Forward exchange contracts	-	-	5,565	5,565
Interest rate swaps	<u>-</u>	<u>-</u>	<u>493,508</u>	<u>493,508</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,998</u>	<u>\$ 500,998</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2015 and 2014.

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

September 30, 2015

	<b>Financial Assets at Fair Value Through Profit or Loss - Held for Trading</b>	<b>Hedging Derivative Financial Instruments</b>	<b>Total</b>
Balance at January 1, 2015	\$ 118,175	\$ (550,787)	\$ (432,612)
Total gains or losses			
In profit or loss	(48,949)	(7,572)	(56,521)
In other comprehensive income	<u>-</u>	<u>163,938</u>	<u>163,938</u>
Balance at September 30, 2015	<u>\$ 69,226</u>	<u>\$ (394,421)</u>	<u>\$ (325,195)</u>

September 30, 2014

	<b>Financial Assets at Fair Value Through Profit or Loss - Held for Trading</b>	<b>Hedging Derivative Financial Instruments</b>	<b>Total</b>
Balance at January 1, 2014	\$ 63,235	\$ (416,838)	\$ (353,603)
Total gains or losses			
In profit or loss	69,272	62,440	131,712
In other comprehensive income	<u>-</u>	<u>(146,600)</u>	<u>(146,600)</u>
Balance at September 30, 2014	<u>\$ 132,507</u>	<u>\$ (500,998)</u>	<u>\$ (368,491)</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Overseas mutual funds - beneficial certificates	Valuation based on the fair values of a portfolio of funds, calculated through each subfund by fair value net of the management and operating expenses for the subfund.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Future contract	<p>Future contract pricing model.</p> <p>The fair values of future contracts are determined using future contract pricing models where the significant unobservable inputs are historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value.</p>
Forward exchange contracts, Option contracts, combined exchange options, cross-currency interest rate swap and interests rate swap	<p>Discounted cash flow.</p> <p>Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates, discounted at a 0% rate; the counterparties' high credit ratings and short contract terms indicate a low credit risk on counterparties.</p>

c. Categories of financial instruments

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 1,393,022	\$ 1,124,116	\$ 744,266
Derivative instruments in designated hedge accounting relationships	13,257	-	-
Loans and receivables (Note 1)	83,951,924	68,954,539	71,925,603
Available-for-sale financial assets (Note 2)	6,021,094	6,718,871	6,349,692
<u>Financial liabilities</u>			
FVTPL			
Held for trading	21,169	807	44,582
Derivative instruments in designated hedge accounting relationships	407,678	550,787	500,998
Amortized cost (Note 3)	224,945,987	204,645,872	206,355,774

Note 1: The balances included loans and receivables measured at amortized cost, which comprised cash and cash equivalents, debt investments with no active market, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), other financial assets, long-term receivables from related parties 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), other payables (including those to related parties), payables to suppliers of machinery and equipment, provisions, bonds payable, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

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

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in exchange rates (see (a) below) and interest rates (see (b) 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 Note 40.

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>September 30</u>	
	<u>2015</u>	<u>2014</u>
5% change in profit or loss		
USD	<u>\$ 144,845</u>	<u>\$ 527,408</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:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Fair value interest rate risk			
Financial assets	\$ 25,631,122	\$ 19,741,105	\$ 21,127,434
Financial liabilities	153,421,306	129,025,561	132,904,129
Cash flow interest rate risk			
Financial assets	18,497,425	12,333,670	9,700,393
Financial liabilities	37,637,422	42,650,591	39,066,024

#### 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 nine months ended September 30, 2015 and 2014, 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\$63,918 thousand and NT\$67,649 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decreased by NT\$46,244 thousand and NT\$24,251 thousand, respectively.

For the nine months ended September 30, 2015 and 2014, 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\$382,597 thousand and NT\$331,432 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by NT\$94,094 thousand and NT\$97,665 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 September 30, 2015 and 2014 would have decreased by NT\$309,227 thousand and NT\$299,565 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:

	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>Over 3 Years</b>	<b>Total</b>
<u>September 30, 2015</u>				
Long-term borrowings	\$ 38,310,121	\$ 12,769,904	\$ 15,493,087	\$ 66,573,112
Bonds payable	<u>15,850,000</u>	<u>13,900,000</u>	<u>31,400,000</u>	<u>61,150,000</u>
	<u>\$ 54,160,121</u>	<u>\$ 26,669,904</u>	<u>\$ 46,893,087</u>	<u>\$ 127,723,112</u>
<u>December 31, 2014</u>				
Long-term borrowings	\$ 32,253,523	\$ 16,784,033	\$ 14,961,654	\$ 63,999,210
Bonds payable	<u>20,944,000</u>	<u>16,450,000</u>	<u>23,400,000</u>	<u>60,794,000</u>
	<u>\$ 53,197,523</u>	<u>\$ 33,234,033</u>	<u>\$ 38,361,654</u>	<u>\$ 124,793,210</u>
<u>September 30, 2014</u>				
Long-term borrowings	\$ 40,401,582	\$ 3,108,593	\$ 16,494,008	\$ 60,004,183
Bonds payable	<u>14,231,000</u>	<u>15,850,000</u>	<u>29,500,000</u>	<u>59,581,000</u>
	<u>\$ 54,632,582</u>	<u>\$ 18,958,593</u>	<u>\$ 45,994,008</u>	<u>\$ 119,585,183</u>

### 36. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the nine months and for the three months ended September 30, 2015 and 2014 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules B and C.

### 37. 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.

	September 30, 2015	December 31, 2014	September 30, 2014
Other financial assets - current	\$ 1,575,387	\$ 1,815,650	\$ 1,806,971
Inventories - available for construction - land	1,734,677	-	-
Inventories - construction-in-progress - land and building	693,157	693,157	693,157
Inventories - available for sale - land and building	-	1,459,429	222,126
Property, plant and equipment, net	12,950,783	12,689,384	13,024,576
Investment properties	35,980,904	37,648,280	33,839,188
Available-for-sale financial assets - current and noncurrent	146,550	157,500	153,750
Investment accounted for using the equity method	3,292,875	3,509,089	3,694,696
Concession	2,504,000	1,936,000	1,483,000
Other financial assets - noncurrent	<u>4,256,415</u>	<u>2,995,948</u>	<u>3,398,684</u>
	<u>\$ 63,134,748</u>	<u>\$ 62,904,437</u>	<u>\$ 58,316,148</u>

As of September 30, 2015, December 31, 2014 and September 30, 2014, FENC and some of its subsidiaries had provided 123,795 thousand shares, 123,795 thousand shares and 121,795 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.

### 38. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Group as of September 30, 2015:

- a. Issued but unused letters of credit aggregated approximately NT\$1,245,583 thousand.
- b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT\$7,070,524 thousand, and (b) properties and cellular phone equipment acquired for NT\$5,667,824 thousand and NT\$8,395,277 thousand, respectively, NT\$1,509,922 thousand and NT\$3,447,279 thousand, respectively, had been received.
- c. There were undelivered cotton contracts amounting to NT\$288,170 thousand, and recognized payable onerous contracts (recognized as provisions) NT\$4,435 thousand, as of September 30, 2015.

- d. Project contracts already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT\$27,563,780 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\$3,617,674 thousand.
- f. Endorsements and guarantees provided to the related parties are shown in Schedule E (attached).
- g. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to 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 November 11, 2015, the lawsuit was pending before the Taipei High Court.
- h. 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 November 11, 2015, 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.

- i. 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\$109,995 thousand as a pledge based on the NTCG's requirement. As of November 11, 2015, the lawsuit was pending before the Ministry of the Interior.
- j. On August 1, 2014, the Taiwan Area National Freeway Bureau (TANFB) claimed that the Far Eastern Electronic Toll Collection Co., Ltd. (FETC) violated the "ETC BOT Concession Agreement" for the delay of offering new jobs to former freeway toll fee collectors 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 mediation to the ETC mediation committee on August 14 2014. In the mediation, the committee members made a resolution without dissenting opinion that it was questionable whether FETC was liable for a penalty amounting to NT\$4,500 thousand; however, TANFB, regardless of the resolution of mediation committee, deducted NT\$4,500 thousand from the service fee payable to FETC. Thus, FETC filed a civil lawsuit with the Taipei District Court (TDC) to reclaim the NT\$4,500 thousand and plus interests until the repayment date. TANFB then filed a

counterclaim, asserting it had the right to claim the penalty amount. On September 18, 2015, TDC ruled that TANFB should pay owed NT\$4,500 thousand and plus interest to FETC, and dismissed the counterclaim filed by TANFB. TANFB then appealed against this judgment on October 21, 2015. FETC has recognized the estimated penalty of NT\$4,500 thousand.

- k. 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. In July 2015, this lawsuit was transferred to Taipei High Administrative Court under Taipei District Court’s ruling, after FETC filed an Interlocutory Appeal, Taiwan High Court revoked Taipei District Court’s previous ruling at September 8, 2015. Thus Taipei District Court granted the jurisdiction. FETC has recognized the possible loss which was likely to be imposed.

## 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 according to the agreement. However, TANFB has not reset the expiry date and set the date FETC had been informed of violation of contract on February 3, 2013 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\$142,500 thousand on FETC. Under the lawsuit, FETC applied for other conciliation on the Art. 20 - punish penalties in the contract; the Negotiation Committee suggested that FETC should forfeit the fine in a combined amount of NT\$250 thousand per day from April 22, 2013 to November 14, 2013. On April 8, 2015, this lawsuit was transferred to Taipei High Administrative Court under Taipei District Court's ruling and FETC filed an Interlocutory Appeal. After Taiwan High Court dismissed FETC's appeal on May 20, 2015, FETC filed a re-appeal against Taiwan High Court's ruling and Supreme Court revoked both Taiwan High Court and Taipei District Court's previous ruling on August 25, 2015. Thus Taipei District Court granted the jurisdiction. FETC has recognized the possible loss which was likely to be imposed.

1. In May 2015, Far EasTone applied to the Taipei District Court for the injunctive order for temporary status against Taiwan Mobile Co., Ltd. (TWM) for TWM's violation of the agreement between Far EasTone and TWM and prohibited TWM from using the C1 spectrum till TWM escheats the C4 spectrum to NCC. On July 1, 2015, the Taipei District Court approved the issuance of a preliminary injunction. Under the preliminary injunction process, in July 2015, Far EasTone lodged NT\$1,049,000 thousand in negotiable certificates however TWM posted a bond of NT\$927,000 thousand as part of its appeal of the preliminary injunction and request that the Court allow TWM to use the C1 spectrum. On September 11, 2015, the High Court rejected TWM's interlocutory appeal and upheld provisional injunction.

TWM no longer filed another appeal of the preliminary injunction. On July 28, 2015, Far EasTone filed a civil litigation against TWM, asking TWM to escheat the C4 spectrum immediately and declared that TWM should refrain from using the C1 spectrum even before escheating the C4 spectrum. At the same time, Far EasTone demanded a compensation of NT\$1,058,000 thousand from TWM.

- m. To enter the cable television market and strengthen the domain of digital convergence, Far EasTone planned to enter into a strategic alliance with Morgan Stanley Private Equity Asia IV, LLC ("MSPE Asia") and seek opportunities to cooperate with China Network Systems Group ("CNS Group") by acquiring the corporate bonds in the future. For this alliance, on July 30, 2015, the board of directors of Far EasTone resolved to enter into a cooperation agreement with the subsidiaries to be individually established by North Haven Private Equity Asia IV Holdings Limited ("NHPEA") which is managed by MSPE Asia to regulate future rights and obligations between Far EasTone and MSPE Asia. Under the cooperation agreement, Far EasTone may subscribe for the corporate bonds to be issued by the subsidiaries to be directly/indirectly owned by NHPEA and to be established in the R.O.C. to provide certain technology and advisory services as well as to explore other potential opportunities for collaboration as allowed under R.O.C. laws and regulations. Far EasTone's total subscription of the subsidiaries' corporate bonds should not exceed NT\$17,120,000 thousand.

If Far EasTone cannot acquire the permission from the administration, the original shareholders of CNS Group or its related parties could become Far EasTone's strategic cooperative partners under certain conditions. For this cooperative partnership, the board of directors of Far EasTone resolved to sign a contract with the above subsidiaries, and Evergreen Jade Sdn. Bhd. and Goodwill Tower Sdn. Bhd., both of whom are shareholders of CNS Group, to regulate the rights and obligations of each party.

### 39. SUBSEQUENT EVENTS

- a. On October 2, 2015, the Company issued the five-year unsecured bonds (second tranche) amounting to NT\$5,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.28% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.
- b. To meet the need for expansion plans, an FENC subsidiary, Far Eastern Polytex (Vietnam) Ltd. entered into a contract amounting to US\$31,785.6 thousand with Becamex IDC Corporation for the land-use rights on November 6, 2015. The industrial property is located at Bau Bang Industrial Zone, Binh Duong Province, Vietnam and had a total land area of 993.3 thousand square meters. Under the contract, FEPV will acquire the land-use rights separately in the future.
- c. On November 9, 2015, YDI issued the five-year unsecured bonds (second tranche) amounting to NT\$2,000,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.28% 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.

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

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

September 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 395,521	32.92 (USD:NTD)	\$ 13,020,551
USD	140,327	6.349 (USD:RMB)	4,619,565
USD	70,186	7.800 (USD:HKD)	2,310,523
USD	8,496	4.524 (USD:MYR)	<u>279,688</u>
			<u>\$ 20,230,327</u>
			(Continued)

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 236,068	32.92 (USD:NTD)	\$ 7,771,359
USD	422,715	6.349 (USD:RMB)	13,915,778
USD	40,168	7.800 (USD:HKD)	1,322,331
USD	3,577	4.524 (USD:MYR)	<u>117,755</u>
			<u>\$ 23,127,223</u> (Concluded)

December 31, 2014

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 466,307	31.65 (USD:NTD)	\$ 14,758,617
USD	199,154	6.215 (USD:RMB)	6,303,224
USD	130,553	7.800 (USD:HKD)	4,132,002
USD	8,158	3.641 (USD:MYR)	<u>258,201</u>
			<u>\$ 25,452,044</u>

Financial liabilities

Monetary items			
USD	257,061	31.65 (USD:NTD)	\$ 8,135,981
USD	689,603	6.215 (USD:RMB)	21,825,935
USD	46,718	7.800 (USD:HKD)	1,478,625
USD	6,092	3.641 (USD:MYR)	<u>192,812</u>
			<u>\$ 31,633,353</u>

September 30, 2014

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 399,581	30.455 (USD:NTD)	\$ 12,169,239
USD	157,088	6.173 (USD:RMB)	4,784,115
USD	141,040	7.800 (USD:HKD)	4,295,373
USD	6,870	3.410 (USD:MYR)	<u>209,226</u>
			<u>\$ 21,457,953</u> (Continued)

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 352,412	30.455 (USD:NTD)	\$ 10,732,707
USD	608,117	6.173 (USD:RMB)	18,520,203
USD	77,530	7.800 (USD:HKD)	2,361,176
USD	12,872	3.410 (USD:MYR)	<u>392,017</u>
			<u>\$ 32,006,103</u> (Concluded)

For the three months ended September 30, 2015, the nine months ended September 30, 2015, the three months ended September 30, 2014, the nine months ended September 30, 2014, realized and unrealized net foreign exchange gains (losses) were NT\$(553,569) thousand, NT\$71,019 thousand, NT\$(734,700) thousand, and NT\$(126,409) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the group entities.

#### **41. 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: Schedule H (attached)
  - 6) Disposal of individual real states at prices of at least NT\$300 million or 20% of the capital stock: Schedule I (attached)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$300 million or 20% of the capital stock: Schedule J (attached)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule K (attached)
  - 9) Derivative financial transactions: Notes 7 and 10
  - 10) Intercompany relationships and significant intercompany transactions: Schedule L (attached)
  - 11) Information on investees: Schedule M (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 N and N-1 (attached)
- 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Schedules N (attached)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

## 42. 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 Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Petrochemical business			\$ (1,194,702)	\$ (1,719,275)
Revenues generated from external customers	\$ 12,761,100	\$ 18,068,634		
Intersegment revenues	<u>9,713,494</u>	<u>13,762,875</u>		
	<u>22,474,594</u>	<u>31,831,509</u>		
Chemical fiber business			839,052	711,753
Revenues generated from external customers	45,559,829	55,177,914		
Intersegment revenues	<u>518,787</u>	<u>660,297</u>		
	<u>46,078,616</u>	<u>55,838,211</u>		

(Continued)

	<u>Segments Revenue</u>		<u>Segments Profit</u>	
	<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Textile business			\$ 656,170	\$ 404,664
Revenues generated from external customers	\$ 23,811,610	\$ 26,326,306		
Intersegment revenues	<u>75,286</u>	<u>209,358</u>		
	<u>23,886,896</u>	<u>26,535,664</u>		
Mobile services business			12,344,118	12,276,778
Revenues generated from external customers	71,262,983	67,949,654		
Intersegment revenues	<u>141,590</u>	<u>185,863</u>		
	<u>71,404,573</u>	<u>68,135,517</u>		
Real estate development			424,181	350,982
Revenues generated from external customers	3,612,682	4,171,199		
Intersegment revenues	<u>181,903</u>	<u>164,367</u>		
	<u>3,794,585</u>	<u>4,335,566</u>		
Investment and other			1,231,063	2,196,344
Revenues generated from external customers	6,165,715	7,738,341		
Intersegment revenues	<u>530,069</u>	<u>525,170</u>		
	<u>6,695,784</u>	<u>8,263,511</u>		
Adjustment and elimination	<u>(10,950,502)</u>	<u>(15,397,274)</u>	<u>375,185</u>	<u>(148,574)</u>
Total	<u>\$ 163,384,546</u>	<u>\$ 179,542,704</u>	<u>14,675,067</u>	<u>14,072,672</u>
Interest revenue			390,743	334,836
Exchange loss			(734,700)	(126,409)
Interest expense			(1,832,484)	(1,405,442)
Other revenue and income			<u>4,082,737</u>	<u>4,893,841</u>
Profit before tax			<u>\$ 16,581,363</u>	<u>\$ 17,769,498</u>

(Concluded)

Note: For the nine months ended September 30, 2015, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$2,275,289 thousand and dividend income from associates NT\$228,904 thousand, respectively. For the nine months ended September 30, 2014, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$3,151,662 thousand and dividend income from associates NT\$170,531 thousand, respectively.

### Segment Total Assets and Liabilities

Segment total assets and liabilities was not disclosed due to this information was not reviewed by or regularly provided to the chief operating decision maker.



**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED RELATED-PARTY TRANSACTIONS**

**(In Thousands of New Taiwan Dollars)**

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2015	2014	2015	2014
Sales				
Associates	\$ 350,348	\$ 405,559	\$ 1,003,070	\$ 1,312,886
Others	<u>295,769</u>	<u>253,783</u>	<u>746,403</u>	<u>843,937</u>
	<u>\$ 646,117</u>	<u>\$ 659,342</u>	<u>\$ 1,749,473</u>	<u>\$ 2,156,823</u>
Operating cost				
Associates	\$ 406,416	\$ 247,020	\$ 1,217,428	\$ 1,034,852
Others	<u>139,822</u>	<u>169,024</u>	<u>590,621</u>	<u>749,441</u>
	<u>\$ 546,238</u>	<u>\$ 416,044</u>	<u>\$ 1,808,049</u>	<u>\$ 1,784,293</u>
Operating expense				
Associates	\$ 9,872	\$ 21,959	\$ 34,264	\$ 39,133
Others	<u>73,641</u>	<u>79,648</u>	<u>251,038</u>	<u>240,494</u>
	<u>\$ 83,513</u>	<u>\$ 101,607</u>	<u>\$ 285,302</u>	<u>\$ 279,627</u>
Rental revenue (recognized as operating revenue)				
Associates	\$ 52,942	\$ 52,935	\$ 158,836	\$ 158,849
Others	<u>93,495</u>	<u>88,060</u>	<u>272,023</u>	<u>259,830</u>
	<u>\$ 146,437</u>	<u>\$ 140,995</u>	<u>\$ 430,859</u>	<u>\$ 418,679</u>
Rental expense (recognized as operating cost and expense)				
Associates	\$ 27,524	\$ 28,298	\$ 86,199	\$ 85,057
Others	<u>68,921</u>	<u>43,137</u>	<u>142,325</u>	<u>130,741</u>
	<u>\$ 96,445</u>	<u>\$ 71,435</u>	<u>\$ 228,524</u>	<u>\$ 215,798</u>

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Group had donated NT\$14,487 thousand and NT\$13,391 thousand to other related parties for the nine months ended September 30, 2015 and 2014.

(Continued)

- c. The Group had purchased the office equipment from associates amounted to NT\$63 thousand for the three months ended September 30, 2015, and had purchased the software equipments, machinery and equipment, and construction contracts from the other related parties amounted to NT\$4,769 thousand for the three months ended September 30, 2015 and NT\$31,299 thousand for the nine months ended September 30, 2015. The Group had purchased the software equipments and construction contracts from other related parties amounted to NT\$388 thousand for the three months ended September 30, 2015 and NT\$173,694 thousand for the nine months ended September 30, 2015.
- d. The Group had sold other assets amounting to NT\$199,703 thousand to the associates and recognized the gain on disposal as of NT\$34,275 thousand (recognized as other income) for the nine months ended September 30, 2015. The Group had sold office equipments amounted to NT\$333 thousand and NT\$23 thousand, respectively to the associates and other related parties for the nine months ended September 30, 2015.
- e. The Group had sold investment properties - land to other related parties amounting to NT\$1,878,322 thousand and recognized the gain on disposal of NT\$815,643 thousand for the nine months ended September 30, 2015. The disposal proceeds amounting to NT\$78,322 thousand have been received in cash and the rest of proceeds amounting to NT\$1,800,000 thousand will be received in the next several years and recognized as other receivables from related parties NT\$180,000 thousand and long-term other receivables from related parties NT\$1,620,000, respectively as of September 30, 2015.
- f. The Group had exchanged its investment properties - land with fair value NT\$1,115,520 thousand and paid an extra NT\$776,850 thousand for lands with fair value NT\$1,892,370 thousand with other related parties, and recognized the gain on disposal of NT\$167,986 thousand. In addition, based on the exchange contract the Group paid NT\$158,255 thousand for related transaction cost for this exchange. The Group recognized the exchanging lands as inventories-available for sale-land and building amounting to NT\$1,665,015 thousand and investment properties - land amounting to NT\$385,610 thousand as of September 30, 2015.
- g. 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, and D 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 September 30, 2015, the Group acquired Opas Fund Segregated Portfolio Tranches for NT\$166,350 thousands, and disposed of funds with a carrying amount of NT\$445,500 thousand. The disposal proceeds were NT\$505,614 thousand and the gain on fund disposal were NT\$60,114 thousand.
- h. The rental expense incurred for rental agreements on factories in Hukou and Hsinchu, office and equipment rooms in Tainan, base stations and departments around Taiwan. The term of the rental agreements was from January 2009 to January 2029. 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.
- i. Compensation of key management personnel:

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2015	2014	2015	2014
Short-term employee benefits	\$ 67,274	\$ 108,672	\$ 315,470	\$ 306,103
Post-employment benefits (Note)	<u>802</u>	<u>(797)</u>	<u>2,343</u>	<u>(2,382)</u>
	<u>\$ 68,076</u>	<u>\$ 107,875</u>	<u>\$ 317,813</u>	<u>\$ 303,721</u>

(Continued)

Note: The post-employment benefit were gain for the three months and nine months ended September 30, 2014 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 SEPTEMBER 30, 2015 AND 2014**

**(In Thousands of New Taiwan Dollars)**

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Notes and accounts receivable from related parties			
Associates	\$ 364,960	\$ 372,985	\$ 265,483
Others	<u>565,892</u>	<u>585,496</u>	<u>308,588</u>
	<u>\$ 930,852</u>	<u>\$ 958,481</u>	<u>\$ 574,071</u>
Notes and accounts payable from related parties			
Associates	\$ 165,703	\$ 109,211	\$ 73,157
Others	<u>177,227</u>	<u>404,414</u>	<u>174,283</u>
	<u>\$ 342,930</u>	<u>\$ 513,625</u>	<u>\$ 247,440</u>
Progress billings			
Associates	\$ 3,332,275	\$ 3,311,893	\$ 3,284,072
Others	<u>707,564</u>	<u>698,986</u>	<u>665,694</u>
	<u>\$ 4,039,839</u>	<u>\$ 4,010,879</u>	<u>\$ 3,949,766</u>
Guarantee deposits received			
Associates	\$ 18,899	\$ 18,915	\$ 10,915
Others	<u>204,345</u>	<u>173,467</u>	<u>193,003</u>
	<u>\$ 223,244</u>	<u>\$ 192,382</u>	<u>\$ 203,918</u>
Deferred credit - gains on inter - related parties accounts			
Associates	\$ 140,013	\$ 140,291	\$ 140,569
Others	<u>9,338</u>	<u>9,338</u>	<u>9,338</u>
	<u>\$ 149,351</u>	<u>\$ 149,629</u>	<u>\$ 149,907</u>
<u>Financing to related parties</u>			
Loans to related parties (recognized as other receivables)			
	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Associates	<u>\$ 1,040,000</u>	<u>\$ 940,000</u>	<u>\$ 940,000</u>

(Continued)

Loans from related parties (recognized as short-term borrowings)

	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Others	<u>\$ 3,597,782</u>	<u>\$ 3,989,830</u>	<u>\$ 3,538,057</u>

Note:

- a. The terms of sales to and purchases from other related parties were based on the agreements.
- b. The rent receivables from renting out the factories to other related parties (recognized as other receivables) were NT\$237,550 thousand, NT\$249,828 thousand and NT\$260,130 thousand as of September 30, 2015, December 31, 2014 and September 30, 2014, respectively.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	Yes	Receivables from related parties	\$ 1,944,350	\$ 1,944,350	\$ 1,944,350	1.5942-3.35	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 10,070,589	\$ 100,705,886	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C). Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C).
			Yes	Receivables from related parties	2,022,150	2,022,150	2,022,150	3.35	2	-	For revolving fund	-	Promissory note	-	10,070,589	100,705,886	
1	Yuan Ding Investment Co., Ltd.	Oriental Resources Development Ltd.	Yes	Receivables from related parties	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E). Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note E).
		Oriental Petrochemical (Taiwan) Co.	Yes	Receivables from related parties	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	
		Ding Yuan International Investment Co., Ltd.	Yes	Receivables from related parties	300,000	300,000	-	1.71-1.72	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	
		Far Eastern Resources Development Co.	Yes	Receivables from related parties	1,000,000	1,000,000	-	1.73-1.74	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	200,000	200,000	100,000	1.63-1.77	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	
		An Ho Garment Co., Ltd.	Yes	Receivables from related parties	400,000	400,000	400,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	
		Yuan Tong Investment Co., Ltd.	Yes	Receivables from related parties	800,000	750,000	537,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	3,915,058	19,575,292	
		Kai Yuan International Investment Co., Ltd. Da Ju Fiber Co., Ltd.	Yes Yes	Receivables from related parties Receivables from related parties	800,000 800,000	800,000 800,000	691,000 800,000	1.63-1.79 1.63-1.79	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	3,915,058 3,915,058	19,575,292 19,575,292	
2	Yuan Tong Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	155,000	-	-	1.50-1.54	2	-	For revolving fund	-	Promissory note	-	830,700	4,153,498	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K). Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).
		Far Eastern Resources Development Co.	Yes	Receivables from related parties	500,000	500,000	-	1.54-1.78	2	-	For revolving fund	-	Promissory note	-	830,700	4,153,498	
3	Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K). Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K). Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).
		Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	100,000	-	-	1.52-1.54	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	140,000	140,000	140,000	1.51-2.11	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	
4	Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	518,245	2,591,227	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K). Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	150,000	150,000	-	-	2	-	For revolving fund	-	Promissory note	-	518,245	2,591,227	
5	An Ho Garment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Yes	Receivables from related parties	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	187,431	937,156	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note K).
6	Far EasTone Telecommunications Co., Ltd.	Q-ware Communications Co., Ltd.	Yes	Receivables from related parties	250,000	250,000	241,000	1.48-1.66	2	-	For revolving fund	-	Promissory note	-	6,983,206	34,916,030	Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note C).
7	New Century InfoComm Co., Ltd.	Q-ware Communications Co., Ltd.	Yes	Receivables from related parties	250,000	-	-	1.64	2	-	For revolving fund	-	Promissory note	-	4,784,297	11,960,743	Amounts allowed for ending period (Note S); maximum amounts allowed for the period (Note C). Amounts allowed for ending period (Note S); maximum amounts allowed for the period (Note C). Amounts allowed for ending period (Note T); maximum amounts allowed for the period (Note C).
		Far EasTone Telecommunications Co., Ltd.	Yes	Receivables from related parties	4,500,000	4,500,000	2,000,000	1.14	2	-	For revolving fund	-	Promissory note	-	4,784,297	11,960,743	
		Far EasTone Telecommunications Co., Ltd.	Yes	Receivables from related parties	4,000,000	4,000,000	4,000,000	1.14	1	4,496,211	-	For revolving fund	-	Promissory note	-	4,496,211	

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	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				
8	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Yes	Receivables from related parties	\$ 50,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,644,017	\$ 4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).	
		FET Consulting Engineers Co., Ltd.	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).	
		Far Eastern Technical Consultants Co, Ltd.	Yes	Receivables from related parties	50,000	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Electronic Commerce Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Integrated Marketing Services Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Hotel Co., Ltd.	Yes	Receivables from related parties	300,000	300,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Yes	Receivables from related parties	503,360	329,200	329,200	1.50	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
9	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Yes	Receivables from related parties	200,000	200,000	200,000	1.2288-1.3788	2	-	For revolving fund	-	Promissory note	-	204,195	255,244	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).	
10	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Yes	Receivables from related parties	220,000	140,000	140,000	1.2288-1.3788	2	-	For revolving fund	-	Promissory note	-	148,535	185,669	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).	
11	Far Eastern Investment (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	757,160	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,544,658	3,544,658	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		Worldwide Polychem (HK) Limited	Yes	Other receivables - loans to related parties	329,200	329,200	-	-	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		PET Far Eastern (Holding) Ltd.	Yes	Other receivables - loans to related parties	987,600	987,600	-	-	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		Far Eastern Apparel (Holding) Ltd.	Yes	Other receivables - loans to related parties	987,600	987,600	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		FEDP (Holding) Ltd.	Yes	Other receivables - loans to related parties	329,200	329,200	55,964	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		Sino Belgium (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,800	493,800	121,804	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	3,544,658	3,544,658	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		Pet Far Eastern (M) Sdn Bhd.	Yes	Other receivables - loans to related parties	329,200	329,200	211,740	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	3,544,658	3,544,658	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		Far Eastern Polychem Industries Ltd.	Yes	Other receivables - loans to related parties	1,152,200	1,152,200	395,040	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		Far Eastern Apparel (Vietnam) Ltd.	Yes	Other receivables - loans to related parties	987,600	987,600	543,180	-	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		Oriental Textile (Holding) Ltd.	Yes	Other receivables - loans to related parties	3,292,000	3,292,000	1,339,844	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
Far Eastern Polytex (Holding) Ltd.	Yes	Other receivables - loans to related parties	2,633,600	2,633,600	2,152,968	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,430,822	13,292,466	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).			
12	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	658,400	658,400	-	-	1	1,766,917	-	-	Promissory note	-	1,766,917	1,830,016	Amounts allowed for ending period (Note T); maximum amounts allowed for the period (Note L).	
		Far Eastern Apparel (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	987,600	987,600	-	-	2	-	For revolving fund	-	Promissory note	-	1,307,154	3,921,462	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	987,600	987,600	207,396	-	2	-	For revolving fund	-	Promissory note	-	1,307,154	3,921,462	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).	

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	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			
13	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	\$ 1,580,160	\$ 1,580,160	\$ -	-	1	\$ 3,773,800	-	\$ -	Promissory note	\$ -	\$ 3,773,800	\$ 4,982,651	Amounts allowed for ending period (Note T); maximum amounts allowed for the period (Note L).
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	197,520	197,520	-	-	2	-	For revolving fund	-	Promissory note	-	3,559,036	10,677,109	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Sino Belgium (Holding) Ltd.	Yes	Other receivables - loans to related parties	329,200	329,200	-	1.3628	2	-	For revolving fund	-	Promissory note	-	2,847,229	2,847,229	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Industries (WuXi) Ltd.	Yes	Other receivables - loans to related parties	2,136,508	2,136,508	-	-	2	-	For revolving fund	-	Promissory note	-	3,559,036	10,677,109	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	2,022,150	2,022,150	-	-	2	-	For revolving fund	-	Promissory note	-	3,559,036	10,677,109	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Oriental Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	2,962,800	2,962,800	987,601	-	2	-	For revolving fund	-	Promissory note	-	3,559,036	10,677,109	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
14	Far Eastern Polychem Industries Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	230,440	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,625,488	4,625,488	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Industries (Shanghai) Ltd.	Yes	Other receivables - loans to related parties	2,172,720	2,172,720	-	-	1	9,392,086	-	-	Promissory note	-	8,094,604	8,094,604	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note L).
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	329,200	329,200	-	-	2	-	For revolving fund	-	Promissory note	-	5,781,860	17,345,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	329,200	329,200	-	-	2	-	For revolving fund	-	Promissory note	-	5,781,860	17,345,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	3,059,150	3,059,150	-	-	2	-	For revolving fund	-	Promissory note	-	5,781,860	17,345,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern Ishizuka Green Pet	Yes	Other receivables - loans to related parties	549,600	549,600	316,020	1.13929-1.14443	2	-	For revolving fund	-	Promissory note	-	4,625,488	4,625,488	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	1,283,880	1,283,880	348,952	-	2	-	For revolving fund	-	Promissory note	-	5,781,860	17,345,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (Shanghai) Ltd.	Yes	Other receivables - loans to related parties	3,226,160	2,238,560	625,480	-	2	-	For revolving fund	-	Promissory note	-	5,781,860	17,345,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
15	PET Far Eastern (Holding) Ltd.	Tong Da Air Industry (Yangzhou) Co., Ltd.	Yes	Other receivables - loans to related parties	1,646,000	1,316,800	-	-	2	-	For revolving fund	-	Promissory note	-	2,998,973	2,998,973	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	1,316,800	1,316,800	-	1.3628	2	-	For revolving fund	-	Promissory note	-	3,748,717	11,246,150	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	2,177,700	2,177,700	-	-	2	-	For revolving fund	-	Promissory note	-	3,748,717	11,246,150	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	1,264,128	625,480	-	-	2	-	For revolving fund	-	Promissory note	-	2,998,973	2,998,973	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
16	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	164,600	164,600	-	-	2	-	For revolving fund	-	Promissory note	-	337,993	1,013,978	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	427,960	296,280	296,280	-	2	-	For revolving fund	-	Promissory note	-	337,993	1,013,978	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	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			
17	Waldorf Services B.V.	Far Eastern Polychem Industries Ltd.	Yes	Other receivables - loans to related parties	\$ 493,800	\$ 493,800	\$ -	1.3628	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 593,635	\$ 1,780,906	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,800	493,800	-	1.3628	2	-	For revolving fund	-	Promissory note	-	593,635	1,780,906	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Oriental Textile (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,800	493,800	493,800	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	593,635	1,780,906	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
18	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	329,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	13,049,458	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Wuhan Far Eastern New Material Ltd.	Yes	Other receivables - loans to related parties	296,280	197,521	65,841	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	13,049,458	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	4,279,600	2,172,720	2,055,263	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	13,049,458	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N).
19	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	518,500	518,500	104,825	2.68389-3.37245	2	-	For revolving fund	-	Promissory note	-	2,092,990	4,651,089	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
20	Far Eastern Apparel (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,037,000	1,037,000	331,970	2.48874-3.37245	2	-	For revolving fund	-	Promissory note	-	1,188,189	2,640,420	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
21	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	518,500	362,950	-	2.67653-3.18567	2	-	For revolving fund	-	Promissory note	-	399,313	887,362	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
22	Oriental Industries (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Receivables from related parties	518,500	518,500	-	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	3,851,565	8,559,032	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
		Far Eastern Apparel (Suzhou) Ltd.	Yes	Receivables from related parties	518,500	518,500	-	3.30863	2	-	For revolving fund	-	Promissory note	-	3,851,565	8,559,032	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
		Far Eastern Industries (WuXi) Ltd.	Yes	Receivables from related parties	1,555,500	1,555,500	-	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	3,851,565	8,559,032	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
		Far Eastern Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,037,000	1,037,000	325,768	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	3,851,565	8,559,032	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Receivables from related parties	1,037,000	1,037,000	677,519	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	3,851,565	8,559,032	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
23	Sino Belgium Beer (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	51,850	51,850	-	-	2	-	For revolving fund	-	Promissory note	-	134,874	299,721	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
24	Far Eastern Industries (WuXi) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,555,500	1,555,500	23,768	2.48874-3.37245	2	-	For revolving fund	-	Promissory note	-	3,056,895	6,793,100	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
25	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Yes	Receivables from related parties	51,850	51,850	-	-	2	-	For revolving fund	-	Promissory note	-	410,521	1,231,563	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H).
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	103,700	103,700	-	-	2	-	For revolving fund	-	Promissory note	-	410,521	1,231,563	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H).
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	259,250	259,250	-	-	2	-	For revolving fund	-	Promissory note	-	410,521	1,231,563	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H).
		Shanghai Far Eastern Petrochemical Logistic Ltd.	Yes	Receivables from related parties	77,775	77,775	51,850	5.9	2	-	For revolving fund	-	Promissory note	-	410,521	1,231,563	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note H).

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	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			
26	Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	\$ 777,750	\$ 777,750	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,563,593	\$ 8,214,468	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	1,918,450	1,918,450	-	-	2	-	For revolving fund	-	Promissory note	-	3,650,875	3,650,875	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	622,200	622,200	2,499	3	2	-	For revolving fund	-	Promissory note	-	3,650,875	3,650,875	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
27	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	103,700	103,700	-	-	2	-	For revolving fund	-	Promissory note	-	521,515	938,727	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	51,850	51,850	62	3	2	-	For revolving fund	-	Promissory note	-	417,212	417,212	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
28	Far Eastern New Century (China) Investment Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	Yes	Receivables from related parties	62,220	62,220	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		Oriental Textile (Holding) Ltd.	Yes	Receivables from related parties	103,700	103,700	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		Wuhan Far Eastern New Material Ltd.	Yes	Receivables from related parties	103,700	103,700	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		Far Eastern Polychem Industries Ltd.	Yes	Receivables from related parties	103,700	103,700	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		PET Far Eastern (Holding) Ltd.	Yes	Receivables from related parties	103,700	103,700	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	777,750	777,750	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	6,014,600	6,014,600	-	-	2	-	For revolving fund	-	Promissory note	-	6,118,941	8,566,517	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note Q).
		Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	933,300	933,300	362,950	3	2	-	For revolving fund	-	Promissory note	-	979,031	979,031	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
29	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	259,250	259,250	259,250	3	2	-	For revolving fund	-	Promissory note	-	1,439,379	3,198,620	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note O).
		Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	622,200	622,200	622,200	3	2	-	For revolving fund	-	Promissory note	-	639,724	639,724	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).

Note: 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 September 30, 2015.

C. The limit is equal to 50% of the net value of the financier (based on reviewed financial statements) as of September 30, 2015.

D. The limit is equal to 10% of the net value of the financier (based on reviewed financial statements) as of June 30, 2015.

E. The limit is equal to 50% of the net value of the financier (based on reviewed financial statements) as of June 30, 2015.

F. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

G. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

H. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

I. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

J. The limit is equal to 40% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

K. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

L. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

M. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

(Continued)

- N. The limit is equal to 150% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- O. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- P. The limit is equal to 250% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- Q. The limit is equal to 350% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- R. The limit is equal to 10% of the net value of the financier (based on reviewed financial statements) as of September 30, 2015.
- S. The limit is equal to 20% of the net value of the financier (based on reviewed financial statements) as of September 30, 2015.
- T. The limit is equal to business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015  
(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 E)	Endorsement/ Guarantee Given by Subsidiaries on behalf of Parent (Note E)	Endorsement/ Guarantee Given on behalf of Companies in Mainland China (Note E)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 100,705,886	\$ 2,293,800	\$ 2,293,800	\$ 300,000	\$ -	1.14	\$ 201,411,771	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)	34,916,030	45,000	45,000	5,994	-	0.06	69,832,059	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
2	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	(Note A)	19,575,292	130,000	130,000	30,000	-	0.33	39,150,584	-	-	-	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)	19,575,292	250,000	250,000	100,000	-	0.64	39,150,584	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		PET Far Eastern (Holding) Ltd.	(Note C)	19,575,292	1,091,925	658,400	-	-	1.68	20,141,177	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L).
		Far Eastern Apparel (Holding) Ltd.	(Note A)	19,575,292	1,582,500	987,600	-	-	2.52	39,150,584	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Polychem Industries Ltd.	(Note C)	19,575,292	2,215,500	1,316,800	-	-	3.36	20,141,177	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L).
		Oriental Textile (Holding) Ltd.	(Note A)	19,575,292	2,848,500	1,876,440	-	-	4.79	39,150,584	-	-	-	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)	19,575,292	394,000	360,000	68,000	-	0.92	39,150,584	-	-	-	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)	19,575,292	300,000	300,000	300,000	-	0.77	39,150,584	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
3	Far Eastern Resources Development Co.	Far Eastern New Century Corporation	(Note D)	12,799,122	6,271,448	5,596,448	3,240,000	5,596,448	2.78	25,598,243	-	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 E)	Endorsement/Guarantee Given by Subsidiaries on behalf of Parent (Note E)	Endorsement/Guarantee Given on behalf of Companies in Mainland China (Note E)	Note
		Name	Relationship											
4	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	\$ 4,110,044	\$ 1,003,000	\$ 1,003,000	\$ 660,000	\$ 50,000	0.50	\$ 8,220,087	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	4,110,044	65,840	65,840	-	-	0.03	8,220,087	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
5	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	35,902,560	350,000	350,000	100,000	-	2.92	35,902,560	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K).
6	PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	100,705,886	4,279,600	4,279,600	3,230,300	-	2.12	201,411,771	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note H); maximum amounts allowed for the period (Note I).
7	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	100,705,886	1,141,925	1,012,300	492,516	-	2.59	201,411,771	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note H); maximum amounts allowed for the period (Note I).

- Note:
- 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. 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.
  - F. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor, based on latest reviewed financial statements.
  - G. The amount of the collateral/guarantee is equal to the net value of the guarantor, based on latest reviewed financial statements.
  - H. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company, based on latest reviewed financial statements.
  - I. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company, based on latest reviewed financial statements.
  - J. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on reviewed financial statements as of September 30, 2015) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on reviewed financial statements as of June 30, 2015).
  - K. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor, based on latest reviewed financial statements.
  - L. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on reviewed financial statements as of September 30, 2015) and the net value of Yuan Ding Investment Co., Ltd. (based on reviewed financial statements as of June 30, 2015).
  - M. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
  - N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows:
    - 1) Far Eastern Industries (WuXi) Ltd.: RMB12,239 thousand (NT\$63,459 thousand), the actual remittance was this same amount.
    - 2) Far Eastern Apparel (Suzhou) Ltd.: RMB2,100 thousand (NT\$10,889 thousand), the actual remittance was this same amount.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

SEPTEMBER 30, 2015

(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	September 30, 2015				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)	Investments accounted for using the equity method	750,511	\$ 19,668,565	22.33	\$ 24,166,454	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	4,800,024	16.92	4,230,975	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	81,216	1,414,299	9.17	1,876,090	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	129	1,483	0.03	2,077	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	140,278	1,959,687	19.65	-	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Investments accounted for using the equity method	135,000	1,718,991	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	40,392,565	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Investments accounted for using the equity method	557,354	98,406,412	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	124	8,630,304	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	8,269,964	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	7,942,584	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,583,219	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	9,300,860	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	6,049,610	90.54	-	
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,183,311	7,725,511	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	7,768,240	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,301,252	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,962,281	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,735,633	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	276,307	50.43	-	
Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,998	269,244	99.96	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,772	56,902	19.00	-		
Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,374	100.00	-		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	79,778	779,431	2.65	779,431		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note	
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	11,045	\$ 446,756	0.33	\$ 355,649	43,145 thousand shares pledged or mortgaged as collaterals for loans	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	82,169	1,636,373	9.28	1,898,104		
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,983	412,275	1.33	332,203		
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,869	1,099,315	25.23	1,913,791		
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	22,794,208	32.73	75,732,718		
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	3,052,549	26.96	-		
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	2,741,625	100.00	-		
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,305	1,490,394	41.86	-		
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	334,550	100.00	-		
	Yuan Faun Ltd.	(Note A)	Investments accounted for using the equity method	5,000	122,297	100.00	-		
	Yue Ming Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,729	72,165	45.50	-		
	Yuan Ding Leasing Corp.	(Note A)	Investments accounted for using the equity method	36,706	503,400	46.20	-		
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,104,717	100.00	-		
	Oriental Resources Development Ltd.	(Note A)	Investments accounted for using the equity method	34,242	325,491	70.00	-		
	Air Liquide Far Eastern Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,607,398	35.00	-		
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	316,650	29.80	-		
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	185,247	2,694,490	25.96	-		78,125 thousand shares pledged or mortgaged as collaterals for loans
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,173,209	12.86	-		16,500 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	75,268	1,420,818	16.87	-		
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	8,467,935	100.00	-		
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Investments accounted for using the equity method	119,653	1,437,268	14.92	-		
	Yue Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	832,378	18.96	-		
	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,490	21,477	1.00	-		
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	81,374	535,601	5.20	-		
Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-			
Taipei, Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - non-current	1,029	22,493	0.16	-			
Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-			

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	\$ 10,000	1.11	\$ -	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	-	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	6,234	218,190	0.72	218,190	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	103,003	1,060,382	3.60	1,060,382	
	Financial assets under asset management contracts (Note E) Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	200	12,480	-	12,480	
	Garnd Pacific Petrochemical Corporation	-	Financial assets at fair value through profit or loss - current	1,000	15,050	-	15,050	
	Hon Hai Precision Ind Co., Ltd.	-	Financial assets at fair value through profit or loss - current	315	26,964	-	26,964	
	Taipei, Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	26,000	-	26,000	
	Winbond Electronics Corporation	-	Financial assets at fair value through profit or loss - current	1,000	6,800	-	6,800	
	Foxconn Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	303	28,542	-	28,542	
	China Airlines Ltd.	-	Financial assets at fair value through profit or loss - current	2,000	22,500	-	22,500	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	275	14,107	-	14,107	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	300	13,485	-	13,485	
	Largan Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	5	12,800	-	12,800	
	Inotera Memories, Inc.	-	Financial assets at fair value through profit or loss - current	1,000	20,550	-	20,550	
	Zhen Ding Technology Holding Ltd.	-	Financial assets at fair value through profit or loss - current	225	21,195	-	21,195	
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	250	12,338	-	12,338	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,574,662	100.00	-	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	184,023	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	15,016	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	387,403	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	134,939	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note H)	1,716	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note D)	Investments accounted for using the equity method	(Note H)	174,015	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note D)	Investments accounted for using the equity method	(Note H)	30,879	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	(Note D)	Other liabilities - other	(Note H)	\$ (47)	99.00	\$ -	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	502,623	0.39	425,748	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,663	69,719	0.19	46,603	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,497	39,254	0.95	72,402	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	27,710	721,815	3.13	640,101	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	40,963	0.03	65,320	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	210,896	2.24	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,074	335,686	13.20	-	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	64	0.03	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	80,649	787,946	2.66	787,946	15,000 thousand shares pledged or mortgaged as collaterals for loans
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	757,994	0.60	650,665	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,123,773	1.05	2,424,579	23,800 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	35,524	793,996	4.01	820,604	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	573,768	1.45	361,760	
	Kowloon Cement Corp.	(Note A)	Investments accounted for using the equity method	1,127	473,847	49.00	-	
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	74,970	1,419,859	16.80	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	211,097	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	97,912	956,599	3.23	956,599	
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - non-current	819	28,665	0.10	28,665	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	8,423,931	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	637,849	9.46	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	271,595	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,609,114	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	172	116,211	85.15	-	
	Bank of Chungqing	-	Available-for-sale financial assets - non-current	3,883	88,196	0.14	88,196	
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost - non-current	4	71,916	10.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	147,413	\$ 1,943,723	98.95	\$ -	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,727	610,418	0.53	570,809	
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	1,590	55,643	0.19	55,643	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	552,891	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,419,653	100.00	-	
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	5	96	0.01	-	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,015	-	6,390	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	200	12,397	0.01	6,440	
Far Eastern General Contractor Co., Ltd.	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	26,127	0.09	26,127	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	7,572	45,376	2.72	-	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	450	5,124	9.00	-	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	3,431	50,096	-	50,096	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,129	110,108	-	110,108	
	Hua Nan Phoenix Money Market Fund.	-	Financial assets at fair value through profit or loss - current	3,116	50,047	-	50,047	
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,625	70,009	-	70,009	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,705	127,053	-	127,053	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,719	75,102	-	75,102	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss - current	552	97,070	-	97,070	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,572,610	100.00	-	
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,627)	50.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	499,158	37.92	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,531)	41.00	-	
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost - current	-	-	25.00	-	
	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	9.95	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,051,322	1.25	2,898,078	22,750 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	258,203	0.18	196,227	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	11,160	278,812	1.26	257,796	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	\$ 11,264	0.03	\$ 6,475	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	5,890	87,156	0.83	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,146	300,136	15.66	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	9,681	118,705	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	165,577	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	20,083	196,211	0.67	196,211	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	(Note A)	Investments accounted for using the equity method	745	12,228	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	3,865	41,578	0.14	41,578	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - non-current	3,504	28,519	3.56	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	17,903	0.02	36,920	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,748,999	3.08	7,116,827	34,100 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	39,619	1,241,202	2.77	693,333	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	49,705	1,765,765	5.61	1,148,186	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,174,165	0.85	920,244	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	209,899	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	77,257	312,001	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	23	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	36	57,245	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	33	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	-	Available-for-sale financial assets - current	10	171,115	13.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,407	189,610	0.64	189,610	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-	
	Bockhold N.V. - stock	-	Financial assets carried at cost - non-current	1	182,283	12.51	-	
	Financial assets under asset management contracts (Note E) Advantech Co., Ltd.	-	Financial assets at fair value through profit or loss - current	48	10,800	-	10,800	
	Eva Airways Corporation	-	Financial assets at fair value through profit or loss - current	428	7,875	-	7,875	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	698	35,807	-	35,807	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	361	\$ 16,227	-	\$ 16,227	
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	292	14,410	-	14,410	
	Yuanta Daily Taiwan 50 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	423	7,474	-	7,474	
	Foxconn Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	214	20,170	-	20,170	
	Taipei, Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	281	36,530	-	36,530	
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	843	52,603	-	52,603	
	Largan Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	4	10,240	-	10,240	
	Inotera Memories, Inc.	-	Financial assets at fair value through profit or loss - current	450	9,248	-	9,248	
	Innolux Corporation	-	Financial assets at fair value through profit or loss - current	1,200	12,300	-	12,300	
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	55,791	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	3,766,845	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,835,126	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,081,771	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	3,321,825	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	5,748,448	100.00	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	304,919	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,073,231	100.00	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	884,707	61.54	-	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,032,859	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	4,557,493	60.00	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,188,039	12.36	-	
	Shanghai Yuan Zi Information Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	74,607	100.00	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	574,311	8.11	-	
	Yuan Ding Enterprise (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	297,448	100.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	35,825	100.00	-	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	304	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	\$ 134,027	100.00	\$ -	
Far Eastern Industries (Yangzhou) Ltd.	Yoshizane Money Market Fund B	-	Financial assets at fair value through profit or loss - current	-	25,978	-	25,978	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	302,666	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	41,633	242,487	60.00	-	
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	4,550	54,986	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	-	9,262	17.70	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,502	185,486	61.99	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	23,913	(84,769)	53.08	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	85,000	549,310	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	214,735	0.16	171,594	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	109,620	0.13	295,644	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	129,637	1,886,123	25.02	-	104,000 thousand shares pledged or mortgaged as collaterals for loans
	Yue Ming Corp., Ltd.	(Note A)	Investments accounted for using the equity method	81	781	0.98	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,175	49,357	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	126,795	5.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	96,312	383,535	14.93	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	30,000	232,990	20.00	-	
	Far Eastern New Century Corporation	-	Financial assets at fair value through profit or loss - current	779	22,836	0.01	22,836	
Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,205	74,175	0.25	74,175		
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	79	(280)	0.18	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	22,515	174,856	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	46,226	46.13	-	
	Pacific SOGO Department Stores	-	Financial assets carried at cost - non-current	1	10	-	-	
	DFE DWS Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	43,423	160,598	-	160,598	
Far Eastern Electronic Commerce Co., Ltd.	Deutsche Far Eastern DWS Equity Fund	-	Financial assets at fair value through profit or loss - current	-	70,071	-	70,071	
FET Consulting Engineers Co., Ltd.	Yuan Tai Foreign Exchange	-	Financial assets carried at cost - non-current	480	4,800	4.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	\$ 53,982	53.87	\$ -	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	856	0.46	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	48,030	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	99,682	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	120	1,064	0.03	1,932	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	95,411	0.19	48,370	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,431	-	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	1	43,065	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,670	26,084	0.09	26,084	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	0.00	-	
Far EasTone Telecommunications Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	254,240	604,623	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	45,000	349,478	30.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,408	59,662	15.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,000	16,576	13.33	-	
	iScreen Corporation	(Note A)	Investments accounted for using the equity method	4,000	17,050	40.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	6,691	(21,568)	14.85	-	
	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,481,645	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	1,288,152	61.63	-	
	KGEx. com. Co., Ltd.	(Note A)	Investments accounted for using the equity method	112,391	930,718	99.99	-	
	Hiiir Inc.	(Note A)	Investments accounted for using the equity method	53,726	193,200	89.54	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,350	135,474	99.99	-	
	E. World (Holdings) Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	
	Far EasTron Holding Ltd.	(Note A)	Investments accounted for using the equity method	4,487	27,677	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Other liabilities - other	1	(9,051)	100.00	-	
	O-music Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,500	2,687	50.00	-	
Q-Ware Communication Co., Ltd. App Works Fund II Co., Ltd.		(Note A)	Other liabilities - other	33,983	(68,009)	81.46	-	
		-	Financial assets carried at cost - non-current	15,000	150,000	12.11	-	
		-	Available-for-sale financial assets - current	5	188,716	-	188,716	
Opas Fund Segregated Portfolio Tranche C		-	Available-for-sale financial assets - current	4,134	164,350	-	164,350	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	80,000	\$ 608,915	100.00	\$ -	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	14,878	96,680	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	4,320	32,740	100.00	-	
	Simple InfoComm Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,400	20,940	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,469	19,887	5.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	2,392	(7,711)	5.31	-	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	Bank Pro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	196,486	70.00	-	
	THI Consultants, Inc.	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	-	Investments accounted for using the equity method	-	160	100.00	-	
	Far Eastern New Diligent Co., Ltd.	-	Investments accounted for using the equity method	-	97,032	100.00	-	
	New Diligent (HK) Ltd.	-	Investments accounted for using the equity method	-	-	-	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Investments accounted for using the equity method	-	44,154	100.00	-	
	Home Master Technology Ltd.	(Note A)	Other liabilities - other	-	(7,295)	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technologies (Shanghai) Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	11,239	100.00	-	
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	4,116	2.12	-	
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	149,350	76.92	-	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	94,482	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	67,496	41.67	-	

- Notes:
- A. Equity-method investee.
  - B. Investor company and investee have the same chairman.
  - C. The vice chairman of investee is the chairman of FENC.
  - D. The chairman of FENC is the vice chairman of the investee company.
  - E. 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 FENC's chairman.
- G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- H. A private company.
- I. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.
- J. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedule M and N.

(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 NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,032,195	\$ 6,665,722	151,116	\$ 1,511,163	-	\$ -	\$ -	\$ -	\$ (451,374)	1,183,311	\$ 7,725,511
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	89	7,009,140	21	1,300,271	-	-	-	-	158,524	110	8,467,935
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US\$ 132,802	(Note B)	US\$ 40,740	-	-	-	-	US\$ 1,077	(Note B)	US\$ 174,619
Yuan Ding Company Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	9,833	119,481	31,800	318,000	-	-	-	-	(194,994)	41,633	242,487
Ding Ding Integrated Marketing Services Co., Ltd.	DDIM (Virgin Islands) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	-	(Note B)	357,940	-	-	-	-	(311,714)	(Note B)	46,226
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US\$ (3,506)	(Note B)	US\$ 11,000	-	-	-	-	US\$ (4,466)	(Note B)	US\$ 3,028
Ding Ding Integrated Marketing Services Co., Ltd.	DFE DWS Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	45,158	520,000	31,232	360,000	359,631	369	-	13,926	160,369
Far Eastern Industries (Yangzhou) Ltd.	Yoshizane Money Market Fund B	Financial assets at fair value through profit or loss - current	-	-	-	-	100,000	RMB 100,000	94,990	RMB 96,015	RMB 94,990	RMB 1,025	-	5,010	RMB 5,010
Far Eastern Construction Co., Ltd.	Hua Nan Phoenix Money Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	18,746	300,000	18,746	300,030	300,000	30	-	-	-
	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,712	300,000	27,712	300,268	300,000	268	-	-	-
Far Eastern General Contractor Co., Ltd.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	30,488	330,021	21,651	235,000	42,010	455,345	455,021	324	-	10,129	110,000
	Hua Nan Phoenix Money Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	36,477	430,000	36,477	430,185	430,000	185	-	-	-
	UPAMC James Bond Mouey Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	22,379	368,000	14,674	241,124	241,000	124	-	7,705	127,000
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	20,783	330,000	16,064	255,093	254,966	127	-	4,719	75,034
New Century InfoComm Co., Ltd.	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	11,499	445,500	-	-	11,499	505,614	445,500	60,114	-	-	-

Notes: A. Subsidiary.

B. A private company

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms	
							Property Owner	Relationship	Transaction Date	Amount				
Far Eastern Resources Development Co.	Lands located in Bangiao Xin-Ya and Bangiao Ya-Tong section, New Taipei City	February 2, 2015	\$ 1,892,370	(Note)	Oriental Institute of Technology (OIT)	The buyer and the counterparty have the same chairman	Far Eastern New Century Corporation	Parent company	From 1973 to 1978	\$ 2,244	Elite Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm CCIS Real Estate Joint Appraisers Firm	Future operation planning	Referencing Institute of Technology - Taiwan Ministry of Education (2) letter No. 103016686, the land increment tax and other taxes amounting to NT\$158,255 thousand incurred from the seller were paid by Far Eastern Resources Development Co.	
							National Property Administration	-	September 16, 1989	4,124				REPro Real Estate Joint Appraisers Firm
							Taoyuan Irrigation Association	-	June 29, 1979	235				

Note: Far Eastern Resources Development Co. (FERD) exchanged its investment properties - land amounting to NT\$1,115,520 thousand and paid an extra NT\$776,580 thousand to Oriental Institute of Technology (OIT) for this exchange.

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Far Eastern Resources Development Co.	Land No. 1006 located in Bangiao Ya-Tong section, New Taipei City	March 3, 2015	June 10, 2004	\$ 1,048,780	\$ 1,878,322	(Note B)	\$ 815,643	Far Eastern Medical Foundation	(Note A)	Operation planning	Elite Appraisers Firm REPro Real Estate Joint Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office	-
	Lands located in Bangiao Ya-Tong section, New Taipei City	February 2, 2015	June 10, 2004	949,458	1,115,520	(Note C)	167,986	Oriental Institute of Technology (OIT)	(Note A)	Operation planning	Sinyi Real Estate Appraisers Firm Elite Appraisers Firm REPro Real Estate Joint Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm CCIS Real Estate Joint Appraisers Firm	-

Note: A. The chairman of the Company is the chairman of FENC.

B. The payment was made by NT\$78,322 thousand cash and the rest NT\$1,800,000 thousand will be paid by installment annually.

C. Far Eastern Resources Development Co. (FERD) exchanged its land with fair value NT\$1,892,370 thousand and paid an extra NT\$776,580 thousand to Oriental Institute of Technology (OIT) for this exchange.

## 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 NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern New Century Corporation	Oriental Resources Development Ltd.	(Note A)	Purchase	\$ 244,285	1	Based on contract	\$ -	-	\$ -	-	\$ (26,260)	(1)	
	Oriental Petrochemical (Taiwan) Co.	(Note A)	Purchase	5,148,049	16	Based on contract	-	-	-	-	(410,504)	(15)	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,321,727)	(4)	Based on contract	-	-	-	-	673,763	9	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	(528,398)	(1)	Based on contract	-	-	-	-	198,338	3	
	Far Eastern Industries (WuXi) Ltd.	(Note A)	Sale	(153,873)	-	Based on contract	-	-	-	-	13,868	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(108,673)	-	Based on contract	-	-	-	-	24,746	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Sale	(212,490)	(1)	Based on contract	-	-	-	-	28,295	-	
	Fu-Da Transport Corp.	(Note G)	Purchase	102,613	-	Based on contract	-	-	-	-	(5,901)	-	
	Oriental Union Chemical Corp.	(Note D)	Purchase	1,092,529	3	Based on contract	-	-	-	-	(107,585)	(4)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note E)	Sale	(241,814)	(1)	Based on contract	-	-	-	-	49,961	1	
Everest Textile Co., Ltd.	(Note D)	Sale	(234,422)	(1)	Based on contract	-	-	-	-	7,310	-		
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Sale	(276,570)	(74)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Purchase	1,847,474	53	Based on contract	-	-	-	-	(453,232)	(52)	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Purchase	829,367	24	Based on contract	-	-	-	-	(224,628)	(26)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	795,700	23	Based on contract	-	-	-	-	(193,594)	(22)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(160,289)	(4)	Based on contract	-	-	-	-	45,212	17	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note C)	Purchase	171,820	7	Based on contract	-	-	-	-	(19,826)	(5)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	146,612	6	Based on contract	-	-	-	-	(30,339)	(7)	
	Far Eastern Apparel (Holding) Ltd.	(Note B)	Sale	(1,847,474)	(66)	Based on contract	-	-	-	-	453,232	68	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sale	(148,575)	(5)	Based on contract	-	-	-	-	31,810	5	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	528,398	3	Based on contract	-	-	-	-	(198,338)	(6)	
	Oriental Petrochemical (Shanghai) Corp.	(Note C)	Purchase	3,374,366	22	Based on contract	-	-	(1,298,035)	(100)	(415,504)	(13)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	111,677	1	Based on contract	-	-	-	-	(86,895)	(3)	
	Far Eastern Polychem Industries Ltd.	(Note B)	Sale	(5,455,888)	(33)	Based on contract	-	-	-	-	616,518	31	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(683,535)	(4)	Based on contract	-	-	-	-	352,621	18	
	Worldwide Polychem (HK) Ltd.	(Note C)	Sale	(181,575)	(1)	Based on contract	-	-	-	-	26,801	1	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(146,612)	(1)	Based on contract	-	-	-	-	30,339	2	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note C)	Purchase	1,166,393	53	Based on contract	-	-	(443,122)	(100)	(149,972)	(64)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(1,873,721)	(84)	Based on contract	-	-	682,379	93	191,849	58	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Purchase	5,455,888	93	Based on contract	-	-	-	-	(616,518)	(68)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	299,154	5	Based on contract	-	-	-	-	(62,428)	(7)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(618,888)	(10)	Based on contract	-	-	-	-	211,028	19	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(171,899)	(3)	Based on contract	-	-	-	-	39,798	3	
Oriental Petrochemical (Shanghai) Corp.	PET Far Eastern (Holding) Ltd.	(Note B)	Purchase	276,570	2	Based on contract	-	-	-	-	(333,559)	(48)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(3,374,366)	(31)	Based on contract	-	-	1,298,035	45	415,504	73	
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Sale	(1,166,393)	(11)	Based on contract	-	-	443,122	16	149,972	27	
Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	(Note B)	Sale	(5,148,049)	(51)	Based on contract	-	-	-	-	410,504	41	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Purchase	1,873,721	39	Based on contract	-	-	(682,379)	(100)	(191,849)	(29)	
	Oriental Textile (Holding) Ltd.	(Note B)	Sale	(2,322,581)	(43)	Based on contract	-	-	-	-	589,386	41	

(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 Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd. Far Eastern Industries (WuXi) Ltd.	(Note A) (Note A)	Purchase	\$ 2,322,581	88	Based on contract	\$ -	-	\$ -	-	\$ (589,386)	(87)	
			Purchase	327,043	12	Based on contract	-	-	-	-	(89,605)	(13)	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note F)	Sale	(171,691)	(10)	Based on contract	-	-	-	-	35,518	16	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd. Far Eastern New Century Corporation Far Eastern Apparel (Holding) Ltd.	(Note C) (Note B) (Note C)	Purchase	160,289	12	Based on contract	-	-	-	-	(45,212)	(30)	
			Purchase	108,673	8	Based on contract	-	-	-	-	(24,746)	(17)	
			Sale	(795,700)	(52)	Based on contract	-	-	-	-	193,594	64	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	618,888	57	Based on contract	-	-	-	-	(211,028)	(90)	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd.	(Note C) (Note C) (Note C) (Note C)	Purchase	683,535	60	Based on contract	-	-	-	-	(352,621)	(76)	
			Purchase	171,899	15	Based on contract	-	-	-	-	(39,798)	(9)	
			Sale	(111,677)	(9)	Based on contract	-	-	-	-	86,895	34	
			Sale	(299,154)	(24)	Based on contract	-	-	-	-	62,428	24	
Worldwide Polychem (HK) Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern New Century Corporation	(Note C) (Note B)	Purchase	181,575	11	Based on contract	-	-	-	-	(26,801)	(3)	
			Purchase	1,321,727	80	Based on contract	-	-	-	-	(673,763)	(88)	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp. Far Eastern Department Stores Co., Ltd.	(Note H) (Note F)	Purchase	292,332	11	Based on contract	-	-	-	-	(3,892)	(1)	
			Construction revenue	(116,922)	(4)	Based on contract	-	-	-	-	271,016	43	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(244,285)	(60)	Based on contract	-	-	-	-	26,260	48	
Far Eastern Industries (WuXi) Ltd.	Far Eastern New Century Corporation Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Textile (Holding) Ltd.	(Note B) (Note C) (Note B)	Purchase	153,873	7	Based on contract	-	-	-	-	(13,868)	(21)	
			Sale	(171,820)	(7)	Based on contract	-	-	-	-	19,826	6	
			Sale	(327,043)	(14)	Based on contract	-	-	-	-	89,605	29	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd. Far Eastern New Century Corporation An Ho Garment (Suzhou) Co., Ltd. Far Eastern Apparel (Holding) Ltd.	(Note C) (Note B) (Note A) (Note C)	Purchase	148,575	8	Based on contract	-	-	-	-	(31,810)	(5)	
			Purchase	212,490	11	Based on contract	-	-	-	-	(28,295)	(5)	
			Purchase	201,823	10	Based on contract	-	-	-	-	(74,703)	(13)	
			Sale	(829,367)	(39)	Based on contract	-	-	-	-	224,628	48	
An Ho Garment (Suzhou) Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note B)	Sale	(201,823)	(100)	Based on contract	-	-	-	-	74,703	100	
Yuan Cheng Human Resources Consultant Corp.	Far Eastern International Bank	(Note I)	Sale	(102,848)	(42)	Based on contract	-	-	-	-	-	-	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note A)	Operating revenues	(171,969)	-	Based on contract	-	-	-	-	87,925	1	
			Cost of telecommunications services, marketing expenses and cost of sales	11,938,688	26	Based on contract	-	-	-	-	(1,236,438)	(13)	
	New Century InfoComm Tech Co., Ltd.	(Note A)	Operating revenues	(576,238)	(1)	Based on contract	-	-	-	-	2,449	-	(Note J)
			Cost of telecommunications services	2,795,920	8	Based on contract	-	-	-	-	(532,902)	(6)	
	KGEx. com Ltd. Omusic Co., Ltd.	(Note A) (Note A)	Operating revenues	(128,914)	-	Based on contract	-	-	-	-	24,186	-	
			Operating costs	144,258	-	Based on contract	-	-	-	-	(38,786)	-	(Note K)
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(2,795,920)	(28)	Based on contract	-	-	-	-	532,902	34	
			Cost of telecommunications services	576,238	9	Based on contract	-	-	-	-	(2,449)	-	
	KGEx. com Ltd.	(Note C)	Operating costs	115,839	2	Based on contract	-	-	-	-	(42,714)	(6)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	\$(11,938,688)	(78)	Based on contract	\$ -	-	\$ -	-	\$ 1,236,438	81	
			Cost of sales and cost of telecommunications services	171,969	1	Based on contract	-	-	-	-	(87,925)	(4)	
KGEx. com Ltd.	Far EasTone Telecommunications Co., Ltd. New Century InfoComm Tech Co., Ltd.	(Note B)	Operating costs	128,914	33	Based on contract	-	-	-	-	(24,186)	(43)	
		(Note C)	Operating revenues	(115,839)	(26)	Based on contract	-	-	-	-	42,714	32	
Omusic Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(144,258)	(99)	Based on contract	-	-	-	-	38,786	99	

Note: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

D. The equity-method investee.

E. The equity-method investee of FENC's subsidiary.

F. The Equity-method investee of FENC.

G. The chairman is the vice chairman of the ultimate parent company.

H. The chairman is the chairman of the ultimate parent company.

I. The vice chairman is the chairman of the ultimate parent company.

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

K. Including the receivables collected by Far EasTone for NCIC.

(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 NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 673,763	3.17	\$ -	\$ -	\$ 190,505	\$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	198,338	4.84	-	-	79,587	-
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	616,518	20.08	-	-	526,720	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	352,621	2.99	-	-	51,850	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	874,228	2.78	-	-	191,849	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	211,028	3.00	-	-	47,024	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	193,594	6.95	-	-	145,387	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	1,713,539	2.66	-	-	415,504	-
	Far Eastern Industries (Suzhou) Ltd.	(Note D)	593,094	2.63	-	-	149,972	-
Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	(Note C)	410,504	13.71	-	-	410,504	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	589,386	5.41	-	-	260,180	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	453,232	7.06	-	-	187,458	-
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	224,628	4.71	-	-	219,771	-
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Co., Ltd.	(Note B)	182,929	(Note E)	-	-	101,017	-
New Century InfoComm Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	6,912,548	(Note F)	-	-	543,156	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	1,236,438	11.38	-	-	1,236,438	-

Note: A. For the receivables from the financier in the Group, please refer to Schedule D.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

E. The turnover rate was unavailable as the receivables from related parties were mainly due to the advances made for NCIC's daily operating expenditures and the management service charges to NCIC.

F. The turnover rate was unavailable as the receivables from related parties were due to the collection of telecommunications bills by Far EasTone for NCIC.

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015  
(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 Polychem Industries Ltd.	1	Other receivables	\$ 1,944,350	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest receivables	28,371	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest revenue	31,058	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Other receivables	2,022,150	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest receivables	35,277	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest revenue	46,437	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Sales	212,490	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Accounts receivable	673,763	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Sales	1,321,727	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	528,398	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	198,338	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Sales	153,873	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Sales	108,673	Based on agreement	-
1	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Other receivables	537,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	691,000	Based on agreement	-
		An Ho Garment Co., Ltd	3	Other receivables	400,000	Based on agreement	-
2	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	1	Interest revenue	132	Based on agreement	-
3	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	211,028	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	618,888	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Other receivables	625,480	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Interest receivables	3,630	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	1	Other receivables	316,020	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	1	Interest revenue	2,110	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	348,952	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Interest receivables	2,025	Based on agreement	-
Wuhan Far Eastern New Material Ltd.	3	Sales	171,899	Based on agreement	-		
4	Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	2	Accounts receivable	410,504	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	5,148,049	Based on agreement	3
5	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Other receivables	395,040	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	1,041	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other receivables	2,152,968	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest revenue	18,247	Based on agreement	-
		FEDP (Holding) Ltd.	3	Other receivables	55,964	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interest revenue	184	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)
		Oriental Textile (Holding) Ltd.	3	Other receivables	\$ 1,339,844	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	20,440	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest revenue	2,133	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	211,740	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest receivables	56,375	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest revenue	1,704	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Other receivables	543,180	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	121,804	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	1,989	Based on agreement	-
6	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	1	Sales	276,570	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	900	Based on agreement	-
7	Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	1	Other receivables	65,841	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	1	Interest receivables	100	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	1	Other receivables	2,055,263	Based on agreement	-
8	Yuan Ding Company Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Other receivables	329,200	Based on agreement	-
9	FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	1	Other receivables	296,280	Based on agreement	-
10	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	1	Other receivables	987,601	Based on agreement	-
11	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1	Other receivables	207,396	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Sales	160,289	Based on agreement	-
12	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	244,285	Based on agreement	-
13	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	193,594	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	795,700	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	379,385	Based on agreement	-
14	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Corp.	3	Other receivables	2,499	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Accounts receivable	616,518	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Sales	5,455,888	Based on agreement	3
		Worldwide Polychem (HK) Ltd.	3	Sales	181,575	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	352,621	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	683,535	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	146,612	Based on agreement	-
15	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Other receivables	259,250	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Other receivables	622,200	Based on agreement	-
16	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	2	Accounts receivable	453,232	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Sales	1,847,474	Based on agreement	1
		Far Eastern Apparel (Suzhou) Ltd.	3	Sales	148,575	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	104,825	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	138	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)
17	Waldorf Services B.V.	Far Eastern Investment (Holding) Ltd.	2	Interest revenue	\$ 679	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	493,800	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest receivables	3,107	Based on agreement	-
18	An Ho Garment (Suzhou) Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales	201,823	Based on agreement	-
19	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	415,504	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	1,298,035	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	3,374,366	Based on agreement	2
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	149,972	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Notes receivable	443,122	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	1,166,393	Based on agreement	1
		Shanghai Far Eastern Petrochemical Logistic Ltd.	1	Other receivables	51,850	Based on agreement	-
20	Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	2	Sales	327,043	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	23,768	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	171,820	Based on agreement	-
21	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	589,386	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales	2,322,581	Based on agreement	1
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	325,768	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	677,519	Based on agreement	-
22	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	191,849	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Notes receivable	682,379	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	1,873,721	Based on agreement	1
23	Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Sales	299,154	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	111,677	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Other receivables	62	Based on agreement	-
24	Far Eastern Apparel (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables	331,970	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	797	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	224,628	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	829,367	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	693,829	Based on agreement	-
25	Far Eastern New Century (China) Investment Ltd.	Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	362,950	Based on agreement	-
26	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	200,000	Based on agreement	-
27	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	140,000	Based on agreement	-
28	Yuan Ding Integrated Information Service (Shanghai) Inc.	Yuan Ding Company Ltd.	2	Interest receivables	633	Based on agreement	-

(Continued)

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

1. The Company: 0.
2. 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 NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				September 30, 2015	December 31, 2014	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	750,511	22.33	\$ 19,668,565	\$ 4,422,089	\$ 623,677	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	241,770	16.92	4,800,024	1,008,030	169,450	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,414,299	222,638	20,416	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,483	268,142	80	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	1,959,687	(300,565)	(59,061)	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	810,000	810,000	135,000	16.83	1,718,991	42,372	7,131	(Note A)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,041	100,041	1,822,822	99.40	40,392,565	4,136,912	4,068,132	Including write off and reversed by side-stream transactions \$(43,957) thousand, (Notes B and H)
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate construction and selling	14,931,733	14,931,733	557,354	100.00	98,406,412	1,829,356	1,841,402	\$12,046 thousand
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,678,309	7,678,309	124	100.00	8,630,304	(272,250)	(272,250)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	8,269,964	15,319	11,189	(Note B)
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,942,584	139,732	147,161	\$7,429 thousand
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,843	100.00	5,583,219	450,362	450,362	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	9,300,860	757,466	757,466	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	5,811,250	333	90.54	6,049,610	(749,330)	(671,148)	Including premium and discount amortization \$7,295 thousand, (Note B)
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	10,919,967	9,408,804	1,183,311	75.56	7,725,511	(559,583)	(451,375)	Including write off and reversed by upstream transactions \$(28,554) thousand, (Note B and H)
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	7,768,240	1,256,713	818,246	(Note B)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,511	857,511	186,929	37.13	3,301,252	38,249	19,489	Including write off and reversed by side-stream transactions \$5,287 thousand, (Note B and I)
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Investment	1,023	1,023	66,346	100.00	1,962,281	168,907	161,986	Including write off and reversed by side-stream transactions \$(6,921) thousand, (Note B)
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,735,633	85,387	79,667	Including write off and reversed by side-stream transactions \$(5,720) thousand, (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	276,307	(131,583)	(66,357)	(Note B)
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,076	9,129	3,998	99.96	269,244	99,429	99,399	(Note B)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	393,651	393,651	19,772	19.00	56,902	(244,770)	(46,506)	(Note B)
	Far Eastern Textile Ltd.	Taipei, Taiwan	Chemical fiber production	1,000	1,000	100	100.00	1,374	66	66	(Note B)
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	316,556	316,556	11,045	0.33	446,756	4,422,089	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,321,883	1,321,883	82,169	9.28	1,636,373	222,638	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	396,481	169,831	18,983	1.33	412,275	1,008,030	-	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,099,315	268,142	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,794,208	9,357,200	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	3,052,549	15,319	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment	2,179,442	2,179,442	111	100.00	2,741,625	131,253	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Investment	263,790	263,790	27,305	41.86	1,490,394	498,556	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	334,550	(32,061)	-	(Note B)
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	122,297	3,879	-	(Note B)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	97,852	97,852	3,729	45.50	72,165	2,314	-	(Note A)
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	503,400	177,519	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taipei, Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,104,717	99,327	-	(Note B)
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	325,491	(18,524)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,607,398	893,189	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	316,650	372,454	-	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,694,490	(300,565)	-	(Note A)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,173,209	38,249	-	(Note B)
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	1,420,818	1,539,156	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment	7,142,602	5,842,331	110	100.00	8,467,935	5,882	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				September 30, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	\$ 796,491	\$ 796,491	119,653	14.92	\$ 1,437,268	\$ 42,372	- (Note A)	
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	673,704	673,704	98,198	18.96	832,378	522,460	- (Note A)	
	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,490	1.00	21,477	28,200	- (Note B)	
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	415,679	311,759	81,374	5.20	535,601	(559,583)	- (Note B)	
	FETG Investment Antilles N.V.	Antillem	Investment	US\$ 6	US\$ 6	6	100.00	1,574,662	381,600	- (Note B)	
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	- (Note A)	
	PET Far Eastern (M) Sdn. Bhd. Com2B	Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50.00	184,023	29,983	- (Notes B and C)	
	Far Eastern Apparel (Vietnam) Ltd.	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	15,016	-	- (Note A)	
	Worldwide Polychem (HK) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100.00	387,403	117,697	- (Notes B and D)	
	Opas Fund Segregated Portfolio Company	Hong Kong	Polyester production trading	US\$ 3,500	US\$ 3,500	2,700	100.00	134,939	33,246	- (Note B)	
Far Eastern Polyex (Vietnam) Ltd.	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34.00	1,716	9	- (Note A)		
	Vietnam	Chemical fiber and textile production	US\$ 5,300	US\$ -	-	100.00	174,015	(440)	- (Note B)		
Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 900	US\$ -	-	100.00	30,879	1,195	- (Note B)		
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	Malaysia	Garment production	IDR -	IDR -	-	99.00	(47)	-	- (Note B)	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	13,222	0.39	502,623	4,422,089	- (Note A)	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	54,812	54,812	2,663	0.19	69,719	1,008,030	- (Note A)	
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	73,656	70,428	4,497	0.95	39,254	268,142	- (Note A)	
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	684,551	596,353	27,710	3.13	721,815	222,638	- (Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	40,963	9,357,200	- (Note B)	
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	210,896	42,372	- (Note A)	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	11,074	13.20	335,686	51,746	- (Note A)	
	Fu Kwok Garment Manufacturing Co., Ltd.	Taipei, Taiwan	Clothing manufacturing	50	-	1	0.03	64	99,429	- (Note B)	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	483,448	483,448	20,207	0.60	757,994	4,422,089	- (Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,123,773	9,357,200	- (Note B)	
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	816,803	816,803	35,524	4.01	793,996	222,638	- (Note A)	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	519,473	519,473	20,672	1.45	573,768	1,008,030	- (Note A)	
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	473,847	-	- (Note A)	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,419,859	1,539,156	- (Note A)	
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	211,097	42,372	- (Note A)	
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	637,849	(749,330)	- (Note B)	
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	271,595	(131,583)	- (Note B)	
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET production and sale	JPY 1,422,092	JPY 1,200,000	172	85.15	116,211	(95,284)	- (Note B)	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	271,587	271,587	147,413	98.95	1,943,722	28,200	- (Note B)	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	216,959	216,959	17,727	0.53	610,418	4,422,089	- (Note A)	
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	29	29	5	0.01	96	51,746	- (Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	6,352	-	90	-	6,015	9,357,200	- (Note B)	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	7,348	-	200	0.01	12,397	4,422,089	- (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	5,124	9,472	- (Note B)	
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	1,572,610	381,678	- (Note B)	
Waldorf Services B.V.	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	(11,627)	-	- (Note A)	
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production	SGD 3,000	SGD 3,000	30	37.92	499,158	16,001	- (Note A)	
	Far Eastern International Garments	Philippines	Garment production	US\$ 290	US\$ 290	59	41.00	(12,531)	-	- (Note A)	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,051,322	9,357,200	- (Note B)	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	206,551	206,551	6,094	0.18	258,203	4,422,089	- (Note A)	
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	286,049	286,049	11,160	1.26	278,812	222,638	- (Note A)	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	10,483	10,483	370	0.03	11,264	1,008,030	- (Note A)	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	95,103	95,103	5,890	0.83	87,156	(300,565)	- (Note A)	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	13,146	15.66	300,136	51,746	- (Note B)	
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	67,285	67,285	9,681	1.21	118,705	42,372	- (Note A)	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	165,577	4,136,912	- (Note B)	
Yuan Faun Ltd.	Far Eastern Resources Development Co	Taipei, Taiwan	Investment	7,214	7,214	745	55.19	12,228	3,436	- (Note B)	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	17,903	9,357,200	- (Note B)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				September 30, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	\$ 2,246,035	\$ 2,246,035	100,237	3.08	\$ 2,748,999	\$ 9,357,200	\$ -	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.77	1,241,202	1,008,030	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,755,017	1,511,986	49,705	5.61	1,765,765	222,638	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	888,648	888,648	28,579	0.85	1,174,165	4,422,089	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	209,899	42,372	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	312,001	(263,000)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	20	20	1	-	23	893,189	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,191,960	36	90.88	57,245	(183,262)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	33	372,454	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and investment	SGD 7,354	SGD -	10	13.00	171,115	-	-	(Note B)
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	302,666	38,194	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	240,000	240,000	41,633	60.00	242,487	2,737	-	(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	54,986	9,472	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	-	17.70	9,262	1,636	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	645,021	645,021	64,502	61.99	185,486	(244,770)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	239,130	239,130	23,913	53.08	(84,769)	(183,939)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taipei, Taiwan	Business consulting	822,701	822,701	85,000	100.00	549,310	-	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,037	136,037	5,329	0.16	214,735	4,422,089	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	100,412	100,412	4,164	0.13	109,620	9,357,200	-	(Note B)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	411,187	411,187	129,637	25.02	1,886,123	522,460	-	(Note A)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	787	787	81	0.98	781	2,314	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	22,676	22,676	2,175	2.59	49,357	51,746	-	(Note A)
	FEDS Asia Pacific Development Ltd.	Taipei, Taiwan	Department store operations	100,000	100,000	10,650	5.00	126,795	-	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	383,535	(263,000)	-	(Note B)	
Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	300,000	300,000	30,000	20.00	232,990	(189,098)	-	(Note B)	
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	745	745	79	0.18	(280)	(183,939)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	225,150	225,150	22,515	15.01	174,856	(189,098)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	-	-	46.13	46,226	(143,489)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	-	53.87	53,982	(143,489)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	2,451	16,173	120	0.03	1,064	268,142	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	51,673	51,673	2,764	0.19	95,411	1,008,030	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	862	862	61	-	2,431	4,422,089	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	1	82.30	43,065	1,636	-	(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	26,481,645	2,299,296	-	(Note B)
	ARCOA Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	1,288,152	163,245	-	(Note B)
	KGEx. com. Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	2,540,442	2,540,442	112,391	99.99	930,718	39,093	-	(Note B)
	Hiiir Inc.	Taipei, Taiwan	Electronic information providing services	537,260	537,260	53,726	89.54	193,200	(245,830)	-	(Note B)
	Yuan Cing Co., Ltd.	Taipei, Taiwan	Call center services	101,371	101,371	19,350	99.99	135,474	8,857	-	(Note B)
	E. World (Holdings) Ltd.	Cayman Islands	Investment	-	82,883	-	-	-	(215)	-	(Note B)
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	27,677	629	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	(9,051)	(14,867)	-	(Note B)
	Omusic Co., Ltd.	Taipei, Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	2,687	5,435	-	(Note B)
	Q-ware Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(68,009)	(5,998)	-	(Note B)
Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic information providing services and electronic toll collection service	2,542,396	2,542,396	254,240	39.42	604,623	(263,000)	-	(Note B)	
Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	450,000	450,000	45,000	30.00	349,478	(189,098)	-	(Note B)	
Ding Ding Integrated Marketing Service Co., Ltd.	Taipei, Taiwan	Marketing	139,500	60,000	10,408	15.00	59,662	2,694	-	(Note B)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				September 30, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
	Alliance Digital Technology Co., Ltd.	Taipei, Taiwan	Electronic information providing services	\$ 30,000	\$ 30,000	3,000	13.33	\$ 16,576	\$ (49,222)	\$ -	(Note A)
	iScreen Corporation	Taipei, Taiwan	Information service	100,000	100,000	4,000	40.00	17,050	1,360	-	(Note A)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	80,893	80,893	6,691	14.85	(21,568)	(183,939)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taipei, Taiwan	Sale of communications products	141,750	141,750	12,866	70.00	196,486	35,798	-	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taipei, Taiwan	Investments	800,000	800,000	80,000	100.00	608,915	(23,726)	-	(Note B)
	Information Security Service Digital United Inc.	Taipei, Taiwan	Security and monitoring service via internet	148,777	148,777	14,878	100.00	96,680	(5,810)	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investments	132,406	132,406	4,320	100.00	32,740	(7,771)	-	(Note B)
	Simple InfoComm Co., Ltd.	Taipei, Taiwan	Electronic information providing services	34,000	34,000	3,400	100.00	20,940	35	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	28,922	28,922	2,392	5.31	(7,711)	(183,939)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taipei, Taiwan	Marketing	46,500	20,000	3,469	5.00	19,887	2,694	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	-	100.00	160	(66)	-	(Note B)
	Far Eastern New Diligent Company Ltd.	British Virgin Islands	Investments	133,048	133,048	-	100.00	97,032	(28,478)	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investments	-	-	-	-	-	-	-	(Note J)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	44,154	(5,628)	-	(Note B)
	Home Master Technology Ltd.	Taipei, Taiwan	Sale of communications products	10,000	9,999	-	100.00	(7,295)	(4,358)	-	(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 N.

H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.

I. The share value of FENC shares held by Yuan Ding Company Ltd. and the shares of Yuan Ding Company Ltd. were adjusted resulting from investment properties are subsequently measured by the fair value.

J. New Diligent Hong Kong Co., Ltd. was established on December 4, 2014. The investment amount had not been remitted to the investee as of September 30, 2015.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of September 30, 2015 (Note C)	Accumulated Repatriation of Investment Income as of September 30, 2015	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments.	\$ 9,749,871	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 277,594	100.00	\$ 277,594	\$ 9,611,970	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Ltd.	Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories.	1,060,733	2	1,010,901	-	-	1,010,901	69,153	100.00	69,153	1,437,598	233,172	Notes F and G
Far Eastern Industries (WuXi) Ltd.	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics.	2,496,425	2	2,018,430	-	-	2,018,430	(72,347)	100.00	(72,347)	3,321,825	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products.	7,787,193	2	2,976,148	-	-	2,976,148	(1,117,760)	61.35	(685,746)	4,341,156	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,914,681	2	1,342,854	-	-	1,342,854	91,113	100.00	91,113	2,419,653	92,719	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	2,044,807	2	1,765,319	-	-	1,765,319	(134,347)	100.00	(134,347)	304,919	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products.	886,882	2	724,110	-	-	724,110	29,241	100.00	29,241	1,073,231	-	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of Industrial fabrics and related products.	5,676,780	2	3,656,977	1,300,271	-	4,957,248	127,027	100.00	127,027	5,748,448	-	Note H
Far Eastern New Century (China) Investment Ltd.	Investment	2,440,484	2	2,089,425	-	-	2,089,425	(322,974)	100.00	(322,974)	2,032,859	-	
Sino Belgium Beer (Suzhou) Ltd.	Brewery	1,976,305	2	1,763,952	-	-	1,763,952	(110,406)	100.00	(110,406)	35,825	-	Note L

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of September 30, 2015 (Note C)	Accumulated Repatriation of Investment Income as of September 30, 2015	Note
					Outflow	Inflow							
Martens Beers Trading (Shanghai) Ltd.	Brewery	\$ 374,908	2	\$ 200,473	\$ -	\$ -	\$ 200,473	\$ (7,629)	100.00	\$ (7,629)	\$ 304	\$ -	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,535,626	2	4,181,323	-	-	4,181,323	12,128	60.00	7,277	4,557,493	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,601,659	2	1,436,190	-	-	1,436,190	9,492	100.00	9,492	1,609,114	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	4,231,533	2	1,962,908	-	-	1,962,908	(339,558)	50.00	(169,779)	1,835,126	-	
Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	65,901	3	-	-	-	-	5,421	100.00	5,421	74,607	-	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	98,515	3	-	-	-	-	5,199	100.00	5,199	134,027	-	
An Ho Garment (Suzhou) Co., Ltd.	Garment production	5,185	3	-	-	-	-	4,480	100.00	4,480	55,791	-	
Yuan Ding Enterprise (Shanghai) Ltd.	Software development	549,610	3	-	-	-	-	(81,517)	100.00	(81,517)	297,448	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	2,133,493	2	1,020,489	-	-	1,020,489	27,886	50.00	13,943	1,081,771	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	781,112	2	240,330	357,940	-	598,270	(144,525)	100.00	(144,525)	100,538	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	33,906	2	24,220	-	-	24,220	2,799	100.00	2,799	48,030	-	Note N
Far Eastern Tech-Info Ltd. (Shanghai)	Computer software, data processing and provision of network information	197,220	2	207,661	-	-	207,661	(996)	100.00	(996)	161,978	-	Note R
Digital United Information Technologies (Shanghai) Co., Ltd.	Research and design of computer system	101,897	2	101,897	-	-	101,897	(7,496)	100.00	(7,496)	11,239	-	Note O
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	170,924	2	131,480	-	-	131,480	(36,637)	79.04	(28,957)	153,466	-	Note P
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	37,044	-	-	37,044	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Notes T and U)	\$19,134,418	\$25,671,329	\$ -

(Continued)

Notes: A. Investment type as follows:

1. The Group made the investment directly.
  2. The Group made the investment through a company registered in a third region. The companies registered in a third region are Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far Eastern New Diligent Company Ltd.
  3. Other.
- B. The share of profit or loss of the mainland china investees were recognized based on investees' unreviewed financial statements by its percentage ownership.
- C. The ending balance of investment recognized by parent company.
- D. As of September 30, 2015, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.
- E. As of September 30, 2015, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.
- F. As of September 30, 2015, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.
- G. As of September 30, 2015, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.
- H. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- I. As of September 30, 2015, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiaries, Oriental Textile (Holding) Ltd.
- J. As of September 30, 2015, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.
- K. As of September 30, 2015, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.
- L. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.
- M. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd., Ding Ding Integrated Marketing Services Co., Ltd. and FET Consulting Engineers Co., Ltd.
- N. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd.
- O. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.
- P. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.
- R. As of September 30, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Co., Ltd.
- S. As of September 30, 2015, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Ltd.
- T. Investment amounts authorized by Investment Commission, MOEA were included by US\$778,755 thousand and RMB6,695 thousand which was the original investment from Far Eastern Polytex (Holding) Ltd. and approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10320431180, there is no cap on the amount of the Company's investment.

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015  
(In Thousands of U.S. Dollars)**

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198				
					(Note E)				
		Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500		
Far Eastern Apparel (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Industries (WuXi) Ltd.	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				\$ 1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936				
				(Note F)					
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Shanghai) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352				9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDP (Holding) Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	FEDP (Holding) Ltd.	4,800	4,800			
				754					
				(Note G)					

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	\$ 18,224	\$ 18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
Martens Beers Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V. Martens HK Ltd.	4,304				\$ 4,304
		2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	1,500	1,500			
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10100115020 (Note M)	PET Far Eastern (Holding) Ltd.	100,000	100,000			
Yuan Ding Enterprise (Shanghai) Ltd.	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Ltd.	1,000	1,000			
	Far Eastern New Century Corporation	2014.01.28	No. 10200399290 (Note R)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Ltd.	82,340	82,340			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.01.28	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Ltd.	33,500	33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
	Ding Ding Integrated Marketing Service Co., Ltd.	2015.08.11	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
		2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	\$ 2,500	\$ 2,500			
	New Diligent Co., Ltd.	2014.01.29	No. 10300022990	Far Eastern New Diligent Company Ltd.	3,500	3,500			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				\$ 3,100
	New Century InfoComm Tech Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note P)	1,127	1,127			
	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far Eastern New Diligent Company Ltd.	4,000	4,000			

- Notes: A. Far Eastern New Century (China) Investment Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Ltd.
- B. Document No. 092035971 has been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 has been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand as stated in document No. 09800283970 dated September 18, 2009 had been changed to US\$11,500 thousand while awaiting the completion of the-review process on April 19, 2010.
- E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.
- F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Oriental Petrochemical (Shanghai) Ltd. increased.
- G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytext (Holding) Ltd. and FEDP (Holding) Ltd. under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received from FEDP (Holding) Ltd. the equity of Yuan Tong Investment Co., Ltd. amounting US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC made its subsidiary, Far Eastern Polytext (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of September 30, 2015, FENC paid US\$139,400 thousand in this indirect investment.
- K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to make its Oriental Textile (Holding) Ltd. indirectly invest US\$43,000 thousand or equivalent RMB in Far Eastern Industries (Suzhou) Ltd. As of September 30, 2015, Yuan Ding Investment Co., Ltd. remitted RMB258,000 thousand to this indirect investment.
- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC made its subsidiary, Yuan Tong Investment Co., Ltd. amended to make its Sino Belgium (Holding) Ltd. indirectly invest US\$17,500 thousand in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers Trading (Shanghai) Ltd.
- M. After obtaining MOEA approval (No. 10100115020), FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Ltd. As of September 30, 2015, FENC remitted US\$66,000 thousand to this indirect investment.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of September 30, 2015, Yuan Tong Investment Co., Ltd. remitted US\$1,065 thousand to this indirect investment.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US\$11,000 thousand in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers Trading (Shanghai) Ltd. As of September 30, 2015, FENC remitted US\$10,000 thousand to this indirect investment.
- P. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the MOEA's Investment Commission, which then canceled this amount.
- Q. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirectly investment to US\$33,500 thousand and made its subsidiary, PET Far Eastern (Holding) Ltd. indirectly invest Tong Da Air Industry (Yangzhou) Co., Ltd.
- R. After obtaining MOEA approval (No. 10200399290), FENC made its subsidiary, Far Eastern Polytext (Holding) Ltd. and Far Eastern New Century (China) Investment Ltd., indirectly invest US\$82,340 thousand in Yuan Ding Enterprise (Shanghai) Ltd. As of September 30, 2015, FENC remitted US\$16,625 thousand as its indirect investment.

(Concluded)