



# Far Eastern New Century Corporation (FENC)

## 2015 Annual General Shareholders' Meeting Minutes (Translation)

**Date:** Friday, 26 June 2015

**Time:** 9:00 a.m. Taipei time

**Place:** Auditorium in the Taipei Hero House

No. 20, Changsha Street, Section 1, Taipei, Taiwan

### Shareholders present:

**Total number of outstanding shares:** 5,247,152,797 shares (excluding 764,092 shares owned by FENC's subsidiaries)

**Total shares represented by shareholders present:** 4,482,185,924 shares

**Percentage of shares held by shareholders:** 85.421%

**Directors:** Mr. Douglas Tong Hsu, Mr. Johnny Shih, Mr. Peter Hsu, Mr. Shaw Y. Wang, Mr. Richard Yang, and Mr. Bing Shen

**Supervisors:** Mr. T. H. Chang, Ms. Alice Hsu, and Mr. Champion Lee

**Chairman:** Mr. Douglas Tong Hsu, Chairman of the Board of Directors

**Recorder:** Ms. Grace Yang



### A. Meeting called to order

(The aggregate shares of the shareholders present in person or by proxy constituted a quorum.)

### B. Chairman's address (Omitted)

### C. Reporting items:

1. 2014 business operations (Omitted)
2. 2014 financial statements (See Attachment I)
3. Supervisors' review report of 2014 business operations and financial statements (Omitted)
4. Information of the corporate bonds issued in 2014 (Omitted)

## **D. Approval items**

### **1. To accept 2014 business report and financial statements**

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2014 business report and financial statements.

Explanatory Notes:

- i. FENC's 2014 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Shih Jing-Bin and Mr. Huang Shu-Chieh of Deloitte & Touche, and have been examined by and determined to be correct and accurate by Supervisors of FENC. We thereby submit this report.
- ii. Please accept the aforesaid business report and financial statements.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,006,935,969 shares voted for the proposal, representing 89.40% of the total represented shares, 383,253 shares voted against the proposal, while 474,866,702 shares voted abstention the proposal.**

**RESOLVED, that the 2014 business report and financial statements be and hereby were accepted as submitted.**

### **2. To approve the proposal for distribution of 2014 profits**

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2014 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: Totaling NT\$6,297,500,267. Each common shareholder will be entitled to receive a cash dividend of NT\$1.2 per share.
- ii. Stock dividends from capital surplus to common shareholders: Totaling NT\$1,049,583,380. Each common shareholder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- iii. After being approved at the Annual General Shareholders' Meeting, the cash and stock dividends to common shareholders will be distributed on a record date to be determined by the Board of Directors.

iv. Please refer to the following table for the 2014 profit allocation proposal

(Unit: NT\$)

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<b>1. Net income of 2014</b>	<b>11,033,420,926</b>
2. Legal reserve	1,103,342,093
3. Adjustments due to changes in investees' equity in equity-method investments	30,583,650
4. Adjustments due to changes in other comprehensive income	331,399,473
5. Unappropriated earnings of previous years	6,546,710,876
6. The effect of the first-time adoption of fair value model to evaluate investment properties	80,462,245,134
7. Special reserve due to the first-time and subsequent to initial recognition of adoption of fair value model to evaluate investment properties	84,810,828,306
<b>Earnings available for distribution as of 31 December 2014</b> (1-2-3-4+5+6-7)	<b>11,766,223,414</b>
<b>Distribution items:</b>	
1. Cash dividends to common shareholders (NT\$1.2 /share)	6,297,500,267
2. Stock dividends from capital surplus to common shareholders (NT\$0.2/share, i.e. 20 shares for each 1,000 shares owned)	1,049,583,380
<b>Total distribution (NT\$ 1.4/share)</b>	<b>7,347,083,647</b>
<b>Unappropriated earnings</b>	<b>5,468,723,147</b>

(Note) Year 2014 profits are distributed according to the Article 26 and Article 27 of the Articles of Incorporation of Far Eastern New Century Corporation. Bonus of employees of NT\$270,860,227 and compensation for Directors and Supervisors of NT\$203,145,170 were booked as company expenses and deducted from the net income.

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v. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Act and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash and stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash and stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of capital surplus resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.

vi. Please approve the aforesaid proposal for the distribution of 2014 profits.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,014,634,832 shares voted for the proposal, representing 89.57% of the total represented shares, 252,153 shares voted against the proposal, while 467,298,939 shares voted abstention the proposal.**

**RESOLVED, the proposal for distribution of 2014 profits be and hereby was accepted as proposed.**

## **E. Proposed resolutions and elections of Directors**

### **1. To approve the issuance of 2014 stock dividends from capital surplus**

The Board of Directors proposes and recommends that each shareholder vote FOR the issuance of 2014 stock dividends from capital surplus.

Explanatory Notes:

- i. For the purpose of improving the financial and capital structure, it is proposed that FENC's paid-in capital be increased by capitalizing the stock dividends from capital surplus to common shareholders of NT\$1,049,583,380. A total number of 104,958,338 common shares, at par value of NT\$10 each share, shall be issued for such capital increase. Each common shareholder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- ii. After being approved at the Annual General Shareholders' Meeting and accepted by the regulatory authority in charge, the new shares will be distributed on a record date to be determined by the Board of Directors.
- iii. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Act and other relevant regulations, the total number of common shares outstanding may change, and the ultimate numbers of stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the numbers of stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of capital surplus resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- iv. In accordance with Article 240 of the Company Act, if the stock dividends include any fractional shares which are less than one full share, the distribution will be made in the form of cash rounded to the nearest dollar amount calculated at par value. Such fractional shares will be purchased by the Employee Stock Ownership Trust (ESOT) of FENC.
- v. The shareholders' rights and obligations of the new shares are the same as those of the existing shares.
- vi. The present total authorized capital of FENC is NT\$60,000,000,000, divided into 6,000,000,000 shares of NT\$10 each. Until the end of 2014, the total paid-in capital amounted to NT\$52,479,168,890, divided into 5,247,916,889 shares of NT\$10 each. The unissued capital was NT\$7,520,831,110, divided into 752,083,111 shares of NT\$10 each.
- vii. After the capitalization of 2014 stock dividends from capital surplus, the total number of issued common shares will be 5,352,875,227 shares, at par value of NT\$10 each share. The paid-in capital will amount to NT\$53,528,752,270.
- viii. Please approve the proposal for the issuance of 2014 stock dividends from capital surplus.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,014,627,381 shares voted for the proposal, representing 89.57% of the total represented shares, 260,684 shares voted against the proposal, while 467,297,859 shares voted abstention the proposal.**

**RESOLVED, the proposal for the issuance of 2014 stock dividends from capital surplus be and hereby was accepted as proposed.**

**2. To approve the revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”**

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the Articles of Incorporation.

Explanatory Notes:

- i. Pursuant to Articles 14-4 of the Securities and Exchange Act and the letter issued by the Financial Supervisory Commission (Letter No. FSC 10200531121) on 31 December 2013, the Supervisors will cease to function and be replaced by an Audit Committee after the re-election of the Board of Directors. The Audit Committee is responsible of executing powers relegated to Supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.
- ii. The overview table for the “Articles of Incorporation of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment II.
- iii. Please approve the proposal for the amendments of the “Articles of Incorporation of Far Eastern New Century Corporation”.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,012,371,145 shares voted for the proposal, representing 89.52% of the total represented shares, 2,497,976 shares voted against the proposal, while 467,316,803 shares voted abstention the proposal.**

**RESOLVED, the proposal for the revisions of the “Articles of Incorporation of Far Eastern New Century Corporation” be and hereby was accepted as proposed.**

**3. To approve amending the company bylaw of “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation”**

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors, the Company shall amend the company bylaw of “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation” and revise the name of the election procedures to “Election Procedures of Director for Far Eastern New Century Corporation”.
- ii. The overview table for the “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation” Before and After amendments is attached as Attachment III.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 3,927,898,796 shares voted for the proposal, representing 87.64% of the total represented shares, 253,505 shares voted against the proposal, while 554,033,623 shares voted abstention the proposal.**

**RESOLVED, the proposal for amending the company bylaw of “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation” be and hereby was accepted as proposed.**

**4. To approve amending the company bylaw of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”**

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors and to accommodate its operational needs, the Company shall amend the company bylaw of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment IV.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,014,606,426 shares voted for the proposal, representing 89.57% of the total represented shares, 254,522 shares voted against the proposal, while 467,324,976 shares voted abstention the proposal.**

**RESOLVED, the proposal for amending the company bylaw of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” be and hereby was accepted as proposed.**

**5. To approve amending the company bylaw of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”**

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors, the Company shall amend the company bylaw of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment V.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,014,581,220 shares voted for the proposal, representing 89.57% of the total represented shares, 266,127 shares voted against the proposal, while 467,338,577 shares voted abstention the proposal.**

**RESOLVED, the proposal for amending the company bylaw of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” be and hereby was accepted as proposed.**

**6. To approve amending the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”**

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors and to

accommodate its operational needs, the Company shall amend the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”.

- ii. The overview table for the “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VI.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 4,014,596,621 shares voted for the proposal, representing 89.57% of the total represented shares, 253,505 shares voted against the proposal, while 467,335,798 shares voted abstention the proposal.**

**RESOLVED, the proposal for amending the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation” be and hereby was accepted as proposed.**

#### **7. To elect Directors (including Independent Directors) of Far Eastern New Century Corporation**

The Board of Directors proposes and recommends that each shareholder to elect thirteen Directors (including three Independent Directors).

Explanatory Notes:

- i. The 21<sup>st</sup> term Directors were elected and appointed at the 2012 Annual General Shareholders’ Meeting, serving a term of three years and the tenure will expire. The Board of Directors resolved that Directors be elected at this Annual General Shareholders’ Meeting.
- ii. According to Article 16 and 17 of the “Articles of Incorporation of Far Eastern New Century Corporation”, thirteen Directors (including three Independent Directors) shall be elected, and each Director will serve a three year term beginning from the date being elected and appointed at the Annual General Shareholders’ Meeting.
- iii. Director and Independent Director candidates shall be nominated by the candidate nomination system. The Board of Directors or any shareholder with 1% shareholding or more may nominate candidates. The period for candidate nomination of Directors and Independent Directors to be elected in this coming Shareholders’ Meeting is from 21 April 2015 to 30 April 2015. During this period, the Board of Directors has received the nomination of ten Director and three Independent Director candidates from shareholder Asia Cement Corporation Limited. The Board has resolved all the candidates met requirements and qualifications of Directors and Independent Directors in the 13<sup>th</sup> Board meeting of the 21<sup>st</sup> term dated 13 May 2015. Please refer to the following table for the candidate list.
- iv. Please elect.

**List of Director (including Independent Director) Candidates**

No.	Type	Candidate	Education	Major Experiences	Current position	No. of shares held	Name of Institutional Shareholders
1	Director	Douglas Tong Hsu	<ul style="list-style-type: none"> <li>National Chiao Tung University, Taiwan, Honor Ph.D in Management</li> <li>University of Notre Dame, USA, M.S.</li> <li>Columbia University, USA, M.S. in Economics</li> </ul>	<ul style="list-style-type: none"> <li>Chairman, Far Eastern New Century Corp.</li> <li>Chairman, Asia Cement Corp.</li> <li>Chairman, Far Eastern Department Stores Ltd.</li> <li>Chairman, Far EasTone Telecommunications</li> <li>Chairman, Oriental Union Chemical Corp.</li> <li>Chairman, U-Ming Marine Transport Corp.</li> <li>Vice Chairman, Far Eastern International Bank</li> </ul>	<ul style="list-style-type: none"> <li>Chairman, Far Eastern New Century Corp.</li> <li>Chairman, Asia Cement Corp.</li> <li>Chairman, Far Eastern Department Stores Ltd.</li> <li>Chairman, Far EasTone Telecommunications</li> <li>Chairman, Oriental Union Chemical Corp.</li> <li>Chairman, U-Ming Marine Transport Corp.</li> <li>Vice Chairman, Far Eastern International Bank</li> </ul>	60,537,940	-
2	Director	Johnny Shih	<ul style="list-style-type: none"> <li>Columbia University, USA, Master in Computer Science</li> </ul>	<ul style="list-style-type: none"> <li>Vice Chairman, Far Eastern New Century Corp.</li> <li>Director, Asia Cement Corp.</li> <li>Vice Chairman, Oriental Union Chemical Corp.</li> <li>Chairman, Everest Textile Co., Ltd.</li> <li>Director, Far EasTone Telecommunications</li> </ul>	<ul style="list-style-type: none"> <li>Vice Chairman, Far Eastern New Century Corp.</li> <li>Director, Asia Cement Corp.</li> <li>Vice Chairman, Oriental Union Chemical Corp.</li> <li>Chairman, Everest Textile Co., Ltd.</li> <li>Director, Far EasTone Telecommunications</li> <li>Independent Director, CTCL Corp.</li> </ul>	1,247,330,476	Asia Cement Corp.
3	Director	Peter Hsu	<ul style="list-style-type: none"> <li>Stanford University, USA, Master in Operation Research</li> </ul>	<ul style="list-style-type: none"> <li>Senior Executive Vice President, Far Eastern New Century Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Vice Chairman, Far Eastern New Century Corp.</li> <li>Director, Asia Cement Corp.</li> <li>Supervisor, U-Ming Marine Transport Corp.</li> <li>Director, Far EasTone Telecommunications</li> </ul>	1,247,330,476	Asia Cement Corp.



No.	Type	Candidate	Education	Major Experiences	Current position	No. of shares held	Name of Institutional Shareholders
4	Director	Shaw Y. Wang	<ul style="list-style-type: none"> <li>National Chung Hsing University, Taiwan, Business Administration Department</li> <li>National Taiwan University, Taiwan, the Executive Program in Business Administration</li> </ul>	<ul style="list-style-type: none"> <li>First Senior Executive Vice President, Far Eastern New Century Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Director, Far Eastern New Century Corp.</li> <li>Executive Director, Group Foundation</li> <li>Executive Director, Far Eastern International Bank</li> <li>Supervisor, Asia Cement Corp.</li> </ul>	1,247,330,476	Asia Cement Corp.
5	Director	Raymond Hsu	<ul style="list-style-type: none"> <li>Australian Mining and Metallurgy College, Australia</li> </ul>	<ul style="list-style-type: none"> <li>Chief Auditor, Far Eastern New Century Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Director, Far Eastern New Century Corp.</li> <li>Chief Auditor, Far Eastern New Century Corp.</li> <li>Chairman, Fu Kwok Knitting &amp; Garment Co., Ltd.</li> </ul>	1,247,330,476	Asia Cement Corp.
6	Director	Richard Yang	<ul style="list-style-type: none"> <li>American Graduate School of International Management</li> </ul>	<ul style="list-style-type: none"> <li>Managing Director, Surfview Capital Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Director, Far Eastern New Century Corp.</li> </ul>	19,572,912	Far Eastern Department Stores Ltd.
7	Director	Tonia Katherine Hsu	<ul style="list-style-type: none"> <li>Sarah Lawrence College, New York, USA, BA (History, Humanities, Creative Arts)</li> </ul>	<ul style="list-style-type: none"> <li>Sotheby's, New York, USA (Arts Administration, Asian Liaison)</li> </ul>	<ul style="list-style-type: none"> <li>Director, Far Eastern New Century Corp.</li> </ul>	19,572,912	Far Eastern Department Stores Ltd.
8	Director	Kwan-Tao Li	<ul style="list-style-type: none"> <li>Kellogg-HKUST, MBA</li> </ul>	<ul style="list-style-type: none"> <li>Chief Senior Counselor, Lee and Li, Attorney-at-law</li> </ul>	<ul style="list-style-type: none"> <li>Director, Far Eastern New Century Corp.</li> <li>Supervisor, Asia Cement Corp.</li> <li>Chief Senior Counselor, Lee and Li, Attorney-at-law</li> </ul>	30,570,069	U-Ming Marine Transport Corp.
9	Director	Alice Hsu	<ul style="list-style-type: none"> <li>Sheridan College, Retail Management</li> </ul>	<ul style="list-style-type: none"> <li>President, Far Eastern Department Stores Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Supervisor, Far Eastern New Century Corp.</li> </ul>	30,570,069	U-Ming Marine Transport Corp.
10	Director	Champion Lee	<ul style="list-style-type: none"> <li>Texas A&amp;I University, USA, Master in Business Administration</li> </ul>	<ul style="list-style-type: none"> <li>Senior Executive Vice President, Far Eastern New Century Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Supervisor, Far Eastern New Century Corp.</li> <li>Supervisor, Asia Cement Corp.</li> <li>Director, Far EastTone Telecommunications</li> <li>Director, U-Ming Marine Transport Corp.</li> </ul>	8,326,703	Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation

No.	Type	Candidate	Education	Major Experiences	Current position	No. of shares held	Name of Institutional Shareholders
11	Independent Director	Bing Shen	<ul style="list-style-type: none"> <li>Harvard University, USA, MBA</li> </ul>	<ul style="list-style-type: none"> <li>Vice President &amp; Executive Director, Morgan Stanley</li> <li>Executive Vice President, China Development Industrial Bank (CDIB)</li> <li>President, CDIB &amp; Partners Investment Holding</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director, Far Eastern New Century Corp.</li> <li>Independent Director, Far Eastern International Bank</li> <li>Director, CTCI Corp.</li> </ul>	0	-
12	Independent Director	Bao-Shuh Paul Lin	<ul style="list-style-type: none"> <li>University of Illinois, Chicago, USA, Ph.D. in Computer Science</li> </ul>	<ul style="list-style-type: none"> <li>General Director, Computer Communications Research Division, Industrial Technology Research Institute</li> <li>Senior Vice President, Global Research Labs, Philips Electronics</li> <li>Senior Manager, Teknekron Communication Corp. USA</li> <li>Advanced researcher, Bell Labs of AT&amp;T</li> </ul>	<ul style="list-style-type: none"> <li>Chief Director of Microelectronics and Information Systems Research Center, National Chiao Tung University, Taiwan</li> <li>Chair Professor, Department of Computer Science, National Chiao Tung University, Taiwan</li> </ul>	0	-
13	Independent Director	Johnsee Lee	<ul style="list-style-type: none"> <li>Illinois Institute of Technology, USA, Ph.D.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman, Development Center for Biotechnology</li> <li>President, Industrial Technology Research Institute.</li> <li>Senior Scientist and Project Leader, Johnson Matthey Inc., West Deptford, NJ</li> <li>Principal Investigator, Chem. Technology Div., Argonne National Laboratory, Argonne, IL</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director, Far Eastern New Century Corp.</li> <li>Independent Director, Zhen Ding Technology Holding Limited</li> <li>Independent Director, San Fu Chemical Co., Ltd.</li> <li>Director, Taiwan Semiconductor Manufacturing Corp.</li> <li>Honorary Chairman, Development Center for Biotechnology</li> <li>Honorary Chairman, Taiwan Bio Industry Organization</li> <li>CEO, Personal Genomics Inc. TW</li> </ul>	0	-

Voting Results:

Newly elected Directors list and votes received

	<b>Name</b>	<b>Votes Received</b>
<b>Directors</b>	Douglas Tong Hsu	5,033,929,646
	Asia Cement Corp. Representative: Johnny Shih	4,522,792,632
	Asia Cement Corp. Representative: Peter Hsu	4,229,183,804
	Asia Cement Corp. Representative: Shaw Y. Wang	4,188,527,888
	U-Ming Marine Transport Corp. Representative: Kwan-Tao Li	3,541,809,448
	U-Ming Marine Transport Corp. Representative: Alice Hsu	3,461,286,168
	Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation Representative: Champion Lee	3,368,475,469
	Asia Cement Corp. Representative: Raymond Hsu	3,216,649,828
	Far Eastern Department Stores Ltd. Representative: Richard Yang	3,181,704,208
	Far Eastern Department Stores Ltd. Representative: Tonia Katherine Hsu	3,179,918,074
<b>Independent Directors</b>	Bing Shen	2,819,189,808
	Johnsee lee	2,709,495,095
	Bao-Shuh Paul Lin	2,332,821,425

**8. To approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act.**

The Board of Directors proposes and recommends that each shareholder vote FOR the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act.

Explanatory Notes:

- i. This is processed in accordance with Paragraph 1 of Article 209 of the Company Act: “A director who acts for himself or on behalf of another person in a manner that is within the scope of the company’s business shall explain to the shareholders’ meeting the essential contents of such act and obtain the approval from shareholders’ meeting”.
- ii. The new Directors of the company are investing in or managing other companies and also acting as directors of such companies which are in the same or similar business as FENC (please refer to the following table). It is proposed to seek approval at the Shareholders’ Meeting to release new Directors and their representatives from the non-competition restriction.

<b>Title</b>	<b>Name</b>	<b>Serve as Director/President at other companies in the industry</b>
Director	Douglas Tong Hsu	<ul style="list-style-type: none"><li>• Director, Everest Textile Co., Ltd.</li><li>• Vice Chairman, Freudenberg Far Eastern Spunweb Co., Ltd.</li></ul>
Director	Asia Cement Corp. Representative: Johnny Shih	<ul style="list-style-type: none"><li>• Chairman, Everest Textile Co., Ltd.</li><li>• Director, Freudenberg Far Eastern Spunweb Co., Ltd.</li></ul>
Director	U-Ming Marine Transport Corp. Representative: Kwan-Tao Li	<ul style="list-style-type: none"><li>• Director, Tai Yuen Textile Co., Ltd.</li></ul>

- iii. Please approve the above proposal.

**Voting Results: 4,482,185,924 shares were represented at the time of voting (including e-voting); 3,719,027,773 shares voted for the proposal, representing 82.98% of the total represented shares, 71,690,009 shares voted against the proposal, while 691,468,142 shares voted abstention the proposal.**

**RESOLVED, the proposal for the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act be and hereby was accepted as proposed.**

**F. Extemporary motion: None**

**G. Meeting adjourned**

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*The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

# Attachment I

## 2014 Independent Auditors' Report

### (English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Stockholders  
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2014, December 31, 2013 and January 1, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

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

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

We have also audited the financial statements of the parent company, Far Eastern New Century Corporation, as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified report.

March 19, 2015

#### Notice to Readers

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

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

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2014		December 31, 2013 (Restated)		January 1, 2013 (Restated)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 25,985,419	5	\$ 26,645,574	6	\$ 30,645,166	7
Financial assets at fair value through profit or loss – current	1,124,116	-	1,191,688	-	1,058,519	-
Available-for-sale financial assets - current	929,101	-	989,348	-	2,272,149	1
Held-to-maturity financial assets - current	-	-	99,962	-	100,000	-
Derivative financial assets for hedging – current	-	-	4,442	-	21,962	-
Financial assets carried at cost - current	-	-	42,587	-	-	-
Bond investments with no active market	4,114,651	1	2,606,689	1	3,145,035	1
Notes and accounts receivable, net	27,720,022	6	27,741,701	6	28,623,592	7
Amounts due from customers for construction contracts	2,286,911	1	1,473,786	-	1,551,686	-
Other receivables	2,237,665	1	1,641,758	-	1,837,097	1
Other receivables from affiliates	1,265,765	-	1,258,834	-	1,283,844	-
Current tax assets	68,920	-	48,216	-	114,392	-
Inventories	22,005,555	4	24,184,972	5	21,617,120	5
Prepayments	4,414,732	1	3,799,470	1	2,817,079	1
Other financial assets - current	3,661,203	1	3,946,576	1	2,874,067	1
Guarantee deposits - current	33,954	-	52,292	-	48,207	-
Other current assets	2,227,072	-	1,934,219	1	1,269,243	-
<b>Total current assets</b>	<b>98,075,086</b>	<b>20</b>	<b>97,662,114</b>	<b>21</b>	<b>99,279,158</b>	<b>24</b>
<b>NONCURRENT ASSETS</b>						
Available-for-sale financial assets - noncurrent	4,718,618	1	5,257,220	1	4,489,491	1
Held-to-maturity financial assets - noncurrent	-	-	-	-	99,871	-
Financial assets carried at cost - noncurrent	1,071,152	-	926,908	-	1,130,424	-
Bond investment with no active market - noncurrent	182,583	-	-	-	256,508	-
Investments accounted for using the equity method	61,839,479	12	55,870,243	12	54,076,870	13
Property, plant and equipment	139,055,972	28	124,767,713	26	116,637,790	28
Investment properties, net	119,663,209	24	113,458,525	24	108,008,458	26
Concession	37,314,277	8	37,734,135	8	5,090,449	1
Goodwill	11,930,443	2	11,928,782	2	11,980,944	3
Other intangible assets	3,772,439	1	4,184,122	1	3,818,998	1
Deferred tax assets	2,737,657	1	2,812,572	1	1,834,329	-
Prepayment for equipment	4,914,856	1	6,103,204	1	2,881,210	1
Guarantee deposits	708,974	-	576,314	-	582,788	-
Other financial assets - noncurrent	3,044,303	1	4,071,707	1	7,543,319	2
Long-term prepayments for lease	7,164,761	1	7,406,266	2	2,315,715	-
Other noncurrent assets	410,481	-	239,647	-	314,901	-
<b>Total noncurrent assets</b>	<b>398,529,204</b>	<b>80</b>	<b>375,337,358</b>	<b>79</b>	<b>321,062,065</b>	<b>76</b>
<b>TOTAL</b>	<b>\$ 496,604,290</b>	<b>100</b>	<b>\$ 472,999,472</b>	<b>100</b>	<b>\$ 420,341,223</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings	\$ 27,638,660	6	\$ 28,053,848	6	\$ 25,807,392	6
Short-term bills payable	4,662,532	1	5,117,694	1	6,286,740	1
Financial liabilities at fair value through profit or loss - current	807	-	590	-	619	-
Derivative financial liabilities for hedging - current	14,950	-	-	-	-	-
Notes and accounts payable	13,502,368	3	17,452,151	4	19,253,330	5
Notes and accounts payable to affiliates	513,625	-	261,571	-	292,283	-
Amounts due to customers for construction contracts	110,594	-	412,498	-	160,779	-
Payables to suppliers of machinery and equipment	3,202,004	1	3,133,810	1	4,012,183	1
Other payable	14,180,989	3	12,595,337	3	11,243,873	3
Other payable to affiliates	73,289	-	75,977	-	43,119	-
Current tax liabilities	3,368,813	1	3,115,500	1	2,688,208	1
Provisions - current	240,197	-	193,328	-	160,425	-
Guarantee deposits received - current	314,097	-	334,939	-	401,798	-
Receipts in advance	1,214,639	-	1,199,481	-	1,107,451	-
Unearned revenue	2,617,900	-	2,667,808	-	2,643,111	1
Current portion of long-term liabilities	14,127,895	3	8,845,696	2	3,991,578	1
Other current liabilities	2,293,289	-	2,317,709	-	1,807,603	-
<b>Total current liabilities</b>	<b>88,076,648</b>	<b>18</b>	<b>85,777,937</b>	<b>18</b>	<b>79,900,492</b>	<b>19</b>
<b>NONCURRENT LIABILITIES</b>						
Derivative financial liabilities for hedging - noncurrent	535,837	-	421,280	-	287,522	-
Bonds payable	60,712,019	12	65,638,787	14	41,726,021	10
Long-term borrowings	63,999,210	13	43,622,704	9	32,232,012	8
Provisions - noncurrent	763,223	-	705,863	-	654,791	-
Deferred tax liabilities	15,110,447	3	13,329,928	3	12,429,643	3
Accrued pension liabilities	2,814,439	1	2,781,776	1	3,392,655	1
Guarantee deposits received - noncurrent	715,764	-	645,013	-	739,923	-
Deferred credit - gains on related-party transactions	149,629	-	150,185	-	150,738	-
Other noncurrent liabilities	408,320	-	476,788	-	509,628	-
<b>Total noncurrent liabilities</b>	<b>145,208,888</b>	<b>29</b>	<b>127,772,324</b>	<b>27</b>	<b>92,122,933</b>	<b>22</b>
<b>Total liabilities</b>	<b>233,285,536</b>	<b>47</b>	<b>213,550,261</b>	<b>45</b>	<b>172,023,425</b>	<b>41</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>						
Capital stock						
Common stock	52,479,168	11	51,450,165	11	50,441,338	12
Capital surplus	3,666,948	1	4,681,042	1	4,744,045	1
Retained earnings						
Legal reserve	13,408,217	3	12,687,509	3	11,820,720	3
Special reserve	105,911,942	21	25,449,697	5	25,472,425	6
Unappropriated earnings	17,218,149	3	94,418,185	20	89,555,174	21
Total retained earnings	136,538,308	27	132,555,391	28	126,848,319	30
Other equity	6,841,068	1	4,653,726	1	2,430,425	1
Treasury stocks	(25,063)	-	(25,063)	-	(25,063)	-
<b>Total equity attributable to owners of the company</b>	<b>199,500,429</b>	<b>40</b>	<b>193,315,261</b>	<b>41</b>	<b>184,439,064</b>	<b>44</b>
<b>NONCONTROLLING INTERESTS</b>	<b>63,818,325</b>	<b>13</b>	<b>66,133,950</b>	<b>14</b>	<b>63,878,734</b>	<b>15</b>
<b>Total equity</b>	<b>263,318,754</b>	<b>53</b>	<b>259,449,211</b>	<b>55</b>	<b>248,317,798</b>	<b>59</b>
<b>TOTAL</b>	<b>\$ 496,604,290</b>	<b>100</b>	<b>\$ 472,999,472</b>	<b>100</b>	<b>\$ 420,341,223</b>	<b>100</b>

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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 Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
<b>OPERATING REVENUES</b>				
Net sales	\$ 151,349,613	64	\$ 155,953,627	65
Telecommunications service income	69,804,586	30	68,147,021	29
Gain on disposal of investments, net	55,666	-	530,650	-
Construction income	5,127,369	2	6,046,806	3
Other operating revenue	<u>9,169,405</u>	<u>4</u>	<u>8,162,553</u>	<u>3</u>
Total operating revenues	<u>235,506,639</u>	<u>100</u>	<u>238,840,657</u>	<u>100</u>
<b>OPERATING COSTS</b>				
Cost of sales	151,282,920	64	155,962,513	65
Cost of telecommunications services	26,243,122	11	27,151,232	11
Construction cost	4,836,912	2	5,745,691	2
Other operating cost	<u>5,281,188</u>	<u>3</u>	<u>3,377,950</u>	<u>2</u>
Total operating costs	<u>187,644,142</u>	<u>80</u>	<u>192,237,386</u>	<u>80</u>
<b>GROSS PROFIT</b>	<u>47,862,497</u>	<u>20</u>	<u>46,603,271</u>	<u>20</u>
<b>REALIZED CONSTRUCTION INCOME</b>	<u>556</u>	<u>-</u>	<u>555</u>	<u>-</u>
<b>OPERATING EXPENSES</b>				
Selling and marketing	23,855,359	10	22,052,202	9
General and administrative	11,395,335	5	10,443,911	5
Research and development	<u>739,094</u>	<u>-</u>	<u>675,902</u>	<u>-</u>
Total operating expenses	<u>35,989,788</u>	<u>15</u>	<u>33,172,015</u>	<u>14</u>
<b>OPERATING INCOME</b>	<u>11,873,265</u>	<u>5</u>	<u>13,431,811</u>	<u>6</u>
<b>NONOPERATING INCOME AND EXPENSES</b>				
Share of the profit of associates	4,293,787	2	4,984,423	2
Interest income	482,434	-	448,607	-
Other income - other	1,276,780	-	1,184,876	1
Exchange gain, net	632,174	-	310,965	-
Gain on financial assets (liabilities) at fair value through profit or loss, net	282,168	-	402,456	-
Gain on change in fair value of investment properties	6,222,659	3	6,424,024	3
Interest expense	(1,934,871)	(1)	(1,432,622)	(1)
Other expenses	(490,939)	-	(304,062)	-
Loss on disposal of property, plant and equipment, net	(879,765)	-	(1,356,800)	(1)

(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 Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
Loss on disposal of intangible properties, net	(6,478)	-	(1,912)	-
Impairment loss on assets	<u>(153,155)</u>	<u>-</u>	<u>(214,451)</u>	<u>-</u>
Total nonoperating income	<u>9,724,794</u>	<u>4</u>	<u>10,445,504</u>	<u>4</u>
INCOME BEFORE INCOME TAX	21,598,059	9	23,877,315	10
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(4,409,757)</u>	<u>(2)</u>	<u>(2,935,346)</u>	<u>(1)</u>
NET INCOME	<u>17,188,302</u>	<u>7</u>	<u>20,941,969</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME, NET				
Exchange differences on translating foreign operations	2,159,034	1	2,486,063	1
Unrealized (loss) gain on available-for-sale financial assets	(535,233)	-	515,409	-
Cash flow hedges	(154,945)	-	(132,503)	-
Revaluation gains	-	-	10,572	-
Actuarial (loss) gain arising from defined benefit plans	(318,338)	-	128,401	-
Share of the other comprehensive income (loss) of associates and joint venture	1,032,767	-	(643,843)	-
Income tax gain (loss) relating to components of other comprehensive income	<u>53,973</u>	<u>-</u>	<u>(21,837)</u>	<u>-</u>
Total other comprehensive income	<u>2,237,258</u>	<u>1</u>	<u>2,342,262</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 19,425,560</u>	<u>8</u>	<u>\$ 23,284,231</u>	<u>10</u>
NET INCOME ATTRIBUTABLE TO:				
Owner of the Company	11,033,421	5	13,215,754	6
Noncontrolling interests	<u>6,154,881</u>	<u>2</u>	<u>7,726,215</u>	<u>3</u>
	<u>\$ 17,188,302</u>	<u>7</u>	<u>\$ 20,941,969</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	12,889,364	5	15,568,654	7
Noncontrolling interests	<u>6,536,196</u>	<u>3</u>	<u>7,715,577</u>	<u>3</u>
	<u>\$ 19,425,560</u>	<u>8</u>	<u>\$ 23,284,231</u>	<u>10</u>

(Continued)



# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
EARNINGS PER SHARE New Taiwan dollars				
Basic	<u>\$ 2.25</u>		<u>\$ 2.69</u>	
Diluted	<u>\$ 2.24</u>		<u>\$ 2.69</u>	

(Concluded)

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**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In Thousands of New Taiwan Dollars; Except Dividends Per Share)

	Equity Attributable to Owners of the Company					Other Equity			Unrealized Revaluation Investments	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges					
BALANCE AT JANUARY 1, 2013	\$ 50,441,338	\$ 4,744,045	\$ 11,820,720	\$ 25,471,594	\$ 15,100,772	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$ -	\$ (25,063)	\$ 109,983,831	\$ 61,243,995	\$ 171,227,826
Effect of retrospective restatement of financial statements	-	-	-	831	74,454,402	-	-	-	-	-	74,455,233	2,634,739	77,089,972
AS BALANCE AT JANUARY 1, 2013, AS RESTATED	50,441,338	4,744,045	11,820,720	25,472,425	89,555,174	(2,534,967)	5,038,679	(73,287)	-	(25,063)	184,439,064	63,878,734	248,317,798
Appropriation of the 2012 earnings													
Legal reserve	-	-	866,789	-	(866,789)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,557,374)	-	-	-	-	-	(6,557,374)	-	(6,557,374)
Stock dividends - NT\$0.2 per share	1,008,827	-	-	-	(1,008,827)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,716,375)	(7,716,375)
Net income for the year ended December 31, 2013	-	-	-	-	13,215,754	-	-	-	-	-	13,215,754	7,726,215	20,941,969
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	129,599	2,826,163	(565,947)	(45,076)	8,161	-	2,352,900	(10,638)	2,342,262
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	13,345,353	2,826,163	(565,947)	(45,076)	8,161	-	15,568,654	7,715,577	23,284,231
Change in equity in associates	-	-	-	-	(67,027)	-	-	-	-	-	(67,027)	-	(67,027)
Disposal of investment in associates	-	404	-	(9,952)	8,532	-	-	-	-	-	(1,016)	(28)	(1,044)
Increase in noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	2,186,778	2,186,778
Change in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	-	955	-	955
Partial acquisition of interests in subsidiaries	-	(64,362)	-	-	(3,633)	-	-	-	-	-	(67,995)	69,264	1,269
Reversal of special reserve	-	-	-	(12,776)	12,776	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2013	51,450,165	4,681,042	12,687,509	25,449,697	94,418,185	291,196	4,472,732	(118,363)	8,161	(25,063)	193,315,261	66,133,950	259,449,211
Special reserve provided under Rule No. 1030006415 issued by the FSC	-	-	-	80,462,245	(80,462,245)	-	-	-	-	-	-	-	-
Appropriation of the 2013 earnings													
Legal reserve	-	-	720,708	-	(720,708)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,688,522)	-	-	-	-	-	(6,688,522)	-	(6,688,522)
Stock dividends distributed from capital surplus - NT\$0.2 per share	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,960,785)	(7,960,785)
Net income for the year ended December 31, 2014	-	-	-	-	11,033,421	-	-	-	-	-	11,033,421	6,154,881	17,188,302
Other comprehensive income for the year ended December 31, 2014	-	-	-	-	(331,399)	2,580,664	(843,080)	(54,688)	504,446	-	1,855,943	381,315	2,237,258
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	10,702,022	2,580,664	(843,080)	(54,688)	504,446	-	12,889,364	6,536,196	19,425,560
Change in equity in associates	-	14,724	-	-	(3,141)	-	-	-	-	-	11,583	110	11,693
Disposal of investment in associates	-	-	-	-	(4,705)	-	-	-	-	-	(4,705)	1,850	(2,855)
Partial acquisition (disposal) of interests in subsidiaries	-	(789)	-	-	(22,737)	-	-	-	-	-	(23,526)	56,063	32,537
Decrease in noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	(949,059)	(949,059)
Change in capital surplus from dividends distributed to subsidiaries	-	974	-	-	-	-	-	-	-	-	974	-	974
BALANCE AT DECEMBER 31, 2014	\$ 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

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# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 21,598,059	\$ 23,877,315
Adjustments for:		
Depreciation	13,821,978	14,083,284
Amortization	3,086,032	2,440,269
Allowance for doubtful accounts	283,862	182,216
Interest expenses	1,934,871	1,432,622
Interest income	(482,434)	(448,607)
Dividend revenue	(687,663)	(219,921)
Loss on disposal of property, plant and equipment, net	879,765	1,356,800
Loss on disposal of intangible assets, net	6,478	1,912
Share of the profit of associates	(4,293,787)	(4,984,423)
Gain on disposal of investments, net	(57,742)	(538,642)
Impairment loss on assets	153,155	214,451
Unrealized loss on transaction with associates	(556)	(555)
Net loss (gain) on unrealized foreign currency exchange	1,025	(87,999)
Gain on change in fair value of investment properties	(6,222,659)	(6,424,024)
Deferred (gain) loss on derivative assets for hedging	(20,996)	18,802
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	67,572	(133,169)
Notes and accounts receivable	(264,644)	695,358
Amounts due from customers for construction contracts	(813,125)	77,900
Other receivables	(865,592)	624,521
Other receivables from affiliates	12,069	(31,630)
Inventories	2,179,417	(2,567,852)
Prepayments	(1,028,244)	(974,120)
Other current assets	(880,341)	(664,976)
Financial liabilities at fair value through profit or loss	217	(29)
Notes and accounts payable	(3,656,601)	(1,801,179)
Notes and accounts payable to affiliates	252,054	(30,712)
Amounts due to customers for construction contracts	(301,904)	251,719
Other payables	1,696,316	1,274,408
Other payables to affiliates	(2,688)	32,858
Provisions	104,229	83,975
Receipts in advance	15,158	92,030
Other current liabilities	(24,420)	510,106
Accrued pension liabilities	(231,702)	(498,747)
Unearned revenue	(49,908)	24,697
Cash generated from operations	26,207,251	27,868,658
Interest received	472,415	461,392
Dividend received	4,601,081	2,368,646
Interest paid	(1,888,711)	(1,398,487)
Income tax paid	(2,321,714)	(2,525,131)
Net cash generated from operating activities	27,070,322	26,775,078

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	(127,922)	(893,414)
Proceeds of the disposal of available-for-sale financial assets	330,734	2,501,734
Purchase of debt investments with no active market	(1,722,570)	-
Proceeds of redemption of debt investments with no active market	31,000	-
Decrease in bond investments with no active market	-	805,353
Proceeds of redemption of held-to-maturity financial assets at maturity	100,000	100,000
Acquisition of financial assets carried at cost	-	(100,012)
Proceeds of the disposal of financial assets carried at cost	8,348	117,256
Proceeds of capital reduction of financial assets carried at cost	-	33,693
Acquisition of investments accounted for using the equity-method	(2,949,573)	(568,919)
Proceeds of the disposal of investments accounted for using the equity-method	37,395	854,693
Net cash outflow on acquisition of subsidiaries	-	(42,758)
Net cash outflow on the loss of control over subsidiaries	(857,294)	-
Acquisition of property, plant, equipment and prepayment for equipment	(28,367,682)	(24,988,218)
Proceeds of the disposal of property, plant and equipment	189,798	106,151
(Increase) decrease in guarantee deposits	(114,850)	2,389
(Increase) decrease in other receivable from affiliates	(19,000)	56,640
Acquisition of intangible assets	(909,863)	(1,532,655)
Proceeds of the disposal of intangible assets	1,067	-
Acquisition of investment properties	(11,803)	(1,550)
Increase in long-term prepayments for lease	(145,448)	(4,993,200)
Increase in concession	(1,018,143)	(33,756,959)
Decrease in other financial assets	1,312,777	2,399,103
(Increase) decrease in other noncurrent assets	(242,347)	60,240
Net cash used in investing activities	(34,475,376)	(59,840,433)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	(415,188)	2,246,456
Decrease in short-term bills payables	(455,000)	(1,169,000)
Proceeds of the issue of bonds	8,400,000	32,776,500
Repayments of bonds payable	(8,750,000)	(2,980,000)
Proceeds of long-term borrowings	200,844,269	151,627,266
Repayment of long-term borrowings	(179,786,649)	(141,160,125)
Increase (decrease) in guarantee deposits received	49,909	(161,769)
Decrease in other noncurrent liabilities	(68,468)	(32,840)
Dividends paid	(14,657,589)	(14,264,363)
Increase in non-controlling interest	853,126	2,188,047
Net cash generated from financing activities	6,014,410	29,070,172
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	730,489	(4,409)

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended	
	December 31	
	2014	2013 (Restated)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(660,155)	(3,999,592)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>26,645,574</u>	<u>30,645,166</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 25,985,419</u>	<u>\$ 26,645,574</u>

(Concluded)

*For the convenience of readers, the 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 version shall prevail.*

## **Independent auditors' report**

### **(English Translation of a Report Originally Issued in Chinese)**

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

We have audited the accompanying balance sheets of Far Eastern New Century Corporation (the "Company") as of December 31, 2014, December 31, 2013 and January 1, 2013 and the related statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2014 and 2013. These financial statements are the responsibility of the Far Eastern New Century Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

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

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

March 19, 2015

#### Notice to Readers

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

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

# FAR EASTERN NEW CENTURY CORPORATION

## BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

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

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# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

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

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

(Continued)



# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

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

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

(Concluded)

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**FAR EASTERN NEW CENTURY CORPORATION**

**STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars; Except Dividend Per Share)

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

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# FAR EASTERN NEW CENTURY CORPORATION

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

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

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION

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

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

(Concluded)

*For the convenience of readers, the 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 version shall prevail.*

## Attachment II

### Amendments to “Articles of Incorporation of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
Article 10	<p>The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings: General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.</p> <p><u>Extraordinary Shareholders' Meeting shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.</u></p>	<p>The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings: General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.</p> <p><u>Extraordinary Shareholders' Meeting shall be convened by the Board of Directors where it thinks necessary or by way of written request by shareholders who have held continuously the Company's total issued shares for more than 1 year and whose shareholdings are greater than 3% of the Company's issued shares.</u> <u>Other than where the Board of Directors has not convened or is unable to convene shareholders' meeting, the Supervisor may also convene shareholders' meeting for the benefit of the Company.</u></p>
	Chapter 4 Directors and Managers	Chapter 4 Directors, <u>Supervisors</u> and Managers
Article 16	<p>There shall be 10 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".</p> <p>3 Independent Directors shall be elected from the list of persons with legal capacity.</p> <p>Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent <u>and</u> non-Independent Directors should be held together. Moreover, in order to ensure the election of at least two Independent Directors of each election, the Independent and</p>	<p>There shall be 10 to 15 Directors <u>and 3 Supervisors</u> of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors <u>and Supervisors</u> shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".</p> <p>3 Independent Directors shall be elected from the list of persons with legal capacity.</p> <p>Directors <u>and Supervisors</u> shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent, non-Independent Directors <u>and Supervisors</u> should be held together. Moreover, in order to ensure the election of at least two Independent Directors of</p>

Section	Proposed Changes	Current Articles
	non-Independent Directors elected should be calculated separately.	each election, the Independent and non-Independent Directors elected should be calculated separately.
Article 16-1	<p>Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors, is responsible of executing powers relegated to supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.</p> <p>The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.</p>	<p>Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors, is responsible of executing powers relegated to supervisors by the Company Act, Securities and Exchange Act and other laws and regulations. <u>The Supervisors will cease to function and be ipso facto dismissed on the date of instituting of the Audit Committee.</u></p> <p>The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.</p>
Article 17	The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election.	The respective appointments of Directors <u>and Supervisors</u> are for a period of 3 years. They may be reappointed following their re-election.
Article 20	(deleted)	<u>The Supervisors shall perform their supervising duties in accordance with law; furthermore Supervisors may attend meetings of the Board of Directors and present their views, but may not have voting rights. Supervisors may elect from among them a Resident Supervisor to perform the daily supervisory duty.</u>
Article 21	The remuneration of Directors shall be decided by the shareholders' meeting.	The remuneration of Directors <u>and Supervisors</u> shall be decided by the shareholders' meeting.
Article 23-1	The Company shall take out liability insurance for Directors and officers with respect to their liabilities resulting from exercising their duties during their terms of occupancy.	The Company shall take out liability insurance for Directors, <u>Supervisors</u> and officers with respect to their liabilities resulting from exercising their duties during their terms of occupancy.
Article 25	<p>The Board of Directors shall in accordance with law furnish various documents and statements and submit for approval at the General Shareholders' Meeting.</p> <p>The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.</p>	<p>The Board of Directors shall in accordance with law furnish various documents and statements and <u>forward the same to the Supervisors for review 30 days prior to the General Shareholders' Meeting, following which the said statements reviewed by the Supervisors and their reports shall be submitted</u> for approval at the General Shareholders' Meeting.</p> <p>The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.</p>

Section	Proposed Changes	Current Articles
Article 27	<p>Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in the following manner :</p> <p>60% as share interest, to be distributed based on shareholdings. However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>33% as shareholders' bonuses to be distributed based on shareholdings. However in the case of increase in the Company's share capital, the shareholders' bonus to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>4% as employees' bonuses.</p> <p>3% as remuneration for Directors, the manner in which it is to be distributed shall be decided by the Board of Directors.</p> <p>In the case of employees' bonuses in the form of stock dividends, the manner in which it is to be distributed shall be decided by the Board of Directors.</p>	<p>Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in the following manner :</p> <p>60% as share interest, to be distributed based on shareholdings. However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>33% as shareholders' bonuses to be distributed based on shareholdings. However in the case of increase in the Company's share capital, the shareholders' bonus to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>4% as employees' bonuses.</p> <p>3% as remuneration for Directors <u>and Supervisors</u>, the manner in which it is to be distributed shall be decided by the Board of Directors.</p> <p>In the case of employees' bonuses in the form of stock dividends, the manner in which it is to be distributed shall be decided by the Board of Directors.</p>
Article 29	<p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-fifth amendment on June 26, 2015</u></p>	<p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-fourth amendment on June 26, 2014</u></p>

## Attachment III

### Amendments to “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
	Election Procedures of Director for Far Eastern New Century Corporation	Election Procedures of Director <u>and Supervisor</u> for Far Eastern New Century Corporation
Article 1	The election of Directors shall be pursued in accordance with the procedures herein.	The election of Directors <u>and Supervisors</u> shall be pursued in accordance with the procedures herein.
Article 2	The election of Directors adopts the method of accumulated vote-counts. The attendance card number of the voters shall be used on the ballot instead of the name of the voters. The ballots shall be prepared by the Board of Directors, numbered according to the attendance card numbers and noted with share number represented for voting.	The election of Directors <u>and Supervisors</u> adopts the method of accumulated vote-counts. The attendance card number of the voters shall be used on the ballot instead of the name of the voters. The ballots shall be prepared by the Board of Directors, numbered according to the attendance card numbers and noted with share number represented for voting.
Article 3	The election of <u>Directors and Independent Directors</u> shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent <u>and</u> non-Independent Directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.  Directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC.	The election of Directors, Independent Directors, <u>and Supervisors</u> shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent, non-Independent Directors, <u>and Supervisors</u> elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.  <u>Directors and Supervisors</u> shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC.
Article 8	<u>The ballot box is prepared by the Company, and examined publicly by the scrutineers before voting.</u>	<u>There shall be one ballot box for Director and Supervisor elections respectively. The ballot counting shall be pursued separately for the two elections.</u>
Article 13	The elected Directors shall be given the election notification by the Board of Directors.	The elected Directors <u>and Supervisors</u> shall be given the election notification by the Board of Directors.



## Attachment IV

### Amendments to “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
<p>Article 2 Paragraph 2</p> <p>Paragraph 4</p>	<p>The total amount of loans extended by the Company to the Business Partners shall not exceed <u>the thirty-five percent (35%) of the Company's Latest Net Worth</u>; the separate amount shall not exceed the business transactions between both parties. Total amount involved in the business transactions refers to the value represented by orders placed, sales or transactions contemplated by the parties in the most recent year.</p> <p>The accumulated balance of short-term loan of funds provided by the Company to any overseas subsidiary, over which the Company owns directly or indirectly 100% voting shares, <u>the separate and total amount of loans of funds to the Company seeking need short-term financing, shall comply with the lender's procedures for lending of capital to others.</u></p>	<p>The amount of loans extended by the Company to the Business Partners shall not exceed the total amount involved in the business transactions between both parties. Total amount involved in the business transactions refers to the value represented by orders placed, sales or transactions contemplated by the parties in the most recent year.</p> <p>The accumulated balance of short-term loan of funds provided by the Company to any overseas subsidiary, over which the Company owns directly or indirectly 100% voting shares, <u>shall not exceed the forty percent (40%) of the Company's Latest Net Worth.</u></p>
<p>Article 4 Paragraph 1</p>	<p>When handling a loan by the Company, the Borrowers are required to present requisite financial information and the application to the Company's finance department for limits of loans. The finance department shall evaluate such application in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations") as well as these Procedures including the following items and prepare and submit <u>the evaluation report to the Audit Committee for approval, then submit to the Board of Directors for approval without authorizing any other persons to undertake the abovementioned Procedures:</u></p> <p>(1) necessity and rationale of the loan;            (2) the Borrowers' credit standing and risk evaluation;            (3) impact on the Company's operation, financial condition and shareholders' interests; and            (4) whether collaterals are required and appraised values of such collaterals.</p>	<p>When handling a loan by the Company, the Borrowers are required to present requisite financial information and the application to the Company's finance department for limits of loans. The finance department shall evaluate such application in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations") as well as these Procedures including the following items and prepare and submit to the Board of Directors the evaluation report for approval without authorizing any other persons to undertake the abovementioned Procedures:</p> <p>(1) necessity and rationale of the loan;            (2) the Borrowers' credit standing and risk evaluation;            (3) impact on the Company's operation, financial condition and shareholders' interests; and            (4) whether collaterals are required and appraised values of such collaterals.</p>

Section	Proposed Changes	Current Articles
Paragraph 6	The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing these Procedures or extending loans hereunder.	<u>In the event that the Company has Independent Directors,</u> the Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing these Procedures or extending loans hereunder.
Paragraph 7	Where the balance of loans has exceeded the limits, or the Borrower fails to comply with these Procedures, as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to the <u>Audit Committee</u> . Rectification shall be completed within the time frame stipulated in improvement plans.	Where the balance of loans has exceeded the limits, or the Borrower fails to comply with these Procedures, as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to the <u>Supervisors</u> . Rectification shall be completed within the time frame stipulated in improvement plans.
Paragraph 8	<u>According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.</u>	
Article 5 Paragraph 3	Interest for short term financing shall be calculated on the <u>agreed</u> rate basis which rate is subject to adjustment depending on the costs of fund of the Company. Adjustments in interest rate shall be implemented after the finance department has submitted the application to the General Manager for approval. Interest receivable shall be settled and paid <u>by the agreed terms</u> .	Interest for short term financing shall be calculated on <u>a floating</u> rate basis which rate is subject to adjustment depending on the costs of fund of the Company. Adjustments in interest rate shall be implemented after the finance department has submitted the application to the General Manager for approval. Interest receivable shall be settled <u>once a month</u> .
Article 6 Paragraph 1	The Company shall maintain accounts books for loan extension setting out in details the subjects of loans, their amount, <u>date of approval by the Audit Committee</u> , date of approval by the Board of Directors, loan drawdown date and results of evaluation as required under Article 4 (1) above.	The Company shall maintain accounts books for loan extension setting out in details the subjects of loans, their amount, date of approval by the Board of Directors, loan drawdown date and results of evaluation as required under Article 4 (1) above.
Paragraph 2	The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and	The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and

Section	Proposed Changes	Current Articles
	make written records in details. In the event of major irregularities, the internal audit department shall inform the <u>Audit Committee</u> of the same.	make written records in details. In the event of major irregularities, the internal audit department shall inform all <u>supervisory persons</u> of the same.
Article 9 Paragraph 4	Subsidiaries of the Company shall on their own <u>evaluation</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self- <u>evaluation</u> reports of the said subsidiaries.	Subsidiaries of the Company shall on their own <u>examine</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self- <u>examination</u> reports of the said subsidiaries.
Article 10	The amendment of these Procedures shall be <u>approved by the Audit Committee, then resolved by the Board of Directors, then forwarded to the Shareholders' Meeting for approval.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Audit Committee</u> and Shareholders' Meeting for discussion.	These Procedures shall be forwarded to the <u>Supervisors and Shareholders' Meeting for approval upon resolved by the Board of Directors.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Supervisors</u> and Shareholders' Meeting for discussion. <u>The same procedure shall also apply to amendments hereof.</u>

## Attachment V

### Amendments to “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
Article 4 Paragraph 1	<p>Prior to the provision of endorsements or guarantees, the Company's finance department shall carefully evaluate its compliance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations"), these Procedures, including the following items and prepare and submit the evaluation report <u>to the Audit Committee for approval, then</u> submit to the Board of Directors for approval; provided that, due to the time-constraints, the Board of Directors may authorize the Chairman to approve such provision subject to ratification by the Board of Directors in the upcoming meeting:</p> <p>(1) necessity and rationale of the endorsements /guarantees;</p> <p>(2) credit standing and risk evaluation of the party to be secured under such endorsements/guarantees;</p> <p>(3) impact on the Company's operation, financial condition and shareholders' interests; and</p> <p>(4) whether collaterals are required and appraised values of such collaterals.</p>	<p>Prior to the provision of endorsements or guarantees, the Company's finance department shall carefully evaluate its compliance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations"), these Procedures, including the following items and prepare and submit to the Board of Directors the evaluation report for approval; provided that, due to the time-constraints, the Board of Directors may authorize the Chairman to approve such provision subject to ratification by the Board of Directors in the upcoming meeting:</p> <p>(1) necessity and rationale of the endorsements/guarantees;</p> <p>(2) credit standing and risk evaluation of the party to be secured under such endorsements/guarantees;</p> <p>(3) impact on the Company's operation, financial condition and shareholders' interests; and</p> <p>(4) whether collaterals are required and appraised values of such collaterals.</p>
Paragraph 2	<p>Subsidiaries, whose voting shares are 90% owned, directly or indirectly, by the Company, shall <u>submit to the Audit Committee for approval, then</u> report to the Board of Directors of the Company for approval, prior to the provision of endorsements or guarantees being issued according to the paragraph 2 of Article 2 in the Procedures. The aforesaid requirement shall not apply to the subsidiaries, whose voting shares are 100% owned, directly or indirectly, by the Company.</p>	<p>Subsidiaries, whose voting shares are 90% owned, directly or indirectly, by the Company, shall report to the Board of Directors of the Company for approval, prior to the provision of endorsements or guarantees being issued according to the paragraph 2 of Article 2 in the Procedures. The aforesaid requirement shall not apply to the subsidiaries, whose voting shares are 100% owned, directly or indirectly, by the Company.</p>
Paragraph 4	<p>Where the Company proposes to provide an endorsement and/or guarantees as a result of business transactions which is in conformity with the conditions set out herein but exceed the limit as stipulated above as a result of business needs, it shall <u>submit to the Audit Committee, then acquire</u> the approval of the Board of</p>	<p>Where the Company proposes to provide an endorsement and/or guarantees as a result of business transactions which is in conformity with the conditions set out herein but exceed the limit as stipulated above as a result of business needs, it shall <u>require</u> the approval of the Board of Directors and the joint guarantee</p>

Section	Proposed Changes	Current Articles
Paragraph 5	<p>Directors and the joint guarantee by more than half of the Directors in respect of the possible loss incurred by the excessive guarantee, as well as amendment to these Procedures subject to ratification by the Shareholders' Meeting. In the event that the Shareholders' Meeting raises objection, the Company shall formulate a proposal to cancel the excess within stipulated time limit.</p>	<p>by more than half of the Directors in respect of the possible loss incurred by the excessive guarantee, as well as amendment to these Procedures subject to ratification by the Shareholders' Meeting. In the event that the Shareholders' Meeting raises objection, the Company shall formulate a proposal to cancel the excess within stipulated time limit.</p>
Paragraph 6	<p>The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the conditions abovementioned, these Procedures or providing endorsements and/or guarantees.</p>	<p><u>In the event that the Company has Independent Directors,</u> the Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the conditions abovementioned, these Procedures or providing endorsements and/or guarantees.</p>
Paragraph 8	<p>Where the parties secured by such endorsements/guarantees fail to comply with these Procedures or the amounts have exceeded the limits as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to <u>the Audit Committee</u>. Rectification shall be completed within the time frame stipulated in improvement plans.</p>	<p>Where the parties secured by such endorsements/guarantees fail to comply with these Procedures or the amounts have exceeded the limits as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to <u>the Supervisors</u>. Rectification shall be completed within the time frame stipulated in improvement plans.</p>
Paragraph 8	<p><u>According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.</u></p>	
Article 7 Paragraph 1	<p>The Company's endorsements and guarantees shall be made based on the "Application for Endorsements and/or Guarantees" duly filled by the company requiring the same. The Company shall set up specific files and record in details of the name of the company secured by endorsements /guarantees provided, the relevant amount, <u>the date of resolved by the Audit Committee,</u> the date of resolved by the</p>	<p>The Company's endorsements and guarantees shall be made based on the "Application for Endorsements and/or Guarantees" duly filled by the company requiring the same. The Company shall set up specific files and record detailing the name of the company secured by endorsements/guarantees provided, the relevant amount, the date of resolved by the Board or that on which the Chairman had</p>

Section	Proposed Changes	Current Articles
Paragraph 2	<p>Board or that on which the Chairman had approved, the date of endorsements and guarantees, and matters of due diligence as required under Article 4 (1) herein.</p> <p>The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and make written records on the status of implementation in details. In the event of major irregularities, the internal audit department shall inform <u>the Audit Committee</u> of the same in writing.</p>	<p>approved, the date of endorsement and guarantee, and matters of due diligence as required under Article 4 (1) herein.</p> <p>The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and make written records in details. In the event of major irregularities, the internal audit department shall inform <u>all Supervisors</u> of the same in writing.</p>
Article 9 Paragraph 4	<p>Subsidiaries of the Company shall on their own <u>evaluation</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self-<u>evaluation</u> reports of the said subsidiaries.</p>	<p>Subsidiaries of the Company shall on their own <u>examine</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self-<u>examination</u> reports of the said subsidiaries.</p>
Article 11	<p><u>The amendment of these Procedures shall be approved by the Audit Committee, then resolved by the Board of Directors, then forwarded to the Shareholders' Meeting for approval.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Audit Committee</u> and Shareholders' Meeting for discussion.</p>	<p><u>These Procedures shall be forwarded to the Supervisors and Shareholders' Meeting for approval upon resolved by the Board of Directors.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Supervisors</u> and Shareholders' Meeting for discussion. <u>The same procedure shall also apply to amendments hereof.</u></p>

## Attachment VI

### Amendments to “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”

Section	Proposed Changes	Current Articles
<p>Article 4 Paragraph 1</p> <p>Paragraph 2</p> <p>Paragraph 3</p>	<p>Where the approval of the Board of Directors is required in respect of acquisition or disposition of assets pursuant to these Procedures or by virtue of other law, Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the <u>Audit Committee</u>. The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the acquisition and disposition of assets as required herein.</p> <p><u>Material assets or derivative transactions shall be approved by more than half of all Audit Committee members, and approved by a resolution of the Board of Directors.</u></p> <p><u>According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.</u></p>	<p>Where the approval of the Board of Directors is required in respect of acquisition or disposition of assets pursuant to these Procedures or by virtue of other law, Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the <u>Supervisors</u>. <u>In the event that the Company has Independent Directors</u>, the Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the acquisition and disposition of assets as required herein.</p>
<p>Article 8 Paragraph 2</p>	<p>Transactions of Real Property with Related Parties</p> <p>(2) Evaluation and Procedures</p> <p>The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or above, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of</p>	<p>Transactions of Real Property with Related Parties</p> <p>(2) Evaluation and Procedures</p> <p>The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption</p>

Section	Proposed Changes	Current Articles
Paragraph 3	<p>domestic money market funds, <u>submit to the Audit Committee and the Board of Directors for approval</u> of the following information prior to the signing of the transaction contract and making payments:</p> <p>(a)~(f) (omitted)</p> <p>(g) Restrictions on this transaction and other key contractual issues.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration of each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</p> <p>(3) Evaluation of the Fairness of Transaction Costs</p> <p>(a)~(e) (omitted)</p> <p>(f) Where the appraisal results pursuant to the preceding items are all lower than the transaction price, the Company shall undertake the following:</p> <p>i) With respect to the difference between the transaction price for the real property and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;</p> <p>ii) The <u>Independent Directors</u> shall undertake measures in compliance with Article 218 of the Company Act;</p> <p>iii) The shareholders' meeting shall be informed of measures under items i) and ii) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.</p> <p>(g)~(h) (omitted)</p>	<p>of domestic money market funds, <u>submit the Board of Directors for approval and Supervisors for recognition</u> the following information prior to the signing of the transaction contract and making payments:</p> <p>(a)~(f) (omitted)</p> <p>(g) Restrictions on this transaction and other key contractual issues.</p> <p><u>Where the position of Independent Director has been created</u>, when a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</p> <p>(3) Evaluation of the Fairness of Transaction Costs</p> <p>(a)~(e) (omitted)</p> <p>(f) Where the appraisal results pursuant to the preceding items are all lower than the transaction price, the Company shall undertake the following:</p> <p>i) With respect to the difference between the transaction price for the real property and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;</p> <p>ii) The <u>Supervisors</u> shall undertake measures in compliance with Article 218 of the Company Act;</p> <p>iii) The shareholders' meeting shall be informed of measures under items i) and ii) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.</p> <p>(g)~(h) (omitted)</p>



Section	Proposed Changes	Current Articles
Article 9-1 Paragraph 2	The calculation of the dollar amount of the transactions referred to in the paragraph 2 of Article 8 be made in accordance with Article 12, paragraph 1-(f) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>approved by the Audit Committee and Board of Directors</u> need not be counted toward the dollar amount of transactions.	The calculation of the dollar amount of the transactions referred to in the paragraph 2 of Article 8 be made in accordance with Article 12, paragraph 1-(f) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>approved by the Board of Directors and recognized by the Supervisors</u> need not be counted toward the dollar amount of transactions.
Article 10 Paragraph 1	Acquisition or Disposition of Derivative Products (1) Principles and Policies for Transactions (a)~(e) (omitted) (f) Limit on losses i) "For transaction purposes": <u>The upper limit of losses of individual contract is less than 5% of that contract's amount. The upper limit of losses of all the contracts is less than 5% of total amount of all contracts.</u>  ii) "For non-transactional purposes": The upper limit of losses of individual contract is less than 25% of that contract's amount. The upper limit of losses of all the contracts is less than 25% of total amount of all contracts.	Acquisition or Disposition of Derivative Products (1) Principles and Policies for Transactions (a)~(e) (omitted) (f) Limit on losses i) "For transaction purposes": <u>No pre-set limit on individual contracts; however the limits shall apply to those contracts of the same subject matter, and the limits for total contractual loss are formulated according to different tools:</u> A. <u>Forward contracts or futures: five per cent (5%) of average costs;</u> B. <u>Options: Where the Company is the purchaser, the limit for purchasing price shall be five per cent (5%) of the total contract amount. Where the Company is the seller, the limit shall be the sale price plus five per cent (5%) of the total contract amount.</u> C. <u>Swaps or other composite tools: The amount of loss shall not exceed five per cent (5%) of the total contract amount.</u> ii) "For non-transactional purposes": The upper limit of losses of individual contract is less than 25% of that contract's amount. The upper limit of losses of all the contracts is less than 25% of total amount of all contracts.
Paragraph 3	(3) Internal Audit System The Company's internal auditors shall regularly review the appropriateness of internal controls for derivative product trading, and shall on a monthly basis conduct compliance of these Procedures by the Trading Department, with audit reports to be compiled thereafter; where major irregularities are discovered, <u>the Audit Committee</u> shall be notified by writing.	(3) Internal Audit System The Company's internal auditors shall regularly review the appropriateness of internal controls for derivative product trading, and shall on a monthly basis conduct compliance of these Procedures by the Trading Department, with audit reports to be compiled thereafter; where major irregularities are discovered, <u>all Supervisors</u> shall be notified by writing.

Section	Proposed Changes	Current Articles
Paragraph 4	<p>(4) Regular Appraisal and Measures In the Event of Irregularities</p> <p>(a)~(b) (omitted)</p> <p>(c) The director of the Audit Department shall regularly review the suitability of the existing risk management measures and whether the procedures set out in this Article have been complied with; This person shall furthermore monitor the trades and profits/losses status, and shall take the necessary measures and immediately report to the Board of Directors where irregularities are discovered; the Independent Directors shall attend meetings of the Board of Directors and shall express their opinions.</p> <p>(d)(omitted)</p>	<p>(4) Regular Appraisal and Measures In the Event of Irregularities</p> <p>(a)~(b) (omitted)</p> <p>(c) The director of the Audit Department shall regularly review the suitability of the existing risk management measures and whether the procedures set out in this Article have been complied with; This person shall furthermore monitor the trades and profits/losses status, and shall take the necessary measures and immediately report to the Board of Directors where irregularities are discovered; <u>where the Company has appointed Independent Directors, who</u> shall attend meetings of the Board of Directors and shall express their opinions.</p> <p>(d)(omitted)</p>
Article 14	<p>Subsidiaries of the Company shall comply with the following:</p> <p>(5) Subsidiaries of the Company shall on their own <u>evaluation</u> whether their procedures in relation to Acquisition and Disposition of Assets are in compliance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and whether acquisition and disposition of assets are in compliance with their procedures. The Company's internal audit department shall review the <u>self-evaluation</u> reports of the said subsidiaries.</p>	<p>Subsidiaries of the Company shall comply with the following:</p> <p>(5) Subsidiaries of the Company shall on their own <u>examine</u> whether their procedures in relation to Acquisition and Disposition of Assets are in compliance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and whether acquisition and disposition of assets are in compliance with their procedures. The Company's internal audit department shall review the self-<u>examination</u> reports of the said subsidiaries.</p>
Article 16 Paragraph 1  Paragraph 2	<p><u>The amendment of these Procedures shall be approved by the Audit Committee and the Board of Directors, and shall furthermore be submitted for approval at the shareholders' meeting.</u> The same procedure shall apply in the case of amendments. The directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the <u>Audit Committee.</u></p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting</p>	<p><u>Following the approval by the Board of Directors of these Procedures, the same shall be forwarded to the respective Supervisors and shall furthermore be submitted for approval at the shareholders' meeting.</u> The same procedure shall apply in the case of amendments. The directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Supervisors.</u></p> <p><u>Where the position of Independent Director has been created,</u> when a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting</p>