

**2016 Annual General Shareholders' Meeting
(Translation)**

Date: Thursday, 23 June 2016

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: 5,352,095,854 shares (excluding 779,373 shares owned by FENC's subsidiaries)

Total shares represented by shareholders present: 4,500,137,730 shares

Percentage of shares held by shareholders: 84.082%

Directors: Mr. Douglas Tong Hsu, Mr. Johnny Shih, Mr. Peter Hsu, Mr. Shaw Y. Wang, Ms. Alice Hsu, Mr. Bing Shen, and Mr. Johnsee Lee

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

Recorder: Ms. Grace Yang



Meeting called to order

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

Chairman's address (Omitted)

Proposed resolution

1. 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. For the reason of the Company's business operations and pursuant to Articles 235, 235-1 of the Company Act and the letters issued by the Ministry of Economic Affairs (Letter No. 10402413890 on 11 June 2015 and Letter No. 10402427800 on 15 October 2015), it is proposed to amend some articles of “Articles of Incorporation of Far Eastern New Century Corporation” accordingly.
- ii. The overview table for the “Articles of Incorporation of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment I.
- iii. Please approve the proposal for the amendments to the “Articles of Incorporation of Far Eastern New Century Corporation”.

Voting Results: 4,500,137,730 shares were represented at the time of voting (including e-voting); 4,166,717,571 shares voted for the proposal, representing 92.59% of the total represented shares, 188,523 shares voted against the proposal, while 333,231,636 shares voted abstention the proposal.

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

Reporting items

1. 2015 business operations (Omitted)
2. 2015 financial statements (See Attachment II)
3. The Audit Committee's review report of 2015 business operations and financial statements
(See Attachment III)
4. 2015 employees' compensation and Directors' remuneration (Omitted)
5. Information of the corporate bonds issued in 2015 (Omitted)
6. Amendments of "Code of Ethics for Far Eastern New Century Corporation" and "Best Practice Principles of Ethical Corporate Management for Far Eastern New Century Corporation" (Omitted)

Approval items

1. To accept 2015 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2015 business report and financial statements.

Explanatory Notes:

- i. FENC's 2015 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. Kuo Cheng-Hung of Deloitte & Touche, and have been examined by and determined to be correct and accurate by the Audit Committee of FENC. We thereby submit this report.
- ii. The 2015 independent auditors' reports with the financial statements and Audit Committee's report are attached as Attachments II, and III.
- iii. Please accept the aforesaid business report and financial statements.

Voting Results: 4,500,137,730 shares were represented at the time of voting (including e-voting); 4,156,018,563 shares voted for the proposal, representing 92.35% of the total represented shares, 173,275 shares voted against the proposal, while 343,945,892 shares voted abstention the proposal.

RESOLVED, that the 2015 business report and financial statements be and hereby were accepted as submitted.

2. To approve the proposal for distribution of 2015 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2015 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: Totaling NT\$5,352,875,227. (NT\$ 1.0/share)
- ii. After being approved at the Annual General Shareholders' Meeting, the cash dividends to common shareholders will be distributed on a record date to be determined by the Board of Directors. Should FENC subsequently repurchase its common shares or issue new common shares according to the relevant regulations, the total number of common shares outstanding may change, and the ultimate cash 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 to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

iii. Please refer to the following table for the 2015 profit allocation proposal

(Unit: NT\$)

1. Net income of 2015	8,034,690,727
2. Legal reserve	803,469,073
3. Adjustments due to changes in investees' equity in equity-method investments	20,014,403
4. Adjustments due to changes in other comprehensive income	1,481,533,200
5. Unappropriated earnings of previous years	5,468,723,147
6. Reversal of special reserve	1,538,964,267
7. Special reserve (Note)	2,165,513,256
Earnings available for distribution as of 31 December 2015	10,571,848,209
(1-2-3-4+5+6-7)	
Distribution item:	
1. Shareholders' dividend (NT\$ 1.0/share in cash)	5,352,875,227
Total distribution	5,352,875,227
Unappropriated earnings	5,218,972,982
(Note) the net amount of special reserve due to the valuation on investment properties of the subsequent to initial recognition under the fair value model in accordance with the letter issued by the Financial Supervisory Commission (Letter No. FSC 1030006415).	

iv. Please approve the aforesaid proposal for the distribution of 2015 profits.

Voting Results: 4,500,137,730 shares were represented at the time of voting (including e-voting); 4,166,660,747 shares voted for the proposal, representing 92.59% of the total represented shares, 294,565 shares voted against the proposal, while 333,182,418 shares voted abstention the proposal.

RESOLVED, the proposal for distribution of 2015 profits be and hereby was accepted as proposed.

Election of Director

1. To elect an Independent Director of Far Eastern New Century Corporation

The Board of Directors proposes and recommends that each shareholder elect an Independent Director.

Explanatory Notes:

- i. The Board of Directors resolved that an Independent Director to be elected at this Annual General Shareholders' Meeting due to fill the vacancy of the Independent Directors of the Company.
- ii. In accordance with Article 16 of the "Articles of Incorporation of Far Eastern New Century Corporation", one Independent Director shall be elected with a term beginning from the date being elected until 25 June 2018.
- iii. The candidate will be nominated by the candidate nomination system. The Board of Directors or any shareholder with 1% shareholding or more are entitled to nominate a candidate. The period for candidate nomination of an Independent Director to be elected in this coming Shareholders' Meeting is from 18 April 2016 to 27 April 2016. During this period, the 22nd term Board of Directors has received the nomination of an Independent Director candidate from shareholder Asia Cement Corporation Limited. The Board has resolved the candidate met requirements and qualifications of Independent Directors in the 5th Board meeting on 10 May 2016. Please refer to the following table for the candidate.

No.	Type	Candidate	Education	Major Experiences	Current position	No. of shares held	Name of Institutional Shareholders
1	Independent Director	Sheng-Cheng Hu	University of Rochester, USA , Ph.D. in Economics	<ul style="list-style-type: none"> • Minister, Financial Supervisory Commission, R.O.C. • Minister Without Portfolio, Executive Yuan • Director, Institute of Economics, Academia Sinica • Minister, Council for Economic Planning And Development, Executive Yuan 	<ul style="list-style-type: none"> • Member, Board of Directors, Taiwan Institute of Economics Research • Member, Board of Directors, Taiwan Research Institute • Corresponding Research Fellow, Institute of Economics, Academia Sinica 	0	-

- iv. Please elect.

Voting Result:

	Name	Votes Received
Independent Director	Sheng-Cheng Hu	3,611,859,545

Extemporaneous motion: None

Meeting adjourned

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

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

Section	Proposed Changes	Current Articles	Reason
Article 2	<p>The Company's businesses are as follows :</p> <ol style="list-style-type: none"> 1. C301010 Yarn spinning mills 2. C302010 Knit fabric mills 3. C303010 Non-woven fabric mills 4. C305010 Printing dyeing and finishing mills 5. C306010 Outerwear knitting mills 6. C307010 Apparel, clothing accessories and other textile product manufacturing 7. C399990 Other textile products 8. C801120 Manmade fiber manufacturing 9. C801990 Other chemical material manufacturing 10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures 12. F106020 Wholesale of articles for daily use 13. F107990 Wholesale of other chemical products 14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures 16. F206020 Retail sale of articles for daily use 17. F207990 Retail sale of other chemical products 18. F301010 Department stores 19. F401010 International trade 20. F501060 Restaurants 21. J701020 Amusement parks 22. J801030 Athletics and recreational sport stadium 23. H701010 Residence and buildings lease construction and development 24. H701020 Industrial factory buildings lease construction and development 25. H701040 Specialized field construction and development 26. H701050 Public works construction and investment 	<p>The Company's businesses are as follows :</p> <ol style="list-style-type: none"> 1. C301010 Yarn spinning mills 2. C302010 Knit fabric mills 3. C303010 Non-woven fabric mills 4. C305010 Printing dyeing and finishing mills 5. C306010 Outerwear knitting mills 6. C307010 Apparel, clothing accessories and other textile product manufacturing 7. C399990 Other textile products 8. C801120 Manmade fiber manufacturing 9. C801990 Other chemical material manufacturing 10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures 12. F106020 Wholesale of articles for daily use 13. F107990 Wholesale of other chemical products 14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures 16. F206020 Retail sale of articles for daily use 17. F207990 Retail sale of other chemical products 18. F301010 Department stores 19. F401010 International trade 20. F501060 Restaurants 21. J701020 Amusement parks 22. J801030 Athletics and recreational sport stadium 23. H701010 Residence and buildings lease construction and development 24. H701020 Industrial factory buildings lease construction and development 25. H701040 Specialized field construction and development 26. H701050 Public works construction and investment 	To add the Company's businesses.

Section	Proposed Changes	Current Articles	Reason
	27. G202010 Parking garage business 28. G801010 Warehousing and storage 29. IZ06010 Cargos packaging 30. C802120 Industrial catalyst manufacturing 31. F102040 Wholesale of nonalcoholic beverages 32. F107030 Wholesale of cleaning preparations 33. F113070 Wholesale of telecom instruments 34. F213060 Retail sale of telecom instruments 35. CC01080 Electronic part and component manufacturing 36. CF01011 Medical materials and equipment manufacturing 37. F108031 Wholesale of drugs and medical goods 38. F208031 Retail sale of medical equipments 39. <u>C803990 Other Petroleum and Charcoal Manufacturing</u> 40. <u>F112020 Wholesale of Coal and Products</u> 41. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations	27. G202010 Parking garage business 28. G801010 Warehousing and storage 29. IZ06010 Cargos packaging 30. C802120 Industrial catalyst manufacturing 31. F102040 Wholesale of nonalcoholic beverages 32. F107030 Wholesale of cleaning preparations 33. F113070 Wholesale of telecom instruments 34. F213060 Retail sale of telecom instruments 35. CC01080 Electronic part and component manufacturing 36. CF01011 Medical materials and equipment manufacturing 37. F108031 Wholesale of drugs and medical goods 38. F208031 Retail sale of medical equipments 39. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations	
Article 21	(deleted)	<u>The remuneration of Directors shall be decided by the shareholders' meeting.</u>	To delete this Article according to Article 26.
Article 26	<p><u>2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered.</u></p> <p><u>The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of Directors, to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as Directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to</u></p>	<p>The distribution of <u>dividends</u> shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. <u>Dividends</u> shall be distributed <u>at the ratio as set forth in these Articles of Incorporation</u> aimed at maintaining the stability of <u>dividend</u> distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing <u>dividends</u>, the cash <u>dividends</u> is not less than 10% of <u>the aggregate sum of dividends and bonus</u> distributed in the same year.</p>	<ol style="list-style-type: none"> 1. The previous paragraph is moved to the paragraph 2 of Article 27 and amended accordingly 2. The paragraph 1 is added to define the ratio of the profits of the current year should be distributed as employees' compensation and Directors' remuneration. 3. The paragraph 2 is added to define the Board of Directors shall determine details of the distribution of employees' compensation and Directors' remuneration. The aforesaid distribution

Section	Proposed Changes	Current Articles	Reason
	<u>the shareholders' meeting.</u>		shall be submitted to the shareholders' meeting
Article 27	<p>Apart from paying all its income taxes in the case where there are profits for the current 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 <u>in proportion to the number of the shares held by each shareholder as shareholders' dividend.</u> However in the case of increase in the Company's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting.</p> <p>The distribution of <u>shareholders' dividend</u> shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. <u>Shareholders' dividend</u> shall be distributed aimed at maintaining the stability of <u>shareholders' dividend</u> distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing <u>shareholders' dividend</u>, the cash <u>dividend</u> is not less than 10% of the <u>shareholders' dividend</u> distributed in the same year.</p>	<p>Apart from paying all its income taxes in the case where there are profits for the current 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 <u>in the following manner :</u></p> <p>(1) <u>60% as share interest, to be distributed based on shareholdings.</u> However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the <u>share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</u></p> <p>(2) <u>33% as shareholders' bonuses to be distributed based on shareholdings.</u> 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>(3) <u>4% as employees' bonuses</u></p> <p>(4) <u>3% as remuneration for Directors, the manner in which it is to be distributed shall be decided by the Board of Directors.</u></p> <p><u>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.</u></p>	<p>1. To amend this Article pursuant to the amended Article 235 of the Company Act, and to remove the employees' bonuses and remuneration for Directors' from the distributable profits. The share interest and shareholders' bonuses are simplified and combined. The paragraph 1 is amended accordingly and the paragraph 2 is deleted.</p> <p>2. The initial Article 26 is moved to the paragraph 2 of Article 27 and amended accordingly.</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>Sixty-sixth amendment on June 23, 2016</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>Sixty-fifth amendment on June 26, 2015</p>	To record the latest amendment.

Attachment II

2015 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, 2015, December 31, 2014 and January 1, 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. 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, 2015, December 31, 2014 and January 1, 2014, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2015 and 2014, 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 have been prepared the consolidated financial statement in accordance Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission. As a result, the consolidated financial statements for the years ended December 31, 2014, the consolidated balance sheet as December 31, 2014, and the consolidated balance sheet as of January 1, 2014 have been restated.

We have also audited the parent company only financial statements of Far Eastern New Century Corporation as of and for the years ended December 31, 2015 and 2014 on which we have issued a modified unqualified report.

March 25, 2016

Notice to Readers

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

For the convenience of readers, the independent 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 independent 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, 2015		December 31, 2014 (Restated)		January 1, 2014 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 40,878,814	8	\$ 25,985,419	5	\$ 26,645,574	6
Financial assets at fair value through profit or loss - current	3,997,895	1	1,124,116	-	1,191,688	-
Available-for-sale financial assets - current	727,557	-	929,101	-	989,348	-
Held-to-maturity financial assets - current	-	-	-	-	99,962	-
Derivative financial assets for hedging - current	6,015	-	-	-	4,442	-
Financial assets measured at cost - current	-	-	-	-	42,587	-
Debt investments with no active market - current	3,350,990	1	4,114,651	1	2,606,689	1
Notes and accounts receivable, net	23,370,506	4	27,720,022	6	27,741,701	6
Amounts due from customers for construction contracts	973,888	-	2,286,911	1	1,473,786	-
Other receivables	5,789,282	1	3,503,430	1	2,900,592	1
Current tax assets	23,615	-	68,920	-	48,216	-
Inventories	24,558,575	5	22,005,555	4	24,184,972	5
Prepayments	3,257,852	1	4,414,732	1	3,799,470	1
Other financial assets - current	4,573,109	1	3,661,203	1	3,946,576	1
Refundable deposits - current	50,742	-	33,954	-	52,292	-
Other current assets	2,094,404	-	2,227,072	-	1,934,219	-
Total current assets	113,653,244	22	98,075,086	20	97,662,114	21
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current	4,486,739	1	4,718,618	1	5,257,220	1
Financial assets measured at cost - non-current	1,138,626	-	1,071,152	-	926,908	-
Debt investment with no active market - non-current	-	-	182,583	-	-	-
Investments accounted for using the equity method	58,658,951	11	61,839,479	12	55,870,243	12
Property, plant and equipment	148,141,804	29	139,055,972	28	124,767,713	26
Investment properties, net	124,190,706	24	119,663,209	24	113,458,525	24
Concession	35,151,640	7	37,314,277	8	37,734,135	8
Goodwill	11,865,515	2	11,930,443	2	11,928,782	2
Other intangible assets	3,465,545	1	3,772,439	1	4,184,122	1
Deferred tax assets	2,317,146	1	2,737,657	1	2,812,572	1
Prepayment for equipment	2,280,180	-	4,914,856	1	6,103,204	1
Refundable deposits	822,052	-	708,974	-	576,314	-
Long-term other receivables from related parties	1,620,000	-	-	-	-	-
Other financial assets - non-current	2,714,837	1	3,044,303	1	4,071,707	1
Long-term prepayments for lease	7,000,124	1	7,164,761	1	7,406,266	2
Other non-current assets	1,258,013	-	410,481	-	239,647	-
Total non-current assets	405,111,878	78	398,529,204	80	375,337,358	79
TOTAL	\$518,765,122	100	\$496,604,290	100	\$472,999,472	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ 24,687,627	5	\$ 27,638,660	6	\$ 28,053,848	6
Short-term bills payable	6,597,763	1	4,662,532	1	5,117,694	1
Financial liabilities at fair value through profit or loss - current	-	-	807	-	590	-
Derivative financial liabilities for hedging - current	11,016	-	14,950	-	-	-
Notes and accounts payable	15,622,902	3	13,502,368	3	17,452,151	4
Notes and accounts payable to related parties	381,383	-	513,625	-	261,571	-
Amounts due to customers for construction contracts	120,696	-	110,594	-	412,498	-
Payables to suppliers of machinery and equipment	2,986,273	1	3,202,004	1	3,133,810	1
Other payable	14,430,397	3	14,254,278	3	12,671,314	3
Current tax liabilities	1,830,859	-	3,368,813	1	3,115,500	1
Provisions - current	258,638	-	240,197	-	193,328	-
Guarantee deposits received - current	287,280	-	314,097	-	334,939	-
Receipts in advance	1,047,226	-	1,214,639	-	1,199,481	-
Unearned revenue	2,581,177	1	2,617,900	-	2,667,808	-
Current portion of long-term liabilities	22,012,363	4	14,127,895	3	8,845,696	2
Other current liabilities	1,992,912	-	2,293,289	-	2,317,709	-
Total current liabilities	94,848,512	18	88,076,648	18	85,777,937	18
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current	338,020	-	535,837	-	421,280	-
Bonds payable	63,363,036	12	60,712,019	12	65,638,787	14
Long-term borrowings	77,004,892	15	63,999,210	13	43,622,704	9
Provisions - non-current	811,094	-	763,223	-	705,863	-
Deferred tax liabilities	16,822,397	4	15,110,447	3	13,329,928	3
Net defined benefit liabilities - non-current	3,941,868	1	2,648,882	1	2,593,770	1
Guarantee deposits received	695,895	-	715,764	-	645,013	-
Deferred credit - gains on related - party transactions	149,074	-	149,629	-	150,185	-
Other non-current liabilities	393,331	-	408,320	-	476,788	-
Total non-current liabilities	163,519,607	32	145,043,331	29	127,584,318	27
Total liabilities	258,368,119	50	233,119,979	47	213,362,255	45
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Capital stock						
Common stock	53,528,751	10	52,479,168	11	51,450,165	11
Capital surplus	2,807,683	1	3,666,948	1	4,681,042	1
Retained earnings						
Legal reserve	14,511,559	3	13,408,217	3	12,687,509	3
Special reserve	108,721,550	21	105,911,942	21	105,911,942	22
Unappropriated earnings	13,706,389	2	17,383,706	3	14,143,946	3
Total retained earnings	136,939,498	26	136,703,865	27	132,743,397	28
Other equity	4,000,696	1	6,841,068	1	4,653,726	1
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the company	197,251,565	38	199,665,986	40	193,503,267	41
NON-CONTROLLING INTERESTS	63,145,438	12	63,818,325	13	66,133,950	14
Total equity	260,397,003	50	263,484,311	53	259,637,217	55
TOTAL	\$518,765,122	100	\$496,604,290	100	\$472,999,472	100

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

(With Deloitte & Touche independent audit report dated March 25, 2016)

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			
	2015		2014 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUES				
Net sales	\$132,962,253	61	\$150,830,097	64
Telecommunications service income	69,655,393	32	69,804,586	30
Gain on disposal of investments, net	653,893	-	55,666	-
Construction income	5,094,212	2	5,127,369	2
Other operating revenue	<u>9,582,451</u>	<u>5</u>	<u>9,688,921</u>	<u>4</u>
Total operating revenues	<u>217,948,202</u>	<u>100</u>	<u>235,506,639</u>	<u>100</u>
OPERATING COSTS				
Cost of sales	132,139,162	61	150,893,808	64
Cost of telecommunications services	25,857,076	12	26,243,122	11
Construction cost	4,883,668	2	4,836,912	2
Other operating cost	<u>4,585,014</u>	<u>2</u>	<u>5,800,704</u>	<u>3</u>
Total operating costs	<u>167,464,920</u>	<u>77</u>	<u>187,774,546</u>	<u>80</u>
GROSS PROFIT	<u>50,483,282</u>	<u>23</u>	<u>47,732,093</u>	<u>20</u>
REALIZED CONSTRUCTION INCOME	<u>555</u>	<u>-</u>	<u>556</u>	<u>-</u>
OPERATING EXPENSES				
Selling and marketing	23,838,721	11	23,869,154	10
General and administrative	11,346,476	5	11,417,311	5
Research and development	<u>785,112</u>	<u>-</u>	<u>753,249</u>	<u>-</u>
Total operating expenses	<u>35,970,309</u>	<u>16</u>	<u>36,039,714</u>	<u>15</u>
OPERATING INCOME	<u>14,513,528</u>	<u>7</u>	<u>11,692,935</u>	<u>5</u>
NONOPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates	2,721,771	1	4,293,787	2
Interest income	483,727	-	482,434	-
Other income	1,049,313	-	1,276,780	-
Gain on disposal of investment properties	941,564	-	-	-
Exchange (loss) gain, net	(916,502)	-	632,174	-
Gain on financial assets (liabilities) at fair value through profit or loss, net	433,436	-	282,168	-
Gain on change in fair value of investment properties	4,658,509	2	6,222,659	3
Interest expense	(2,450,149)	(1)	(1,934,871)	(1)
Other expenses	(593,076)	-	(490,939)	-

(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			
	2015		2014 (Restated)	
	Amount	%	Amount	%
Loss on disposal of property, plant and equipment	(960,258)	-	(879,765)	-
Loss on disposal of intangible assets	(616)	-	(6,478)	-
Impairment loss	<u>(180,574)</u>	<u>-</u>	<u>(153,155)</u>	<u>-</u>
Total nonoperating income and expenses	<u>5,187,145</u>	<u>2</u>	<u>9,724,794</u>	<u>4</u>
INCOME BEFORE INCOME TAX	19,700,673	9	21,417,729	9
INCOME TAX EXPENSE	<u>(5,014,304)</u>	<u>(2)</u>	<u>(4,409,757)</u>	<u>(2)</u>
NET INCOME	<u>14,686,369</u>	<u>7</u>	<u>17,007,972</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(1,522,352)	(1)	(160,418)	-
Gains on property revaluation	197,960	-	-	-
Share of the other comprehensive income (loss) of associates	(268,785)	-	488,081	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>256,999</u>	<u>-</u>	<u>53,973</u>	<u>-</u>
	<u>(1,336,178)</u>	<u>(1)</u>	<u>381,636</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(545,872)	-	2,159,079	1
Unrealized gain (loss) on available-for-sale financial assets	(369,099)	-	(531,745)	-
Cash flow hedges	91,448	-	(154,945)	-
Share of the other comprehensive income (loss) of associates	<u>(2,470,528)</u>	<u>(1)</u>	<u>541,114</u>	<u>-</u>
	<u>(3,294,051)</u>	<u>(1)</u>	<u>2,013,503</u>	<u>1</u>
Total other comprehensive income (loss), net	<u>(4,630,229)</u>	<u>(2)</u>	<u>2,395,139</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 10,056,140</u>	<u>5</u>	<u>\$ 19,403,111</u>	<u>8</u>
NET INCOME ATTRIBUTABLE TO:				
Owner of the Company	\$ 8,034,691	4	\$ 10,853,091	4
Non-controlling interests	<u>6,651,678</u>	<u>3</u>	<u>6,154,881</u>	<u>3</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
	<u>\$ 14,686,369</u>	<u>7</u>	<u>\$ 17,007,972</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owner of the Company	\$ 3,712,786	2	\$ 12,866,915	5
Non-controlling interests	<u>6,343,354</u>	<u>3</u>	<u>6,536,196</u>	<u>3</u>
	<u>\$ 10,056,140</u>	<u>5</u>	<u>\$ 19,403,111</u>	<u>8</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 1.61</u>		<u>\$ 2.17</u>	
Diluted	<u>\$ 1.60</u>		<u>\$ 2.16</u>	

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

(With Deloitte & Touche independent audit report dated March 25, 2016)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company												Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other Equity					Total	Non-controlling Interests	
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Gains on Property Revaluation	Treasury Shares			
BALANCE AT JANUARY 1, 2014	\$ 51,450,165	\$ 4,681,042	\$ 12,687,509	\$105,911,942	\$ 13,955,940	\$ 291,196	\$ 4,472,732	\$ (118,363)	\$ 8,161	\$ (25,063)	\$193,315,261	\$ 66,133,950	\$259,449,211
Effect of retrospective application and restatement	-	-	-	-	188,006	-	-	-	-	-	188,006	-	188,006
AS BALANCE AT JANUARY 1, 2014, AS RESTATED	51,450,165	4,681,042	12,687,509	105,911,942	14,143,946	291,196	4,472,732	(118,363)	8,161	(25,063)	193,503,267	66,133,950	259,637,217
Appropriation of the 2013 earnings													
Legal reserve	-	-	720,708	-	(720,708)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,688,522)	-	-	-	-	-	(6,688,522)	-	(6,688,522)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,960,785)	(7,960,785)
Stock dividends distributed from capital surplus - NT\$0.2 per share	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2014	-	-	-	-	10,853,091	-	-	-	-	-	10,853,091	6,154,881	17,007,972
Other comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	(173,518)	2,580,664	(843,080)	(54,688)	504,446	-	2,013,824	381,315	2,395,139
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	10,679,573	2,580,664	(843,080)	(54,688)	504,446	-	12,866,915	6,536,196	19,403,111
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 non-controlling 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	17,383,706	2,871,860	3,629,652	(173,051)	512,607	(25,063)	199,665,986	63,818,325	263,484,311
Appropriation of the 2014 earnings													
Legal reserve	-	-	1,103,342	-	(1,103,342)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,348,583	(4,348,583)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.2 per share	-	-	-	-	(6,297,500)	-	-	-	-	-	(6,297,500)	-	(6,297,500)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,933,930)	(7,933,930)
Stock dividends distributed from capital surplus - NT\$0.2 per share	1,049,583	(1,049,583)	-	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2015	-	-	-	-	8,034,691	-	-	-	-	-	8,034,691	6,651,678	14,686,369
Other comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	(1,481,533)	(597,177)	(2,509,725)	77,107	189,423	-	(4,321,905)	(308,324)	(4,630,229)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	6,553,158	(597,177)	(2,509,725)	77,107	189,423	-	3,712,786	6,343,354	10,056,140
Change in equity in associates	-	3,855	-	(10)	(12,214)	-	-	-	-	-	(8,369)	(43)	(8,412)
Effect on changes in percentage of ownership in associates	-	14,958	-	-	-	-	-	-	-	-	14,958	2	14,960
Disposal of investment in associates	-	-	-	-	(39)	-	-	-	-	-	(39)	(39)	(78)
Partial acquisition (disposal) of interests in subsidiaries	-	67,691	-	-	-	-	-	-	-	-	67,691	(183,230)	(115,539)
Effect on changes in percentage of ownership in subsidiaries	-	102,898	-	-	(7,762)	-	-	-	-	-	95,136	(19,716)	75,420
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	1,120,715	1,120,715
Change in capital surplus from dividends distributed to subsidiaries	-	916	-	-	-	-	-	-	-	-	916	-	916
Reversal of special reserve	-	-	-	(1,538,965)	1,538,965	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2015	\$ 53,528,751	\$ 2,807,683	\$ 14,511,559	\$108,721,550	\$ 13,706,389	\$ 2,274,683	\$ 1,119,927	\$ (95,944)	\$ 702,030	\$ (25,063)	\$197,251,565	\$ 63,145,438	\$260,397,003

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche independent audit report dated March 25, 2016)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31	
	2015	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 19,700,673	\$ 21,417,729
Adjustments for:		
Depreciation	14,310,140	13,821,978
Amortization	3,954,803	3,086,032
Allowance for doubtful accounts	268,113	283,862
Interest expenses	2,450,149	1,934,871
Interest income	(483,727)	(482,434)
Dividend income	(230,007)	(687,663)
Share of the profit of associates	(2,721,771)	(4,293,787)
Loss on disposal of property, plant and equipment	960,258	879,765
Gain on disposal of investment properties	(941,564)	-
Loss on disposal of intangible assets	616	6,478
Gain on disposal of investments	(665,900)	(57,742)
Impairment loss	180,574	153,155
Allowance for inventory valuation and obsolescence loss	(165,433)	330,637
Unrealized gain on transaction with associates	(555)	(556)
Gain on change in fair value of investment properties	(4,658,509)	(6,222,659)
Deferred loss on derivative assets for hedging	(116,318)	(20,996)
Net changes in operating assets and liabilities		
Financial assets held for trading	(2,873,779)	67,572
Notes and accounts receivable	4,081,891	(264,644)
Amounts due from customers for construction contracts	1,313,023	(813,125)
Other receivables	1,207,888	(853,523)
Inventories	(2,443,256)	1,848,780
Prepayments	1,165,863	(1,028,244)
Other current assets	133,261	(880,341)
Financial liabilities held for trading	(807)	217
Notes and accounts payable	2,107,495	(3,656,601)
Notes and accounts payable to related parties	(132,242)	252,054
Amounts due to customers for construction contracts	10,102	(301,904)
Other payables	143,431	1,693,628
Provisions	66,312	104,229
Receipts in advance	(167,413)	15,158
Other current liabilities	(301,075)	(24,420)
Net defined benefit liabilities - non-current	27,555	(51,372)
Unearned revenue	(36,723)	(49,908)
Cash generated from operations	36,143,068	26,206,226
Interest received	505,819	472,415
Dividend received	4,186,716	4,601,081
Interest paid	(2,423,380)	(1,888,711)
Income tax paid	(4,374,190)	(2,321,714)
Net cash generated from operating activities	34,038,033	27,069,297
CASH FLOWS FROM INVESTING ACTIVITIES		

(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	
	2015	2014 (Restated)
Acquisition of available-for-sale financial assets	(753,486)	(127,922)
Proceeds of the disposal of available-for-sale financial assets	818,285	330,734
Decrease (Increase) of debt investments with no active market	946,244	(1,722,570)
Proceeds on repayment of debt investments with no active market	-	31,000
Proceeds on repayment of held-to-maturity financial assets at maturity	-	100,000
Purchase of financial assets measured at cost	(66,802)	-
Proceeds on sale of financial assets measured at cost	-	8,348
Acquisition of investments accounted for using the equity-method	(776,192)	(2,949,573)
Proceeds of on sale of investments accounted for using the equity-method	33,025	37,395
Net cash outflow on acquisition of subsidiaries	(159,449)	-
Net cash outflow on the loss of control over subsidiaries	-	(857,294)
Payments for property, plant, equipment and prepayment for equipment	(24,117,793)	(28,367,682)
Proceeds from disposal of property, plant and equipment	2,366,380	189,798
Increase in refundable deposits	(129,866)	(114,850)
Increase in other receivable from related parties	(3,246,100)	(19,000)
Payments for intangible assets	(993,621)	(909,863)
Proceeds from disposal of intangible assets	479	1,067
Payments for investment properties	(244,552)	(11,803)
Proceeds from disposal of investment properties	66,347	-
Increase in long-term prepayments for lease	(180,336)	(145,448)
Increase in concession	(239,820)	(1,018,143)
Proceeds from disposal of concession	154	-
(Increase) decrease in other financial assets	(582,440)	1,312,777
Increase in other non-current assets	(820,629)	(242,347)
Net cash used in investing activities	(28,080,172)	(34,475,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(3,055,744)	(415,188)
Increase (decrease) in short-term bills payables	1,938,000	(455,000)
Proceeds from issue of bonds	23,600,000	8,400,000
Repayments of bond payables	(13,350,000)	(8,750,000)
Proceeds from long-term borrowings	209,820,146	200,844,269
Repayment of long-term borrowings	(196,534,129)	(179,786,649)
(Decrease) increase in guarantee deposits received	(53,870)	49,909
Decrease in other non-current liabilities	(14,989)	(68,468)
Dividends paid	(14,231,395)	(14,657,589)
Increase in non-controlling interest	435,874	853,126
Net cash generated from financing activities	8,553,893	6,014,410
EFFECTS OF EXCHANGE RATE CHANGES	381,641	731,514

(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	
	2015	2014 (Restated)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,893,395	(660,155)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>25,985,419</u>	<u>26,645,574</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 40,878,814</u>	<u>\$ 25,985,419</u>

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

(With Deloitte & Touche independent audit report dated March 25, 2016)

(Concluded)

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 as of December 31, 2015, December 31, 2014 and January 1, 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of 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, 2015, December 31, 2014 and January 1, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

As disclosed in Note 3 to the financial statements, Far Eastern New Century Corporation have been prepared the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission. As a result, the financial statements for the years ended December 31, 2014, the balance sheet as of December 31, 2014, and the balance sheet as of January 1, 2014 have been restated.

March 25, 2016

Notice to Readers

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

For the convenience of readers, the independent 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 independent auditors' report and financial statements shall prevail.

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2015		December 31, 2014 (Restated)		January 1, 2014 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 14,213,766	5	\$ 9,630,098	3	\$ 9,542,173	4
Financial assets at fair value through profit or loss - current	99,125	-	87,055	-	46,516	-
Debt investments with no active market - current	-	-	585,979	-	145,947	-
Notes and accounts receivable, net	7,193,069	3	8,705,703	3	8,849,369	3
Other receivables	4,063,193	1	4,792,589	2	4,621,850	2
Current tax assets	14,663	-	16,074	-	2,314	-
Inventories	6,349,136	2	6,499,650	2	6,605,481	2
Prepayments	113,066	-	180,825	-	467,163	-
Other current assets	250,048	-	210,557	-	352,909	-
Total current assets	<u>32,296,066</u>	<u>11</u>	<u>30,708,530</u>	<u>10</u>	<u>30,633,722</u>	<u>11</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - noncurrent	781,027	-	794,978	-	902,112	-
Investments accounted for using equity method	235,733,762	80	235,549,257	81	227,000,975	80
Property, plant and equipment	24,340,572	8	24,198,238	8	21,969,289	8
Investment properties, net	1,446,491	1	1,455,418	1	1,429,000	1
Other intangible assets	20,622	-	21,607	-	16,392	-
Deferred tax assets	148,237	-	189,922	-	291,062	-
Prepayment for equipment	236,690	-	234,306	-	327,575	-
Refundable deposits	53,776	-	61,249	-	62,792	-
Other financial assets - non-current	48,205	-	48,205	-	34,381	-
Other non-current assets	62,165	-	114,081	-	86,981	-
Total non-current assets	<u>262,871,547</u>	<u>89</u>	<u>262,667,261</u>	<u>90</u>	<u>252,120,559</u>	<u>89</u>
TOTAL	<u>\$295,167,613</u>	<u>100</u>	<u>\$293,375,791</u>	<u>100</u>	<u>\$282,754,281</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ 40,366	-	\$ 2,229,422	1	\$ 6,260,388	2
Financial liabilities at fair value through profit or loss - current	-	-	-	-	272	-
Notes and accounts payable	2,133,929	1	2,596,714	1	4,145,447	2
Notes and accounts payable to related parties	637,379	-	748,460	-	948,175	-
Payables to suppliers of machinery and equipment	8,716	-	2,113	-	1,173	-
Other payable	3,438,101	1	3,797,299	2	3,644,611	1
Provisions - current	1,461	-	8,340	-	12,171	-
Receipts in advance	358,988	-	344,143	-	328,753	-
Current portion of long-term liabilities	13,575,460	5	8,743,734	3	7,246,540	3
Other current liabilities	775,790	-	739,966	-	754,607	-
Total current liabilities	<u>20,970,190</u>	<u>7</u>	<u>19,210,191</u>	<u>7</u>	<u>23,342,137</u>	<u>8</u>
NON-CURRENT LIABILITIES						
Bonds payable	36,447,254	12	31,453,279	11	34,790,061	12
Long-term borrowings	36,169,650	12	39,864,033	13	27,961,684	10
Deferred tax liabilities	1,930,822	1	1,986,224	1	2,045,892	1
Net defined benefit liabilities - non-current	2,359,176	1	1,157,021	-	1,057,386	1
Guarantee deposits received	3,043	-	3,059	-	3,059	-
Deferred credit - gain on related-party transactions	35,913	-	35,998	-	50,795	-
Total non-current liabilities	<u>76,945,858</u>	<u>26</u>	<u>74,499,614</u>	<u>25</u>	<u>65,908,877</u>	<u>24</u>
Total liabilities	<u>97,916,048</u>	<u>33</u>	<u>93,709,805</u>	<u>32</u>	<u>89,251,014</u>	<u>32</u>
EQUITY						
Capital stock						
Common stock	53,528,751	18	52,479,168	18	51,450,165	18
Capital surplus	2,807,683	1	3,666,948	1	4,681,042	2
Retained earnings						
Legal reserve	14,511,559	5	13,408,217	5	12,687,509	5
Special reserve	108,721,550	37	105,911,942	36	105,911,942	37
Unappropriated earnings	13,706,389	5	17,383,706	6	14,143,946	5
Total retained earnings	<u>136,939,498</u>	<u>47</u>	<u>136,703,865</u>	<u>47</u>	<u>132,743,397</u>	<u>47</u>
Other equity	4,000,696	1	6,841,068	2	4,653,726	1
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity	<u>197,251,565</u>	<u>67</u>	<u>199,665,986</u>	<u>68</u>	<u>193,503,267</u>	<u>68</u>
TOTAL	<u>\$295,167,613</u>	<u>100</u>	<u>\$293,375,791</u>	<u>100</u>	<u>\$282,754,281</u>	<u>100</u>

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

(With Deloitte & Touche independent audit report dated March 25, 2016)

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			
	2015		2014 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUES				
Net sales	\$46,837,024	100	\$58,095,688	100
Other operating revenue	<u>12,505</u>	<u>-</u>	<u>12,786</u>	<u>-</u>
Total operating revenues	<u>46,849,529</u>	<u>100</u>	<u>58,108,474</u>	<u>100</u>
OPERATING COSTS				
Cost of sales	42,559,154	91	53,419,481	92
Other operating cost	<u>13,759</u>	<u>-</u>	<u>17,294</u>	<u>-</u>
Total operating costs	<u>42,572,913</u>	<u>91</u>	<u>53,436,775</u>	<u>92</u>
GROSS PROFIT	<u>4,276,616</u>	<u>9</u>	<u>4,671,699</u>	<u>8</u>
OPERATING EXPENSES				
Selling and marketing	2,691,283	6	2,864,462	5
General and administrative	1,281,387	3	1,238,557	2
Research and development	<u>757,250</u>	<u>1</u>	<u>718,285</u>	<u>1</u>
Total operating expenses	<u>4,729,920</u>	<u>10</u>	<u>4,821,304</u>	<u>8</u>
OPERATING LOSS	<u>(453,304)</u>	<u>(1)</u>	<u>(149,605)</u>	<u>-</u>
NONOPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates	9,177,312	20	11,196,928	19
Interest income	137,142	-	129,615	-
Rental income	22,566	-	22,728	-
Dividend income	30,285	-	18,115	-
Other income	215,466	-	332,956	1
Gain on disposal of property, plant and equipment	11,352	-	12,902	-
Gain on disposal of investments, net	85,873	-	48	-
Exchange gain, net	92,332	-	287,254	1
Gain on financial assets (liabilities) at fair value through profit or loss, net	283,364	1	211,806	-
Gain on change in fair value of investment properties	33,138	-	26,418	-
Interest expense	(1,025,841)	(2)	(929,809)	(2)
Other expense	(203,712)	-	(199,931)	-
Loss on disposal of investment properties	(42,065)	-	-	-
Impairment loss	<u>(108,150)</u>	<u>-</u>	<u>(1,334)</u>	<u>-</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			
	2015		2014 (Restated)	
	Amount	%	Amount	%
Total nonoperating income and expenses	<u>8,709,062</u>	<u>19</u>	<u>11,107,696</u>	<u>19</u>
INCOME BEFORE INCOME TAX	8,255,758	18	10,958,091	19
INCOME TAX EXPENSE	<u>(221,067)</u>	<u>(1)</u>	<u>(105,000)</u>	<u>-</u>
NET INCOME	<u>8,034,691</u>	<u>17</u>	<u>10,853,091</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(1,381,087)	(3)	(215,814)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates	(145,808)	-	483,213	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>234,785</u>	<u>-</u>	<u>63,528</u>	<u>-</u>
	<u>(1,292,110)</u>	<u>(3)</u>	<u>330,927</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Unrealized loss on available-for-sale financial assets	(13,951)	-	(107,134)	-
Share of other comprehensive income (loss) of subsidiaries and associates	<u>(3,015,844)</u>	<u>(6)</u>	<u>1,790,031</u>	<u>3</u>
	<u>(3,029,795)</u>	<u>(6)</u>	<u>1,682,897</u>	<u>3</u>
Total other comprehensive income (loss), net	<u>(4,321,905)</u>	<u>(9)</u>	<u>2,013,824</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,712,786</u>	<u>8</u>	<u>\$12,866,915</u>	<u>22</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 1.61</u>		<u>\$ 2.17</u>	
Diluted	<u>\$ 1.60</u>		<u>\$ 2.16</u>	

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

(With Deloitte & Touche independent audit report dated March 25, 2016)

(Concluded)

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					Total Equity
						Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Gain on Property Revaluation	Treasury Shares	
BALANCE AT JANUARY 1, 2014	\$ 51,450,165	\$ 4,681,042	\$ 12,687,509	\$105,911,942	\$ 13,955,940	\$ 291,196	\$ 4,472,732	\$ (118,363)	\$ 8,161	\$ (25,063)	\$193,315,261
Effect of retrospective application and restatement	-	-	-	-	188,006	-	-	-	-	-	188,006
BALANCE AT JANUARY 1, 2014 AS RESTATED	<u>51,450,165</u>	<u>4,681,042</u>	<u>12,687,509</u>	<u>105,911,942</u>	<u>14,143,946</u>	<u>291,196</u>	<u>4,472,732</u>	<u>(118,363)</u>	<u>8,161</u>	<u>(25,063)</u>	<u>193,503,267</u>
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 from capital surplus - NT\$0.2 per share	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2014	-	-	-	-	10,853,091	-	-	-	-	-	10,853,091
Other comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	(173,518)	2,580,664	(843,080)	(54,688)	504,446	-	2,013,824
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	<u>10,679,573</u>	<u>2,580,664</u>	<u>(843,080)</u>	<u>(54,688)</u>	<u>504,446</u>	-	<u>12,866,915</u>
Change in equity in associates	-	13,935	-	-	(30,548)	-	-	-	-	-	(16,613)
Effect on changes in percentage of ownership in associates	-	-	-	-	(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	17,383,706	2,871,860	3,629,652	(173,051)	512,607	(25,063)	199,665,986
Appropriation of the 2014 earnings											
Legal reserve	-	-	1,103,342	-	(1,103,342)	-	-	-	-	-	-
Special reserve	-	-	-	4,348,583	(4,348,583)	-	-	-	-	-	-
Cash dividends - NT\$1.2 per share	-	-	-	-	(6,297,500)	-	-	-	-	-	(6,297,500)
Stock dividends from capital surplus - NT\$0.2 per share	1,049,583	(1,049,583)	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2015	-	-	-	-	8,034,691	-	-	-	-	-	8,034,691
Other comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	(1,481,533)	(597,177)	(2,509,725)	77,107	189,423	-	(4,321,905)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	<u>6,553,158</u>	<u>(597,177)</u>	<u>(2,509,725)</u>	<u>77,107</u>	<u>189,423</u>	-	<u>3,712,786</u>
Change in equity in associates	-	179,117	-	(10)	(20,015)	-	-	-	-	-	159,092
Effect on changes in percentage of ownership in associates	-	10,285	-	-	-	-	-	-	-	-	10,285
Change in capital surplus from dividends distributed to subsidiaries	-	916	-	-	-	-	-	-	-	-	916
Reversal of special reserve	-	-	-	(1,538,965)	1,538,965	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2015	<u>\$ 53,528,751</u>	<u>\$ 2,807,683</u>	<u>\$ 14,511,559</u>	<u>\$108,721,550</u>	<u>\$ 13,706,389</u>	<u>\$ 2,274,683</u>	<u>\$ 1,119,927</u>	<u>\$ (95,944)</u>	<u>\$ 702,030</u>	<u>\$ (25,063)</u>	<u>\$197,251,565</u>

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche independent audit report dated March 25, 2016)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,255,758	\$ 10,958,091
Adjustments for:		
Depreciation	2,145,777	1,795,070
Amortization	10,517	12,692
Interest expenses	1,025,841	929,809
Interest income	(137,142)	(129,615)
Dividend income	(30,285)	(18,115)
Share of the profit of subsidiaries and associates	(9,177,312)	(11,196,928)
Gain on disposal of property, plant and equipment	(11,352)	(12,902)
Loss on disposal of investment properties	42,065	-
Gain on disposal of investments	(85,873)	(48)
Impairment loss	108,150	1,334
Allowance for inventory valuation and obsolescence loss	146,280	106,122
Net (gain) loss on unrealized foreign currency exchange	(120,500)	20,500
Gain on change in fair value of investment properties	(33,138)	(26,418)
Reversal of allowance for doubtful accounts	-	(10,549)
Net changes in operating assets and liabilities		
Financial assets held for trading	(12,070)	(40,539)
Notes and accounts receivable	1,512,634	154,215
Other receivables	716,211	(315,032)
Inventories	4,234	(291)
Prepayments	67,759	286,338
Other current assets	(39,491)	142,352
Financial liabilities held for trading	-	(272)
Notes and accounts payable	(462,785)	(1,548,733)
Notes and accounts payable to related parties	(111,081)	(199,715)
Other payables	(410,918)	192,120
Provisions	(6,879)	(3,831)
Receipts in advance	14,845	15,390
Other current liabilities	35,824	(14,641)
Net defined benefit liabilities - non-current	<u>(178,932)</u>	<u>(116,178)</u>
Cash generated from operations	3,268,137	980,226
Interest received	137,577	129,033
Dividend received	7,628,632	8,602,565
Interest paid	(985,952)	(945,544)
Income tax received (paid)	<u>1,412</u>	<u>(13,760)</u>
Net cash generated from operating activities	<u>10,049,806</u>	<u>8,752,520</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) of debt investments with no active market	585,979	(440,032)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014 (Restated)
Acquisition of investments accounted for using the equity-method	(1,511,164)	(3,560,110)
Proceeds on sale of investments accounted for using the equity-method	53	-
Payments for property, plant, equipment and prepayment for equipment	(2,389,653)	(3,933,612)
Proceeds from disposal of property, plant and equipment	15,113	1,955
Decrease in refundable deposits	7,473	1,543
Decrease in other receivables	120,750	1,250
Payments for intangible assets	(9,532)	(17,907)
Increase in other financial assets	-	(13,824)
Decrease (increase) in other non-current assets	<u>45,766</u>	<u>(28,434)</u>
Net cash used in investing activities	<u>(3,135,215)</u>	<u>(7,989,171)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(2,189,056)	(4,030,966)
Proceeds from issue of bonds	18,600,000	5,400,000
Repayments of bonds payable	(8,750,000)	(7,250,000)
Proceeds from long-term borrowings	164,439,396	167,007,094
Repayment of long-term borrowings	(168,133,779)	(155,104,745)
Decrease in guarantee deposits received	(16)	-
Dividends paid	<u>(6,297,468)</u>	<u>(6,696,807)</u>
Net cash used in financing activities	<u>(2,330,923)</u>	<u>(675,424)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	4,583,668	87,925
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>9,630,098</u>	<u>9,542,173</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 14,213,766</u>	<u>\$ 9,630,098</u>

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

(With Deloitte & Touche independent audit report dated March 25, 2016)

(Concluded)

Attachment III

The Audit Committee's Review Report

To the 2016 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2015 which had been audited by Deloitte & Touche, and found them in order.

The Convener of the Audit Committee: Bing Shen



10 May 2016