

Far Eastern New Century Corporation

**Financial Statements for the
Years Ended December 31, 2015 and 2014 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

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, 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 the Company'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 has prepared its 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 and the balance sheets as of December 31, 2014 and 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 (Note 6)	\$ 14,213,766	5	\$ 9,630,098	3	\$ 9,542,173	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	99,125	-	87,055	-	46,516	-
Debt investments with no active market - current (Note 8)	-	-	585,979	-	145,947	-
Notes and accounts receivable, net (Notes 4, 5, 9 and 26)	7,193,069	3	8,705,703	3	8,849,369	3
Other receivables (Note 26)	4,063,193	1	4,792,589	2	4,621,850	2
Current tax assets	14,663	-	16,074	-	2,314	-
Inventories (Notes 4, 5 and 10)	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 (Notes 4 and 12)	781,027	-	794,978	-	902,112	-
Investments accounted for using equity method (Notes 4, 11 and 27)	235,733,762	80	235,549,257	81	227,000,975	80
Property, plant and equipment (Notes 4, 5, 13 and 27)	24,340,572	8	24,198,238	8	21,969,289	8
Investment properties, net (Notes 4, 14 and 27)	1,446,491	1	1,455,418	1	1,429,000	1
Other intangible assets (Notes 4 and 15)	20,622	-	21,607	-	16,392	-
Deferred tax assets (Notes 4, 5 and 22)	148,237	-	189,922	-	291,062	-
Prepayment for equipment (Note 13)	236,690	-	234,306	-	327,575	-
Refundable deposits (Note 26)	53,776	-	61,249	-	62,792	-
Other financial assets - non-current (Note 27)	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 (Note 16)	\$ 40,366	-	\$ 2,229,422	1	\$ 6,260,388	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	-	-	272	-
Notes and accounts payable	2,133,929	1	2,596,714	1	4,145,447	2
Notes and accounts payable to related parties (Note 26)	637,379	-	748,460	-	948,175	-
Payables to suppliers of machinery and equipment	8,716	-	2,113	-	1,173	-
Other payable (Note 26)	3,438,101	1	3,797,299	2	3,644,611	1
Provisions - current (Note 17)	1,461	-	8,340	-	12,171	-
Receipts in advance	358,988	-	344,143	-	328,753	-
Current portion of long-term liabilities (Note 18)	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 (Note 18)	36,447,254	12	31,453,279	11	34,790,061	12
Long-term borrowings (Note 16)	36,169,650	12	39,864,033	13	27,961,684	10
Deferred tax liabilities (Notes 4, 5 and 22)	1,930,822	1	1,986,224	1	2,045,892	1
Net defined benefit liabilities - non-current (Notes 4, 5 and 19)	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 (Note 26)	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 (Note 20)						
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	136,939,498	47	136,703,865	47	132,743,397	47
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 (Notes 4 and 26)				
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 (Notes 10, 21 and 26)				
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 (Notes 21 and 26)				
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 (Note 11)	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 (Note 13)	11,352	-	12,902	-
Gain on disposal of investments, net	85,873	-	48	-
Exchange gain, net (Note 4)	92,332	-	287,254	1
Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	283,364	1	211,806	-
Gain on change in fair value of investment properties (Note 14)	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 (Note 14)	(42,065)	-	-	-
Impairment loss	<u>(108,150)</u>	<u>-</u>	<u>(1,334)</u>	<u>-</u>
Total nonoperating income and expenses	<u>8,709,062</u>	<u>19</u>	<u>11,107,696</u>	<u>19</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	%
INCOME BEFORE INCOME TAX	\$ 8,255,758	18	\$ 10,958,091	19
INCOME TAX EXPENSE (Notes 4, 5 and 22)	<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; Note 23)				
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 (Note 20)	Capital Surplus (Notes 4 and 20)	Legal Reserve (Note 20)	Special Reserve (Note 20)	Unappropriated Earnings (Note 20)	Other Equity					Total Equity
						Exchange Differences on Translating Foreign Operations (Notes 4 and 20)	Unrealized Gain (Loss) on Available-for- sale Financial Assets (Notes 4 and 20)	Cash Flow Hedges (Notes 4 and 20)	Gain on Property Revaluation (Notes 4 and 20)	Treasury Shares (Note 20)	
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	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
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	-	-	-	-	10,679,573	2,580,664	(843,080)	(54,688)	504,446	-	12,866,915
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	-	-	-	-	6,553,158	(597,177)	(2,509,725)	77,107	189,423	-	3,712,786
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	\$ 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

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>

(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)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) of debt investments with no active market	\$ 585,979	\$ (440,032)
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 prepayments 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)

FAR EASTERN NEW CENTURY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

1. GENERAL INFORMATION

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

On October 13, 2009, the stockholders resolved to change their Company name of Far Eastern Textile Ltd. to Far Eastern New Century Corporation; thus, the original stock symbol of FETL was changed to FENC.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 25, 2016.

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

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

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version would not have any material impact on the Company’s accounting policies:

1) IFRS 11 “Joint Arrangements”

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

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

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards. Refer to Note 11 for related disclosure.

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

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

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

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

4) IFRS 13 “Fair Value Measurement”

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Notes 14 and 25 related disclosures.

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

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

The Company will retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

6) Revision to IAS 19 “Employee Benefits”

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

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

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

The anticipated impact of the initial application of the revised IAS 19 is detailed as follows:

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>Impact on assets, liabilities and equity</u>			
<u>December 31, 2014</u>			
Net defined benefit liabilities - noncurrent	<u>\$ 1,322,578</u>	<u>\$ (165,557)</u>	<u>\$ 1,157,021</u>
Unappropriated Earnings	<u>\$ 17,218,149</u>	<u>\$ 165,557</u>	<u>\$ 17,383,706</u>
<u>January 1, 2014</u>			
Net defined benefit liabilities - noncurrent	<u>\$ 1,245,392</u>	<u>\$ (188,006)</u>	<u>\$ 1,057,386</u>
Unappropriated Earnings	<u>\$ 13,955,940</u>	<u>\$ 188,006</u>	<u>\$ 14,143,946</u>

(Continued)

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>Impact on total comprehensive income for the year ended December 31, 2014</u>			
Operating cost	<u>\$ (53,306,371)</u>	<u>\$ (130,404)</u>	<u>\$ (53,436,775)</u>
Operating expense	<u>\$ (4,771,378)</u>	<u>\$ (49,926)</u>	<u>\$ (4,821,304)</u>
Net income for the year	<u>\$ 11,033,421</u>	<u>\$ (180,330)</u>	<u>\$ 10,853,091</u>
Remeasurements of defined benefit plan	<u>\$ (373,695)</u>	<u>\$ 157,881</u>	<u>\$ (215,814)</u>
Other comprehensive income for the year	<u>\$ 1,855,943</u>	<u>\$ 157,881</u>	<u>\$ 2,013,824</u>
Total comprehensive income for the year	<u>\$ 12,889,364</u>	<u>\$ (22,449)</u>	<u>\$ 12,866,915</u>
<u>Impact on earning per share for the year ended December 31, 2014</u>			
Basic	<u>\$2.20</u>	<u>\$(0.03)</u>	<u>\$2.17</u>
Diluted	<u>\$2.20</u>	<u>\$(0.04)</u>	<u>\$2.16</u>

7) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements.

8) Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets

Under the amendments, investment properties that are measured using the fair value model are presumed to be recovered through sale for the purposes of measuring deferred taxes. However, the presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embedded in the investment property over time, rather than through sale, and accordingly, the recognition of the tax consequences should reflect the expected manner of recovering the asset.

The Company measures its investment properties using the fair value model. As the investment property is held within a business model whose objective is to consume substantially all of the economic benefits over time, the measurement of deferred tax reflects the tax consequences of recovering the carrying amount through use.

9) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

10) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

11) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

Based on the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income, and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. If this accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

b. New IFRSs in issue but not yet endorsed by the FSC

On March 10, 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” and those with undetermined effective date. In addition, the FSC announced that the Company should apply IFRS 15 starting January 1, 2018. As of the date the financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

New, Amended or Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

Note 1: Unless stated otherwise, the above new, revised or amended standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

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

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above new, revised or amended standards and interpretations, whenever applied, would not have any material impact on the Company's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

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

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

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Company may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

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

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

2) Amendments to IAS 36, “Recoverable Amount Disclosures for Non-financial Assets”

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Company is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRIC 21 “Levies”

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

4) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

5) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. Accordingly, a joint operator that is an acquirer of such an interest has to measure most identifiable assets and liabilities at fair value; expense acquisition-related costs (other than debt or equity issuance costs); recognize deferred taxes; recognizing any goodwill or bargain purchase gain and perform impairment tests for the cash generating units to which goodwill has been allocated. In addition, the acquirer of an interest in a joint operation has to disclose information required relevant for business combinations.

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

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

7) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

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

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

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

- a) Identify the contract with the customer;
- b) Identify the performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contracts; and
- e) Recognize revenue when the entity satisfies a performance obligation.

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

9) IAS 16 and IAS 41 “Agriculture: Bearer Plants”

The amended standards require that bearer plants should be accounted for in accordance with IAS 16. When applying the amended standards, the Company will initially recognize bearer plants at cost and subsequently measure them using cost model. A bearer plant is a living plant that expects to produce or supply agricultural produce for more than one period and that has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Under current IAS 41 “Agriculture”, all biological assets should be measured at fair value.

10) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated.

11) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

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

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

12) Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"

The amendments clarified that when the Company (non-investment entity) applies the equity method to an associate or a joint venture that is an investment entity, the Company may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

13) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the balance sheets except for low-value and short-term leases. The Company may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the statements of comprehensive income, the Company should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Company as lessor.

When IFRS 16 becomes effective, the Company may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

14) Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Company expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Company should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Company’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Company will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair values.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and jointly controlled entities. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent Group only financial statements to be the same with the amounts attributable to the owner of the Company in its financial statements, adjustments arising from the differences in accounting treatment between parent Group only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent Group only financial statements

c. Classification of current and noncurrent assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements, the functional currencies of the Company (including subsidiaries, associates, joint ventures and branches in other countries that use currency different from the currency of the Company) are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to noncontrolling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiary is an entity (including structured entity) that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate and joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company's share of equity of associates. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate and joint venture), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Gain or loss is recognized under treasury share method when cross shareholdings with associates.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

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

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation on property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held for earning rentals and/or for capital appreciation; they include land held for a currently undetermined future use.

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

For a transfer from investment property to property, plant and equipment, the property's deemed cost for subsequent accounting is its fair value at the commencement of owner-occupation.

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

For a transfer from inventories to investment property at the commencement of an operating lease, any difference between the previous carrying amount of the property and its fair value at the transfer date is recognized in profit or loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis. The estimated useful life residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Company has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognizes an intangible asset at fair value upon initial recognition. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

k. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation, otherwise, corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 25.

ii. Held-to-maturity investments

Corporate bonds, which is above specific credit ratings and for which the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

iii. Available-for-sale financial assets (AFS financial assets)

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

AFS financial assets are measured at fair value. Change in the carrying amount of AFS monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposal or is determined to be impaired.

Dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

iv. Loans and receivables

Loans and receivables (including accounts receivable, cash and cash equivalents, debt investments with no active market and other financial assets) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as accounts receivable, assets are assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered an objective evidence of impairment.

For all other financial assets, the objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial reorganization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an AFS financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible accounts receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 25.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including forward exchange contracts, option contracts and combined exchange contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

m. Provisions

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Onerous contracts

Where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract, the present obligations arising under onerous contracts are recognized and measured as provisions.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale based on seller's reliably estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

2) Dividend and interest income

Dividend income from investments is recognized when the stockholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

o. Leasing

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

1) The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

2) The Company as lessee

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

p. Borrowing costs

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

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

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

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the stockholders approve the retention of earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Income Taxes

The realizability of the deferred tax asset (liability) mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

Estimated Impairment of Notes and Accounts Receivable

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Fair Value Measurements and Valuation Processes

Where Level 1 inputs are not available, the Company or engaged valuers would determine appropriate inputs by referring to the existing lease contracts and rentals of similar properties in the vicinity of the Company's investment properties. If the actual changes of inputs in the future differ from expectation, fair value might vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Notes 14 and 25.

Useful Lives of Property, Plant and Equipment

As described in Note 4(h), the Company reviews the estimated useful lives of property, plant and equipment at each balance sheet date.

Write-down of Inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Recognition and Measurement of Defined Benefit Plans

Net defined benefit liabilities (assets) and the resulting defined benefit costs under defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2015	2014
Cash on hand and petty cash	\$ 4,461	\$ 4,713
Demand and checking accounts	7,025,272	4,303,506
Cash equivalents (investments with original maturities less than three months)		
Time deposits	7,184,033	3,321,954
Commercial paper purchased under resell agreements	<u>-</u>	<u>1,999,925</u>
	<u>\$ 14,213,766</u>	<u>\$ 9,630,098</u>

As of December 31, 2015 and 2014, the deposits in foreign bank amounted to NT\$136,083 thousand (JPY502,338 thousand) and NT\$101,081 thousand (JPY384,048 thousand) in Japan, respectively.

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

	<u>December 31</u>	
	2015	2014
Time deposits	0.04%-4.45%	0.88%-4.3%
Commercial paper purchased under resell agreements	-	0.7%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Financial assets held for trading</u>		
Guarantee deposits of cotton futures contracts	\$ 43,073	\$ 41,450
Forward exchange contracts	55,043	6,721
Combined foreign exchange options	<u>1,009</u>	<u>38,884</u>
	<u>\$ 99,125</u>	<u>\$ 87,055</u>

a. Cotton futures contracts

The Company entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices for the years ended December 31, 2015 and 2014. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Company had no outstanding cotton future contracts as of December 31, 2015 and 2014.

b. Forward exchange contracts

The Company entered into forward exchange contracts for the years ended December 31, 2015 and 2014 to hedge against the exchange risks on foreign currency assets and liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

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

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2015</u>			
Sell	EUR/USD	2016.02.25	EUR8,000/USD8,535
Buy	USD/JPY	2016.02.25	USD1,000/JPY122,970
Buy	USD/RMB	2016.02.25	USD6,000/RMB39,765
Buy	USD/TWD	2016.06.13-2016.07.05	USD260,000/JPY8,529,930
<u>December 31, 2014</u>			
Sell	EUR/USD	2015.03.27-2015.05.28	EUR9,000/USD11,121
Buy	USD/JPY	2015.03.05-2015.04.28	USD5,000/JPY592,722

c. Option contracts

The Company sold option contracts to earn profit on royalties and the difference between exchange rate fluctuations for the years ended December 31, 2015 and 2014.

The Company had no outstanding option contracts as of December 31, 2015 and 2014.

d. Combined foreign exchange options

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

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2015</u>			
Sell EUR call options	EUR/USD	2016.01.05-2016.04.21	EUR83,400/USD92,995
Buy EUR put options	EUR/USD	2016.01.05-2016.04.21	EUR27,800/USD30,998
Sell USD put options	USD/JPY	2016.01.27-2016.04.28	USD104,100/JPY12,406,731
Buy USD call options	USD/JPY	2016.01.27-2016.04.28	USD34,700/JPY4,135,577
<u>December 31, 2014</u>			
Sell EUR call options	EUR/USD	2015.01.27-2015.03.27	EUR76,650/USD98,139
Buy EUR put options	EUR/USD	2015.01.27-2015.03.27	EUR25,550/USD32,713
Sell USD put options	USD/JPY	2015.01.28-2015.03.24	USD81,900/JPY9,042,152
Buy USD call options	USD/JPY	2015.01.28-2015.03.24	USD27,300/JPY3,014,051

8. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	<u>December 31</u>	
	2015	2014
Time deposits with original maturities more than 3 months	\$ -	\$ 585,979

As of December 31, 2014, the interest rates of time deposit with original maturities more than 3 months were from 3.1% to 3.5%.

9. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	2015	2014
<u>Notes and accounts receivable</u>		
Notes and accounts receivable	\$ 7,238,139	\$ 8,750,773
Less: Allowance for doubtful accounts	(45,070)	(45,070)
	<u>\$ 7,193,069</u>	<u>\$ 8,705,703</u>

When deciding the recoverability of accounts receivable, the Company considers any change in the credit quality from the date credit was initially granted up to the end of the reporting period. Allowance for doubtful accounts is recognized against accounts receivable on the basis of estimated irrecoverable amounts determined by reference to past defaults by counter-parties and the analysis of its current financial position.

The concentration of credit risk is limited because the Company's customer base is wide and is not focused on certain customers and companies involved are unrelated. The Company does not have accounts receivable with the aging being past due but not impaired.

	December 31	
	2015	2014
1-90 days	\$ 5,729,205	\$ 7,012,376
91-180 days	1,149,577	1,486,668
181-365 days	303,488	199,121
More than 365 days	<u>10,799</u>	<u>7,538</u>
	<u>\$ 7,193,069</u>	<u>\$ 8,705,703</u>

The above aging schedule was based on the invoice date.

Movements of the allowance for doubtful accounts were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	\$ 4,644	\$ 40,426	\$ 45,070
Allowance (reversal) for bad debts	<u>1,057</u>	<u>(1,057)</u>	<u>-</u>
Balance at December 31, 2015	<u>\$ 5,701</u>	<u>\$ 39,369</u>	<u>\$ 45,070</u>
Balance at January 1, 2014	\$ 17,341	\$ 38,278	\$ 55,619
Allowance (reversal) for bad debts	<u>(12,697)</u>	<u>2,148</u>	<u>(10,549)</u>
Balance at December 31, 2014	<u>\$ 4,644</u>	<u>\$ 40,426</u>	<u>\$ 45,070</u>

10. INVENTORIES

	December 31	
	2015	2014
Finished goods	\$ 1,732,634	\$ 1,743,714
Work in progress	2,069,732	1,864,868
Raw materials in transit	123,613	281,225
Raw materials	2,107,254	2,221,115
Supplies	<u>315,903</u>	<u>388,728</u>
	<u>\$ 6,349,136</u>	<u>\$ 6,499,650</u>

For the years ended 2015 and 2014, the costs of inventories sold were NT\$42,559,154 thousand and NT\$53,419,481 thousand, respectively. The costs of inventories recognized as cost of goods sold, which included inventory write-down for the years ended December 31, 2015 and 2014 were NT\$146,280 thousand and NT\$106,122 thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Investments in subsidiaries	\$ 207,325,390	\$ 204,854,308
Investments in associates	<u>28,408,372</u>	<u>30,694,949</u>
	<u>\$ 235,733,762</u>	<u>\$ 235,549,257</u>

a. Investments in subsidiaries

	<u>December 31</u>			
	<u>2015</u>		<u>2014</u>	
	<u>Carrying Value</u>	<u>% of Owner- ship</u>	<u>Carrying Value</u>	<u>% of Owner- ship</u>
Unlisted companies				
Yuan Ding Investment Co., Ltd.	\$ 40,135,283	99.40	\$ 41,067,513	99.40
Far Eastern Resources Development Co. Ltd.	99,278,697	100.00	96,565,010	100.00
Far Eastern Polytex (Holding) Ltd.	8,149,514	100.00	8,753,563	100.00
Far Eastern Polychem Industries Ltd.	7,875,339	73.04	8,116,141	73.04
Yuan Tong Investment Co., Ltd.	7,887,200	100.00	7,932,131	100.00
Kai Yuan International Investment Co., Ltd.	5,274,785	100.00	5,182,313	100.00
Far Eastern Investment (Holding) Ltd.	9,309,702	100.00	8,281,047	100.00
PET Far Eastern (Holding) Ltd.	5,573,361	90.54	6,621,648	90.54
Oriental Petrochemical (Taiwan) Co., Ltd.	7,562,475	75.56	6,665,722	75.56
Far Eastern Construction Co., Ltd.	7,931,482	65.11	7,097,316	65.11
Yuan Ding Co., Ltd.	3,176,146	37.13	3,365,650	37.13
An Ho Garment Co., Ltd.	1,932,594	100.00	1,805,268	100.00
Ding Yuan International Investment Co.	2,670,534	100.00	2,762,049	100.00
FEDP (Holding) Ltd.	238,841	50.43	340,899	50.43
Fu Kwok Garment Manufacturing Co., Ltd.	282,479	99.96	193,322	99.99
Ding Ding Hotel Co., Ltd.	45,587	19.00	103,408	19.00
Far Eastern Textile Ltd.	<u>1,371</u>	100.00	<u>1,308</u>	100.00
	<u>\$ 207,325,390</u>		<u>\$ 204,854,308</u>	

Investments in Ding Ding Hotel Co., Ltd. for the were accounted for by the equity method since the Company and its subsidiaries owned more than 20% of each investee's voting stock.

b. Investment in associates

	December 31			
	2015		2014	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
<u>Material associates</u>				
Listed companies				
Asia Cement Co. Ltd.	\$ 18,571,971	22.33	\$ 20,188,007	22.33
Associates that are not individually material				
Listed companies				
Far Eastern Department Stores Co., Ltd.	4,749,095	17.06	5,090,002	16.80
Oriental Union Chemical Co. Ltd.	1,359,418	9.17	1,504,072	9.17
Everest Textile Co., Ltd.	<u>1,519</u>	0.03	<u>1,508</u>	0.03
	<u>6,110,032</u>		<u>6,595,582</u>	
Unlisted companies				
Oriental Securities Co., Ltd.	1,948,952	19.65	2,067,580	19.65
Pacific Liu Tong Investment Co. Ltd.	<u>1,777,417</u>	16.83	<u>1,843,780</u>	16.83
	<u>3,726,369</u>		<u>3,911,360</u>	
	<u>\$ 28,408,372</u>		<u>\$ 30,694,949</u>	

1) Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2015	2014
Asia Cement Co. Ltd.	Cement production	Taiwan	22.33%	22.33%

Fair value (Level 1) of investment in associates with available published price quotation are summarized follows:

Name of Associate	December 31	
	2015	2014
Asia Cement Co. Ltd.	<u>\$ 20,564,001</u>	<u>\$ 29,269,929</u>

All the associates are accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purposes.

Asia Cement Co. Ltd.

	December 31	
	2015	2014
Current assets	\$ 14,560,998	\$ 14,346,035
Noncurrent assets	175,117,807	173,693,360
Current liabilities	(23,780,564)	(13,024,234)
Noncurrent liabilities	<u>(29,999,368)</u>	<u>(33,181,597)</u>
Equity	<u>\$ 135,898,873</u>	<u>\$ 141,833,564</u>
Proportion of the Company's ownership	22.33%	22.33%
Equity attributable to the Company	\$ 30,346,218	\$ 31,671,435
Cross shareholdings	<u>(11,774,247)</u>	<u>(11,483,428)</u>
Carrying amount	<u>\$ 18,571,971</u>	<u>\$ 20,188,007</u>
	For the Year Ended December 31	
	2015	2014
Operating revenue	<u>\$ 12,012,770</u>	<u>\$ 12,394,201</u>
Net income for the year	\$ 4,860,241	\$ 9,361,635
Other comprehensive income	<u>(3,516,579)</u>	<u>3,911,755</u>
Total comprehensive income (loss) for the year	<u>\$ 1,343,662</u>	<u>\$ 13,273,390</u>
Dividends received from Asia Cement Co. Ltd.	<u>\$ 1,651,125</u>	<u>\$ 1,324,432</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	2014
The Company's share of:		
Net income for the year	\$ 267,398	\$ 463,742
Other comprehensive income (loss)	<u>(445,653)</u>	<u>377,195</u>
Total comprehensive income (loss) for the year	<u>\$ (178,255)</u>	<u>\$ 840,937</u>

The combined equity of the Company and subsidiaries in some investee companies - Far Eastern Department Stores Co., Ltd. Oriental Union Chemical Corp. (OUCC), Everest Textile Co., Ltd. (Everest Textile), Oriental Securities Co., Ltd., and Pacific Liu Tong Investment Co. Ltd. (PLT) - exceeded 20% of their respective outstanding common shares. Thus, related investments were accounted for by the equity method.

The calculation of the investments accounted for by the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements as of December 31, 2015 and 2014.

If an investment acquisition cost exceeds the fair value of identifiable net assets acquired, and the source of this excess cannot be identified, this excess should be recorded as goodwill. As of December 31, 2015 and 2014, the goodwill were both amounted to NT\$99,821 thousand.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS - NONCURRENT

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Marketable equity securities</u>		
Far Eastern International Bank Co. Ltd.	<u>\$ 781,027</u>	<u>\$ 794,978</u>

13. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Total property, plant and equipment	\$ 24,340,572	\$ 24,198,238
Prepayment for equipment	<u>236,690</u>	<u>234,306</u>
	<u>\$ 24,577,262</u>	<u>\$ 24,432,544</u>

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Operating and Miscellaneous Equipment</u>	<u>Construction- in-progress and Prepayment for Equipment</u>	<u>Total</u>
<u>Cost</u>						
Balance at January 1, 2015	\$ 6,380,414	\$ 7,524,882	\$ 47,669,690	\$ 4,222,382	\$ 5,031,195	\$ 70,828,563
Additions	15,079	-	-	-	2,381,177	2,396,256
Disposals	-	(9,124)	(2,109,449)	(154,077)	-	(2,272,650)
Reclassification	-	603,907	3,662,248	667,493	(4,933,648)	-
Balance at December 31, 2015	<u>\$ 6,395,493</u>	<u>\$ 8,119,665</u>	<u>\$ 49,222,489</u>	<u>\$ 4,735,798</u>	<u>\$ 2,478,724</u>	<u>\$ 70,952,169</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2015	\$ -	\$ (4,543,065)	\$ (38,556,314)	\$ (3,296,640)	\$ -	\$ (46,396,019)
Disposals	-	8,939	2,105,879	154,071	-	2,268,889
Impairment loss	-	-	(102,000)	-	-	(102,000)
Depreciation expense	-	(186,457)	(1,513,359)	(445,961)	-	(2,145,777)
Reclassification	-	215	48	(263)	-	-
Balance at December 31, 2015	<u>\$ -</u>	<u>\$ (4,720,368)</u>	<u>\$ (38,065,746)</u>	<u>\$ (3,588,793)</u>	<u>\$ -</u>	<u>\$ (46,374,907)</u>
<u>Cost</u>						
Balance at January 1, 2014	\$ 6,380,414	\$ 6,982,485	\$ 46,456,863	\$ 3,927,690	\$ 4,518,566	\$ 68,266,018
Additions	-	-	-	-	3,934,552	3,934,552
Disposals	-	(21,023)	(1,362,814)	(125,197)	-	(1,509,034)
Reclassification	-	563,420	2,575,641	419,889	(3,421,923)	137,027
Balance at December 31, 2014	<u>\$ 6,380,414</u>	<u>\$ 7,524,882</u>	<u>\$ 47,669,690</u>	<u>\$ 4,222,382</u>	<u>\$ 5,031,195</u>	<u>\$ 70,828,563</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Accumulated depreciation and impairment						
Balance at January 1, 2014	\$ -	\$ (4,259,159)	\$ (38,611,374)	\$ (3,098,621)	\$ -	\$ (45,969,154)
Disposals	-	20,806	1,359,244	125,182	-	1,505,232
Depreciation expense	-	(167,685)	(1,304,318)	(323,067)	-	(1,795,070)
Reclassification	-	(137,027)	134	(134)	-	(137,027)
Balance at December 31, 2014	<u>\$ -</u>	<u>\$ (4,543,065)</u>	<u>\$ (38,556,314)</u>	<u>\$ (3,296,640)</u>	<u>\$ -</u>	<u>\$ (46,396,019)</u>

(Concluded)

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

Building	3-55 years
Machinery and equipment	5-15 years
Operating and miscellaneous equipment	3-15 years

For the amount of property, plant and equipment that the Company pledged or mortgaged as collaterals for borrowings, please refer to Note 27.

As of December 31, 2015 and 2014, farmland was recognized as property, plant and equipment both amounting to NT\$238,430 thousand and recognized as investment properties amounting to NT\$34,212 thousand and NT\$34,591 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmlands belong to the Company or have pledged the land to the Company.

14. INVESTMENT PROPERTIES

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Completed Investment Properties
Balance at January 1, 2015	\$ 1,455,418
Disposal	(42,065)
Recognized in profit (gain arising from the change in fair value of investment property)	<u>33,138</u>
Balance at December 31, 2015	<u>\$ 1,446,491</u>
Balance at January 1, 2014	\$ 1,429,000
Recognized in profit (gain arising from the change in fair value of investment property)	<u>26,418</u>
Balance at December 31, 2014	<u>\$ 1,455,418</u>

The major investment properties of the Company were as follows:

A building and land located in Taoyuan in the Guanyin District were leased to the Company's subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), for its operation. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.

The fair values of investment properties were as follows:

	December 31	
	2015	2014
Independent valuation	<u>\$ 1,446,491</u>	<u>\$ 1,455,418</u>

The fair values of the investment properties as of December 31, 2015 and 2014 were based on the valuations carried out on February 5, 2016 and January 30, 2015, respectively, by an independent qualified professional valuator, Mr. Li, Gen-yuan and Mr. Tsai, Chia-ho, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisals.

The fair value of investment properties was measured using the income approach. The significant assumptions used were as follows. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2015	2014
Expected future cash inflows	\$ 1,451,497	\$ 1,437,721
Expected future cash outflows	<u>(46,141)</u>	<u>(46,334)</u>
Expected future cash inflows, net	<u>\$ 1,405,356</u>	<u>\$ 1,391,387</u>
Discount rate	3.70%	3.75%

Some of the investment properties had been leased out under operating leases. The rental incomes generated for the years ended December 31, 2015 and 2014 were NT\$22,566 thousand and NT\$22,728 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, the interest income on rental deposits was extrapolated using 1.21%, the interest rate announced by the central bank for the one-year average deposit interest rate of five major banks, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

15. OTHER INTANGIBLE ASSETS

	Computer Software	Others	Total
Balance at January 1, 2015	\$ 20,382	\$ 1,225	\$ 21,607
Additions	9,532	-	9,532
Amortization	<u>(10,097)</u>	<u>(420)</u>	<u>(10,517)</u>
Balance at December 31, 2015	<u>\$ 19,817</u>	<u>\$ 805</u>	<u>\$ 20,622</u>
Balance at January 1, 2014	\$ 14,747	\$ 1,645	\$ 16,392
Additions	17,907	-	17,907
Amortization	<u>(12,272)</u>	<u>(420)</u>	<u>(12,692)</u>
Balance at December 31, 2014	<u>\$ 20,382</u>	<u>\$ 1,225</u>	<u>\$ 21,607</u>

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

Computer software	3-5 years
Others	5 years

16. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2015	2014
Credit loans	\$ -	\$ 2,229,422
Export bills discount	<u>40,366</u>	<u>-</u>
	<u>\$ 40,366</u>	<u>\$ 2,229,422</u>
Interest rate	0.8977%-1.2%	0.8%-0.98%

b. Long-term borrowings

	<u>December 31</u>	
	2015	2014
<u>Guaranteed loans</u>		
Bank loans	\$ 2,640,000	\$ 2,640,000
<u>Unguaranteed loans</u>		
Credit loans	21,076,224	27,758,088
Commercial paper	12,500,000	9,500,000
Less: Unamortized discount on commercial paper	<u>46,574</u>	<u>34,055</u>
	<u>33,529,650</u>	<u>37,224,033</u>
Long-term borrowings	<u>\$ 36,169,650</u>	<u>\$ 39,864,033</u>

The long-term borrowings are payable in New Taiwan Dollars, Japanese Yen and Euro. The foregoing borrowings are repayable at a lump sum on maturity with monthly interest payment. The Company had been allowed to make loans within the credit line limit until maturity. The maturity dates and interest rates of the Company's revolving loans were as follows:

	<u>December 31</u>	
	2015	2014
Maturity	April 2017- December 2018	February 2016- December 2017
Bank interest rates	0.5769%-1.53%	0.65%-1.85%

17. PROVISION

	<u>December 31</u>	
	2015	2014
<u>Current</u>		
Onerous contracts	<u>\$ 1,461</u>	<u>\$ 8,340</u>
		Onerous Contracts
Balance at January 1, 2015		\$ 8,340
Additional provisions recognized		1,461
Reductions arising from payments		<u>(8,340)</u>
Balance at December 31, 2015		<u>\$ 1,461</u>
Balance at January 1, 2014		\$ 12,171
Additional provisions recognized		8,340
Reductions arising from payments		<u>(12,171)</u>
Balance at December 31, 2014		<u>\$ 8,340</u>

18. BONDS PAYABLE

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Nonconvertible bonds	\$ 50,081,500	\$ 40,244,000
Discount of nonconvertible bonds	<u>(58,786)</u>	<u>(46,987)</u>
	50,022,714	40,197,013
Less: Current portion	<u>13,575,460</u>	<u>8,743,734</u>
	<u>\$ 36,447,254</u>	<u>\$ 31,453,279</u>

	Period	Maturity	Annual Rate (%)	Issued Amount	<u>December 31</u>		Repayment
					<u>2015</u>	<u>2014</u>	
					<u>Outstanding</u>	<u>Outstanding</u>	
					Balance	Balance	
Unsecured bonds							
	99-1	2010.05.27-2015.05.27	1.68	\$ 5,500,000	\$ -	\$ 2,750,000	(Note 1)
	99-2	2010.09.16-2015.09.16	1.59	6,000,000	-	3,000,000	(Note 1)
	100-1	2011.05.27-2016.05.27	1.50	3,800,000	1,900,000	3,800,000	(Note 1)
	100-2	2011.09.29-2016.09.29	1.55	2,200,000	1,100,000	2,200,000	(Note 1)
	100-3	2012.02.15-2017.02.15	1.36	6,000,000	6,000,000	6,000,000	(Note 1)
	101-1	2012.06.07-2017.06.07	1.35	3,200,000	3,200,000	3,200,000	(Note 1)
	101-2	2012.11.26-2017.11.26	1.30	4,200,000	4,200,000	4,200,000	(Note 1)
	102-1-A	2013.05.16-2016.05.16	2.95	RMB 500,000	2,507,000	2,558,000	(Note 2)
	102-1-B	2013.05.16-2016.05.16	Benchmark rate (Libor)+1.10%	JPY 5,000,000	1,374,500	1,336,000	(Note 2)
	102-2	2013.08.28-2017.02.28	1.39	3,000,000	3,000,000	3,000,000	(Note 2)
	102-3	2013.12.23-2018.12.23	1.45	2,800,000	2,800,000	2,800,000	(Note 2)
	103-1	2014.08.21-2019.08.21	1.47	3,200,000	3,200,000	3,200,000	(Note 1)
	103-2	2014.12.04-2019.12.04	1.47	2,200,000	2,200,000	2,200,000	(Note 1)
	103-3	2015.02.06-2020.02.06	1.38	2,600,000	2,600,000	-	(Note 1)
	104-1	2015.05.25-2020.05.25	1.39	8,000,000	8,000,000	-	(Note 1)
	104-2	2015.10.02-2020.10.02	1.28	5,200,000	5,200,000	-	(Note 1)
	104-3	2015.11.16-2020.11.16	1.25	2,800,000	2,800,000	-	(Note 2)

Note 1: These bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 2: These bonds will be repaid in lump sum on maturity plus interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2015	December 31, 2014	January 1, 2014
Present value of defined benefit obligation	\$ 5,902,738	\$ 5,615,371	\$ 5,405,828
Fair value of plan assets	<u>(3,543,562)</u>	<u>(4,458,350)</u>	<u>(4,348,442)</u>
Net defined benefit liability	<u>\$ 2,359,176</u>	<u>\$ 1,157,021</u>	<u>\$ 1,057,386</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2015	\$ <u>5,615,371</u>	\$ <u>(4,458,350)</u>	\$ <u>1,157,021</u>
Service cost			
Current service cost	70,500	-	70,500
Net interest expense (income)	<u>107,612</u>	<u>(89,167)</u>	<u>18,445</u>
Recognized in profit or loss (Note)	<u>178,112</u>	<u>(89,167)</u>	<u>88,945</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	989,855	989,855
Actuarial (gain) loss - changes in financial assumptions	121,288	-	121,288
Actuarial (gain) loss - experience adjustments	<u>269,944</u>	<u>-</u>	<u>269,944</u>
Recognized in other comprehensive income	<u>391,232</u>	<u>989,855</u>	<u>1,381,087</u>
Contributions from the employer	-	(243,689)	(243,689)
Benefits paid	<u>(281,977)</u>	<u>257,789</u>	<u>(24,188)</u>
Balance at December 31, 2015	<u>\$ 5,902,738</u>	<u>\$ (3,543,562)</u>	<u>\$ 2,359,176</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	<u>\$ 5,405,828</u>	<u>\$ (4,348,442)</u>	<u>\$ 1,057,386</u>
Service cost			
Current service cost	73,289	-	73,289
Net interest expense (income)	<u>117,491</u>	<u>(94,728)</u>	<u>22,763</u>
Recognized in profit or loss	<u>190,780</u>	<u>(94,728)</u>	<u>96,052</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,873)	(5,873)
Actuarial (gain) loss - changes in financial assumptions	114,852	-	114,852
Actuarial (gain) loss - experience adjustments	<u>106,835</u>	<u>-</u>	<u>106,835</u>
Recognized in other comprehensive income	<u>221,687</u>	<u>(5,873)</u>	<u>215,814</u>
Contributions from the employer	-	(210,826)	(210,826)
Benefits paid	<u>(202,924)</u>	<u>201,519</u>	<u>(1,405)</u>
Balance at December 31, 2014	<u>\$ 5,615,371</u>	<u>\$ (4,458,350)</u>	<u>\$ 1,157,021</u> (Concluded)

Note: For the year ended 2015, the Company transferred defined benefit costs NT\$135 thousand to related parties.

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate to the above. This pension fund is invested in domestic listed companies' stocks and time deposits. It is exposed to the risks of changes in market price and interest rates.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2015	December 31, 2014	January 1, 2014
Discount rate(s)	1.75%	2.00%	2.25%
Expected rate(s) of salary increase	2.00%	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2015
Discount rate(s)	
0.5% increase	<u>\$ (238,648)</u>
0.5% decrease	<u>\$ 255,055</u>
Expected rate(s) of salary increase	
0.5% increase	<u>\$ 253,192</u>
0.5% decrease	<u>\$ (239,265)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2015	December 31, 2014	January 1, 2014
The expected contributions to the plan for the next year	<u>\$ 298,763</u>	<u>\$ 469,515</u>	<u>\$ 368,033</u>
The average duration of the defined benefit obligation	8 years	8.4 years	9 years

20. EQUITY

a. Share capital

Common shares

	December 31	
	2015	2014
Numbers of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>
Shares authorized	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,352,875</u>	<u>5,247,917</u>
Shares issued	<u>\$ 53,528,751</u>	<u>\$ 52,479,168</u>

Issued common shares, which have a par value of NT\$10, are entitled to one vote per share and a right to dividend.

b. Capital surplus

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
Arising from the difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	\$ 2,654,932	\$ 3,636,824
<u>May be used to offset a deficit only (2)</u>		
Arising from changes in percentage of ownership interest in subsidiaries	107,081	4,183
Treasury stock transaction	11,729	10,813
<u>May not be used for any purpose</u>		
Changes in equity-method associates capital surplus	<u>33,941</u>	<u>15,128</u>
	<u>\$ 2,807,683</u>	<u>\$ 3,666,948</u>

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

c. Retained earnings and dividend policy

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

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

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

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on March 25, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 23, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and the actual appropriations, please refer to Note 21-c employee benefits expense.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2014 and 2013 have been approved in the stockholders' meetings on June 26, 2015 and 2014, respectively, were as follows:

	Appropriation of Earnings		Dividend Per Share	
	For the Years Ended		(NT\$)	
	December 31		For the Years Ended	
	2014	2013	2014	2013
Legal reserve	\$ 1,103,342	\$ 720,708		
Special reserve	4,348,583	-		
Cash dividends	<u>6,297,500</u>	<u>6,688,522</u>	\$ 1.2	\$ 1.3
	<u>\$ 11,749,425</u>	<u>\$ 7,409,230</u>		

In addition, in order to refine financial and capital structure, The Company's stockholders approved the distribution of shares amounting to NT\$1,049,583 thousand and NT\$1,029,003 thousand, with NT\$0.2 per share, from the capital surplus in the stockholders' meetings on June 26, 2015 and 2014.

The appropriations and distribution of the 2015 earnings had been proposed by the board of directors on March 25, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 803,469	
Special reserve	2,165,513	
Cash dividends	5,352,875	\$1.0

The appropriations of earnings for 2015 are subject to the resolution of the shareholder's meeting to be held on June 23, 2016.

d. Special reserves

The Company's special reserves appropriated following the first-time adoption of IFRSs were as NT\$22,287,929 thousand.

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

	For the Year Ended December 31	
	2015	2014
Beginning balance	\$ 22,275,153	\$ 22,275,153
Reversed on elimination of the original need to appropriate a special reserve		
Disposal of investment properties	<u>(415,036)</u>	<u>-</u>
Ending balance	<u>\$ 21,860,117</u>	<u>\$ 22,275,153</u>

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

	For the Year Ended December 31	
	2015	2014
Beginning balance	\$ 80,462,245	\$ 80,462,245
Reversed on elimination of the original need to appropriate a special reserve		
Disposal of investment properties	(1,123,929)	-
Appropriation in respect of		
Application of the fair value model for investment properties	<u>4,348,583</u>	<u>-</u>
Ending balance	<u>\$ 83,686,899</u>	<u>\$ 80,462,245</u>

e. Other equity items

The changes in other equity items are as follow:

	Exchange Differences on Translating Foreign Operations	Unrealized (Loss) Gain on Available-for-sale Financial Assets	Cash Flow Hedges	Gain on Property Revaluation	Total
Balance at January 1, 2014	\$ 291,196	\$ 4,472,732	\$ (118,363)	\$ 8,161	\$ 4,653,726
Unrealized loss on available-for-sale financial assets	-	(107,134)	-	-	(107,134)
Share of other comprehensive income (loss) of subsidiaries and associates	<u>2,580,664</u>	<u>(735,946)</u>	<u>(54,688)</u>	<u>504,446</u>	<u>2,294,476</u>
Balance at December 31, 2014	2,871,860	3,629,652	(173,051)	512,607	6,841,068
Unrealized loss on available-for-sale financial assets	-	(13,951)	-	-	(13,951)
Share of other comprehensive income (loss) of subsidiaries and associates	<u>(597,177)</u>	<u>(2,495,774)</u>	<u>77,107</u>	<u>189,423</u>	<u>(2,826,421)</u>
Balance at December 31, 2015	<u>\$ 2,274,683</u>	<u>\$ 1,119,927</u>	<u>\$ (95,944)</u>	<u>\$ 702,030</u>	<u>\$ 4,000,696</u>

f. Treasury shares

The Company's shares held by its subsidiary, Yuan Ding Co., Ltd. (Yuan Ding), at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2015</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 20,069</u>
<u>December 31, 2014</u>			
Yuan Ding	764	<u>\$ 25,063</u>	<u>\$ 23,992</u>

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

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

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	For the Year Ended December 31	
	2015	2014
Capitalized interests on properties	\$ 43,212	\$ 65,568
Capitalization rates	1.32%-1.37%	1.23%-1.35%

b. Depreciation and amortization

	For the Year Ended December 31	
	2015	2014
Property, plant and equipment	\$ 2,145,777	\$ 1,795,070
Intangible assets	<u>10,517</u>	<u>12,692</u>
	<u>\$ 2,156,294</u>	<u>\$ 1,807,762</u>
An analysis of deprecation by function		
Operating costs	\$ 1,907,083	\$ 1,596,940
Operating expenses	142,833	125,699
Other expense	93,305	69,753
Expenses shared by other related parties	<u>2,556</u>	<u>2,678</u>
	<u>\$ 2,145,777</u>	<u>\$ 1,795,070</u>

(Continued)

	For the Year Ended December 31	
	2015	2014
An analysis of amortization by function		
Operating costs	\$ 3,189	\$ 3,189
Operating expenses	<u>7,328</u>	<u>9,503</u>
	<u>\$ 10,517</u>	<u>\$ 12,692</u>
		(Concluded)

c. Employee benefit expense

	For the Year Ended December 31, 2015		
	Operating Costs	Operating Expenses	Total
Retirement benefit			
Defined contribution plans	\$ 73,663	\$ 38,787	\$ 112,450
Defined benefit plans	65,074	23,736	88,810
Other employee benefits			
Salary	2,956,764	1,297,938	4,254,702
Insurance	263,979	87,637	351,616
Other	<u>133,818</u>	<u>59,700</u>	<u>193,518</u>
	<u>\$ 3,493,298</u>	<u>\$ 1,507,798</u>	<u>\$ 5,001,096</u>

	For the Year Ended December 31, 2014		
	Operating Costs	Operating Expenses	Total
Retirement benefit			
Defined contribution plans	\$ 69,610	\$ 35,951	\$ 105,561
Defined benefit plans	69,459	26,593	96,052
Other employee benefits			
Salary	2,907,615	1,235,650	4,143,265
Insurance	253,499	75,403	328,902
Other	<u>117,481</u>	<u>57,488</u>	<u>174,969</u>
	<u>\$ 3,417,664</u>	<u>\$ 1,431,085</u>	<u>\$ 4,848,749</u>

The Company had 5,195 and 5,129 employees as of December 31, 2015 and 2014, respectively.

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

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

For the year ended December 31, 2014, the bonus to employees were \$270,860 thousand and the remuneration to directors and supervisors were \$203,145 thousand, respectively. To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation and remuneration to directors at the rates 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors. For the year ended December 31, 2015, the employees' compensation and the remuneration to directors were \$230,231 thousand and \$152,659 thousand, respectively, representing 2.67% and 1.77%, respectively, of the base net profit. The employees' compensation and remuneration to directors in cash for the year ended December 31, 2015 have been resolved by the Company's board of directors on March 25, 2016 and are subject to the resolution of the amendments to the Company's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 23, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

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

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	\$ 270,860	\$ -	\$ 287,678	\$ -
Remuneration of directors and supervisors	203,145	-	215,759	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on June 26, 2015 and 2014 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively. All of bonus to employees was distributed in cash.

Information on employees' compensation and the remuneration to directors resolved by the Company's board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. Major components of tax expense recognized in profit or loss

The were as follows:

	For the Year Ended December 31	
	2015	2014
Current tax	\$ -	\$ -
Deferred tax	221,068	105,000
Prior year's adjustment	(1)	-
Income tax expense recognized in profit or loss	<u>\$ 221,067</u>	<u>\$ 105,000</u>

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

	For the Year Ended December 31	
	2015	2014
Profit before tax from continuing operations	<u>\$ 8,255,758</u>	<u>\$ 10,958,091</u>
Income tax expense at the 17% statutory rate	\$ 1,403,479	\$ 1,862,875
Tax effect of adjusting items	<u>(1,403,479)</u>	<u>(1,862,875)</u>
Current income tax expense	-	-
Deferred income tax expense	221,068	105,000
Adjustment for prior year's tax	<u>(1)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 221,067</u>	<u>\$ 105,000</u>
b. Income tax expense recognized in other comprehensive income		

	For the Year Ended December 31	
	2015	2014
<u>Deferred tax</u>		
Current year		
Remeasurement on defined benefit plan	<u>\$ 234,785</u>	<u>\$ 63,528</u>

c. Current tax assets

	December 31	
	2015	2014
Current tax assets		
Tax refund receivable	<u>\$ 14,663</u>	<u>\$ 16,074</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Inventory write-off	\$ 21,701	\$ (4,671)	\$ -	\$ 17,030
Onerous contract	441	(396)	-	45
Impairment loss	72,624	(28,230)	-	44,394
Defined benefit obligation	84,628	(238,735)	234,785	80,678
Others	<u>10,528</u>	<u>(4,438)</u>	<u>-</u>	<u>6,090</u>
	<u>\$ 189,922</u>	<u>\$ (276,470)</u>	<u>\$ 234,785</u>	<u>\$ 148,237</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Share of profit of subsidiaries and associates	\$ 369,432	\$ (138,802)	\$ -	\$ 230,630
Unrealized foreign exchange gain	45,517	85,436	-	130,953
Provision of land value incremental tax	1,545,108	1,367	-	1,546,475
Investment properties	<u>26,167</u>	<u>(3,403)</u>	<u>-</u>	<u>22,764</u>
	<u>\$ 1,986,224</u>	<u>\$ (55,402)</u>	<u>\$ -</u>	<u>\$ 1,930,822</u> (Concluded)

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Inventory write-off	\$ 25,203	\$ (3,502)	\$ -	\$ 21,701
Onerous contract	1,009	(568)	-	441
Impairment loss	122,285	(49,661)	-	72,624
Defined benefit obligation	126,072	(104,972)	63,528	84,628
Others	<u>16,493</u>	<u>(5,965)</u>	<u>-</u>	<u>10,528</u>
	<u>\$ 291,062</u>	<u>\$ (164,668)</u>	<u>\$ 63,528</u>	<u>\$ 189,922</u>
<u>Deferred tax liabilities</u>				
Share of profit of subsidiaries and associates	\$ 478,538	\$ (109,106)	\$ -	\$ 369,432
Unrealized foreign exchange gain	2,251	43,266	-	45,517
Provision of land value incremental tax	1,533,302	11,806	-	1,545,108
Investment properties	<u>31,801</u>	<u>(5,634)</u>	<u>-</u>	<u>26,167</u>
	<u>\$ 2,045,892</u>	<u>\$ (59,668)</u>	<u>\$ -</u>	<u>\$ 1,986,224</u>

- e. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	<u>December 31</u>	
	2015	2014
Deductible temporary differences	<u>\$ 3,971,671</u>	<u>\$ 2,306,988</u>

- f. Integrated income tax

	<u>December 31</u>	
	2015	2014
Unappropriated earnings		
Generated before January 1, 1998	<u>\$ 78,778</u>	<u>\$ 98,793</u>
Imputation credit accounts	<u>\$ 785,893</u>	<u>\$ 922,151</u>

	<u>For the Year Ended December 31</u>	
	2015	2014
	(Expected)	
Creditable ratio for distribution of earnings	5.77%	9.85%

- g. Income tax assessments

The tax authorities completed the review of and cleared the 2009 income tax return of the Company.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2015	2014
Basic earnings per share	<u>\$ 1.61</u>	<u>\$ 2.17</u>
Diluted earnings per share	<u>\$ 1.60</u>	<u>\$ 2.16</u>

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

Net Income for the Year

	<u>For the Year Ended December 31</u>	
	2015	2014
Net income for the year	<u>\$ 8,034,691</u>	<u>\$ 10,853,091</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares	
	<u>For the Year Ended December 31</u>	
	2015	2014
Weighted average number of common shares used in the computation of basic earnings per share	5,002,506	5,004,444
Effect of dilutive potential common shares:		
Employees' compensation or bonus issue to employee	<u>13,333</u>	<u>12,238</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>5,015,839</u>	<u>5,016,682</u>

In calculating the weighted average number of share outstanding for EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Company decides to settle the employee compensation or bonus in cash or stock, it should presume that the entire amount of the compensation or bonus would be settled in shares, and if the resulting potential shares would have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of the diluted EPS. The dilutive effect of the potential shares should be included in the calculation of the diluted EPS until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for stock dividends.

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2015 and 2014, the Company's basic EPS was NT\$1.50 and NT\$2.03, respectively.

24. CAPITAL MANAGEMENT

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

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the Company considered that the carrying amounts of financial assets and financial liabilities recognized in financial statements approximate their fair values.

1)

	<u>December 31</u>			
	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Bonds payable	\$ 50,022,714	\$ 50,296,590	\$ 40,197,013	\$ 40,344,673

2) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 50,296,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,296,590</u>

December 31, 2014

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 40,344,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,344,673</u>

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

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Guarantee deposits - cotton futures contracts	\$ -	\$ -	\$ 43,073	\$ 43,073
Forward exchange contracts	-	-	55,043	55,043
Combined foreign exchange options	<u>-</u>	<u>-</u>	<u>1,009</u>	<u>1,009</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,125</u>	<u>\$ 99,125</u>
Available-for-sale financial assets				
Marketable equity securities	<u>\$ 781,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781,027</u>

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Guarantee deposits - cotton futures contracts	\$ -	\$ -	\$ 41,450	\$ 41,450
Forward exchange contracts	-	-	6,721	6,721
Combined foreign exchange options	<u>-</u>	<u>-</u>	<u>38,884</u>	<u>38,884</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,055</u>	<u>\$ 87,055</u>
Available-for-sale financial assets				
Marketable equity securities	<u>\$ 794,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 794,978</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2015 and 2014.

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

For the year ended 2015

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading
Balance at January 1, 2015	\$ 87,055
Total gains or losses In profit or loss	<u>12,070</u>
Balance at December 31, 2015	<u>\$ 99,125</u>

For the year ended 2014

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading
Balance at January 1, 2014	\$ 46,244
Total gains or losses In profit or loss	<u>40,811</u>
Balance at December 31, 2014	<u>\$ 87,055</u>

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Financial assets</u>		
FVTPL		
Held for trading	\$ 99,125	\$ 87,055
Loans and receivables (Note 1)	25,572,009	23,823,823
Available-for-sale financial assets (Note 2)	781,027	794,978
<u>Financial liabilities</u>		
Amortized cost (Note 3)	92,455,359	89,446,453

Note 1: The balances included loans and receivables measured at amortized cost, which comprised cash and cash equivalents, debt investments with no active market, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), other financial assets and guarantee deposits.

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

Note 3: The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, notes and accounts payables (including those to related parties), other payables (including those to related parties), payables to suppliers of machinery and equipment, provisions, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The Company's significant foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period were as Note 30.

Sensitivity analysis

The Company was mainly exposed to the U.S. dollar.

The following table details the Company's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollar. The 5% sensitivity rate is used when foreign currency risk is reported internally to key management personnel and represents management's assessment of the reasonably possible changes in exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and the translation of these items at the end of the reporting period was adjusted for a 5% change in exchange rates. A positive number below indicates an increase in pretax profit and other equity associated with New Taiwan dollars that strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	December 31	
	2015	2014
5% change in profit or loss		
USD	<u>\$ (591,025)</u>	<u>\$ (321,389)</u>

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. It managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets	\$ 7,232,238	\$ 5,956,063
Financial liabilities	72,442,556	71,174,676
Cash flow interest rate risk		
Financial assets	473,838	558,873
Financial liabilities	13,790,174	11,115,792

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Company's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 0.25% is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rate, their fair value will change as the market interest rates change. For the financial assets and financial liabilities with floating interest rate, their effective interest rates will change as the market interest rates change.

For the years ended December 31, 2015 and 2014, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Company's financial assets with fixed interest rate would have decreased/increased by NT\$18,036 thousand and NT\$14,853 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rate would have increased/decreased by NT\$1,185 thousand and NT\$1,397 thousand, respectively.

For the years ended December 31, 2015 and 2014, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Company's financial liabilities with fixed interest rate would have decreased/increased by NT\$180,655 thousand and NT\$177,493 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rate would have decreased/increased by NT\$34,475 thousand and NT\$27,789 thousand, respectively.

c) Other price risks

The Company was exposed to equity price risk because of its investments in domestic quoted stocks and mutual funds.

Sensitivity analysis

The following sensitivity analysis was based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of December 31, 2015 and 2014 would have decreased by NT\$39,051 thousand and NT\$39,749 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counter-parties will default on its contractual obligations, resulting in a financial loss to the Company. As of the end of a reporting period, the Company's maximum exposure to credit risk that will cause the Company a financial loss due to the carrying amounts of the recognized financial assets as stated in the balance sheets.

The Company has a policy of dealing with only creditworthy counter-parties and obtaining sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults.

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

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

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2015</u>				
Long-term borrowings	\$ 32,382,718	\$ 3,786,932	\$ -	\$ 36,169,650
Bonds payable	<u>9,700,000</u>	<u>5,500,000</u>	<u>21,300,000</u>	<u>36,500,000</u>
	<u>\$ 42,082,718</u>	<u>\$ 9,286,932</u>	<u>\$ 21,300,000</u>	<u>\$ 72,669,650</u>
<u>December 31, 2014</u>				
Long-term borrowings	\$ 25,530,000	\$ 14,334,033	\$ -	\$ 39,864,033
Bonds payable	<u>13,594,000</u>	<u>9,700,000</u>	<u>8,200,000</u>	<u>31,494,000</u>
	<u>\$ 39,124,000</u>	<u>\$ 24,034,033</u>	<u>\$ 8,200,000</u>	<u>\$ 71,358,033</u>

26. RELATED-PARTY TRANSACTIONS

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2015 and 2014 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules A and B.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, tariff duties and long-term borrowings.

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Other financial assets - noncurrent		
Pledged time deposits	\$ 48,205	\$ 48,205
Investment accounted for using the equity method	492,441	535,290
Property, plant and equipment	6,770,006	6,565,260
Investment properties	<u>214,740</u>	<u>194,111</u>
	<u>\$ 7,525,392</u>	<u>\$ 7,342,866</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2015:

- a. Issued but unused letters of credit aggregated approximately NT\$953,496 thousand.
- b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT\$404,355 thousand.
- c. There were undelivered cotton contracts amounting to NT\$222,091 thousand and have been recognized NT\$1,461 thousand on purchasing contract payable (accounted as provisions) as of December 31, 2015.
- d. Endorsements and guarantees provided to the related parties are shown in Schedule D (attached).
- e. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of March 25, 2016, the lawsuit was pending before the Taipei High Court.

29. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

The board of directors of the Company decided to issue unsecured bonds on March 25, 2016. The bonds will have an aggregate face value of not more than NT\$8,000,000 thousand, a par value of NT\$1,000 thousand and a term of less than 10 years.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 370,727	32.83	\$ 12,170,967
<u>Financial liabilities</u>			
Monetary items			
USD	10,643	32.93	350,474

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 311,279	31.6	\$ 9,836,416
<u>Financial liabilities</u>			
Monetary items			
USD	107,528	31.7	3,408,638

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided to others: Schedule C (attached)
- 2) Endorsement/guarantee provided: Schedule D (attached)
- 3) Marketable securities held: Schedule E (attached)
- 4) Marketable securities acquired or disposed at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Schedule F (attached)
- 5) Acquisition of real states at costs of at least NT\$300 million or 20% of the paid-in capital: Schedule G (attached)
- 6) Disposal of real states at prices of at least NT\$300 million or 20% of the paid-in capital: Schedule H (attached)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule I (attached)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule J (attached)
 - 9) Trading derivative transactions: Note 7
 - 10) Information on investees: Schedule K (attached)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule L and L-1 (attached)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Schedule L
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as rendering or receiving services.

FAR EASTERN NEW CENTURY CORPORATION

**RELATED-PARTY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

	Notes	For the Year Ended December 31	
		2015	2014
Sales			
Subsidiaries		\$ 3,617,986	\$ 2,571,405
Associates		331,472	387,200
Others		<u>307,698</u>	<u>366,689</u>
		<u>\$ 4,257,156</u>	<u>\$ 3,325,294</u>
Operating cost and expense			
Purchase			
Subsidiaries		\$ 7,540,408	\$ 9,264,108
Associates		1,287,430	1,298,697
Others		<u>300,808</u>	<u>349,289</u>
		<u>\$ 9,128,646</u>	<u>\$ 10,912,094</u>
Contract costs			
Subsidiaries		\$ 22,153	\$ 26,058
Associates		15,561	14,049
Others		<u>181,803</u>	<u>127,326</u>
		<u>\$ 219,517</u>	<u>\$ 167,433</u>
Computer processing expense			
Subsidiaries	d.	\$ 3,068	\$ 1,641
Others		<u>77,446</u>	<u>67,856</u>
		<u>\$ 80,514</u>	<u>\$ 69,497</u>
Rental expense			
Subsidiaries	e.	\$ 185,842	\$ 185,116
Others		<u>17,583</u>	<u>16,976</u>
		<u>\$ 203,425</u>	<u>\$ 202,092</u>
Non-operating revenue			
Rental revenue			
Subsidiaries		\$ 16,434	\$ 17,004
Others		<u>5,632</u>	<u>5,593</u>
		<u>\$ 22,066</u>	<u>\$ 22,597</u>

(Continued)

	Notes	<u>For the Year Ended December 31</u>	
		2015	2014
Nonoperating expenses			
Other expenses - endorsement/guarantee expense			
Subsidiaries		\$ <u>10,792</u>	\$ <u>12,728</u>

Notes:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Company commissioned subsidiaries to manufacture clothing products to sell to the Company. For this transaction, the Company recognized manufacturing expenses - processing cost of NT\$1,082,420 thousand for 2015 and NT\$1,682,936 thousand for 2014, and recognized NT\$392,843 thousand as other payables - processing cost as of December 31, 2014. In compliance with the subsidiaries' local regulations, the Company advanced raw materials costs to subsidiaries and recognized these costs as other receivables amounting to NT\$284 thousand and NT\$570,992 thousand as of December 31, 2015 and 2014, respectively.
- c. The Company provided agent services to a subsidiary, and recognized commission incomes of NT\$39,813 thousand for 2015 and NT\$148,164 thousand for 2014. In addition, the Company recognized NT\$9,647 thousand and NT\$117,990 thousand as other receivables as of December 31, 2015 and 2014, respectively.
- d. As of December 31, 2015, the Company rented the office building and factories from Yuan Ding Co., Ltd. and Far Eastern Resource Development Co., Ltd. and Far Eastern Fibertech Co., Ltd. and rental expense were paid by monthly and quarterly. All the terms of lease contract had been agreed upon by the lessor and the tenants.
- e. The Company had revenue incurred from renting out factories and land in Xinpu, Guanyin and Hukou to Far EasTone, Oriental Resources Development Ltd and Oriental Petrochemical (Taiwan) Co. Rent was received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.
- f. Compensation of key management personnel:

	<u>For the Year Ended December 31</u>	
	2015	2014
Short-term employee benefits	\$ 262,977	\$ 350,857
Post-employment benefits	<u>3,147</u>	<u>(3,167)</u> (Note)
	\$ <u>266,124</u>	\$ <u>347,690</u>

Note: The post-employment benefits for the year ended December 31, 2014 was based on the results of the actuarial valuations made in accordance with 2010 version of IAS 19 "Employee Benefits".

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**RELATED-PARTY TRANSACTIONS
AS OF DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

	Notes	For the Year Ended December 31	
		2015	2014
Notes and accounts receivables			
Subsidiaries		\$ 992,108	\$ 660,643
Associates		26,868	13,982
Others		<u>44,634</u>	<u>49,828</u>
		<u>\$ 1,063,610</u>	<u>\$ 724,453</u>
Refundable deposits			
Subsidiaries		\$ 33,859	\$ 34,318
Others		<u>8,000</u>	<u>8,260</u>
		<u>\$ 41,859</u>	<u>\$ 42,578</u>
Accounts payable			
Subsidiaries		\$ 566,623	\$ 627,996
Associates		59,203	93,030
Others		<u>11,553</u>	<u>27,434</u>
		<u>\$ 637,379</u>	<u>\$ 748,460</u>
Deferred credit			
Sale of securities			
Subsidiaries	a., b.	\$ 33,334	\$ 33,419
Others	c.	<u>2,579</u>	<u>2,579</u>
		<u>\$ 35,913</u>	<u>\$ 35,998</u>

Financing to related parties

Loans to related parties (recognized as other receivables)

	December 31			
	2015		2014	
	Carrying Amount	Interest receivable	Carrying Amount	Interest receivable
Subsidiaries	<u>\$ 3,859,500</u>	<u>\$ 89,004</u>	<u>\$ 3,872,250</u>	<u>\$ 89,439</u>

(Continued)

Note:

- a. In 1994, the Company sold the following shares to YDI and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for NT\$30,256 thousand; Nan Shan Life Insurance Co., Ltd.'s shares for NT\$216 thousand.
- b. The deferred income was made by selling the shares of NCIC to YCIC in 2010 (dissolved on its merger with Far EasTone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of NCIC's net assets between fair value and book value and durable service life on the selling date.
- c. The deferred income was made by selling the shares of OPTC to Yue Ding Industry Co., Ltd. in March 2008.
- d. In 2014, the Company sold machinery and equipment to Oriental Resources Development Ltd. for NT\$1,795 thousand, for a gain of NT\$1,029 thousand. As of December 31, 2014, a portion of the receivables on this sale, amounting to NT\$20 thousand, had been received. The rest amount had been received, as of December 31, 2015.
- e. In 2015, the Company bought machinery and equipment from YDT Technology International Co. and NCIC for NT\$5,591 thousand, and NT\$4,730 thousand, respectively. As of December 31, 2015, the payables on these purchases had been paid. In 2014, the Company bought machinery and equipment from YDT Technology International Co., Ltd., Far Eastern Technical Consultants Co., Ltd. and Far Eastern Geant Company Ltd. for NT\$5,115 thousand, NT\$280 thousand and NT\$30 thousand, respectively. As of December 31, 2014, the payables on these purchases had been paid.
- f. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd.	Yes	Receivables from related parties	\$ 1,944,350	\$ 1,913,400	\$ 1,913,400	1.5750-3.35	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,862,578	\$ 98,625,783	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G)
		PET Far Eastern (Holding) Ltd.	Yes	Receivables from related parties	2,022,150	1,946,100	1,946,100	3.35	2	-	For revolving fund	-	Promissory note	-	9,862,578	98,625,783	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G)
1	Yuan Ding Investment Co., Ltd.	Oriental Resources Development Ltd.	Yes	Receivables from related parties	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Oriental Petrochemical (Taiwan) Co.	Yes	Receivables from related parties	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Ding Yuan International Investment Co., Ltd.	Yes	Receivables from related parties	300,000	300,000	-	1.71-1.72	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Far Eastern Resources Development Co.	Yes	Receivables from related parties	1,000,000	1,000,000	-	1.73-1.74	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yuan Tong Investment Co., Ltd.	Yes	Receivables from related parties	800,000	750,000	254,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	340,000	340,000	340,000	1.63-1.77	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		An Ho Garment Co., Ltd	Yes	Receivables from related parties	400,000	400,000	400,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Kai Yuan International Investment Co., Ltd. Da Ju Fiber Co., Ltd.	Yes Yes	Receivables from related parties Receivables from related parties	800,000 800,000	800,000 752,000	485,000 752,000	1.63-1.79 1.63-1.79	2 2	- -	For revolving fund For revolving fund	- -	Promissory note Promissory note	- -	4,071,049 4,071,049	20,355,245 20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
2	Yuan Tong Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	155,000	-	-	1.50-1.54	2	-	For revolving fund	-	Promissory note	-	825,216	4,126,079	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Far Eastern Resources Development Co.	Yes	Receivables from related parties	500,000	500,000	-	1.54-1.78	2	-	For revolving fund	-	Promissory note	-	825,216	4,126,079	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
3	Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Yes	Receivables from related parties	\$ 50,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 269,143	\$ 1,345,713	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	140,000	-	-	1.50-2.11	2	-	For revolving fund	-	Promissory note	-	269,143	1,345,713	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	100,000	-	-	1.52-1.54	2	-	For revolving fund	-	Promissory note	-	269,143	1,345,713	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
4	Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	527,493	2,637,463	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	150,000	150,000	150,000	1.88	2	-	For revolving fund	-	Promissory note	-	527,493	2,637,463	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
5	An Ho Garment Co., Ltd	Far Eastern Apparel Co., Ltd.	Yes	Receivables from related parties	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	200,851	1,004,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
6	Far EasTone Telecommunications Co., Ltd.	Q-ware Communications Co., Ltd.	Yes	Receivables from related parties	250,000	250,000	241,000	1.48-1.66	2	-	For revolving fund	-	-	-	7,190,637	35,953,183	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
7	New Century InfoComm Co., Ltd.	Q-ware Communications Co., Ltd.	Yes	Receivables from related parties	250,000	-	-	1.64	2	-	For revolving fund	-	-	-	4,931,909	12,329,772	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far EasTone Telecommunications Co., Ltd.	Yes	Receivables from related parties	4,500,000	4,500,000	2,500,000	1.00-1.14	2	-	For revolving fund	-	-	-	4,931,909	12,329,772	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far EasTone Telecommunications Co., Ltd.	Yes	Receivables from related parties	4,000,000	4,000,000	4,000,000	1.00-1.14	1	4,541,171	-	-	-	-	4,541,171	12,329,772	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note G)
8	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		FET Consulting Engineers Co., Ltd.	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far Eastern Technical Consultants Co., Ltd.	Yes	Receivables from related parties	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Ding Ding Integrated Marketing Services Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Ding Ding Hotel Co., Ltd.	Yes	Receivables from related parties	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Yes	Receivables from related parties	\$ 503,360	\$ 328,800	\$ -	1.5	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,513,251	\$ 3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far Eastern Electronic Commerce Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	70,000	1.3735	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
9	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Yes	Receivables from related parties	200,000	200,000	110,000	1.1955-1.3788	2	-	For revolving fund	-	Promissory note	-	137,840	172,300	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G)
10	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Yes	Receivables from related parties	220,000	140,000	140,000	1.1955-1.3788	2	-	For revolving fund	-	Promissory note	-	208,919	261,149	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G)
11	Far Eastern Investment (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	756,240	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,818,587	3,818,587	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Worldwide Polychem (HK) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		FEDP (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Apparel (Holding) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Polychem Industries Ltd.	Yes	Other receivables - loans to related parties	1,150,800	1,150,800	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	998,000	998,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Sino Belgium (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	154,536	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	3,818,587	3,818,587	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		PET Far Eastern (M) Sdn. Bhd.	Yes	Other receivables - loans to related parties	328,800	328,800	217,122	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		PET Far Eastern (Holding) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	341,952	1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Apparel (Vietnam) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	542,520	-	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Oriental Textile (Holding) Ltd.	Yes	Other receivables - loans to related parties	3,288,000	3,288,000	910,776	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Polytex (Holding) Ltd.	Yes	Other receivables - loans to related parties	2,630,400	2,630,400	2,058,288	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
12	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	\$ 657,600	\$ 657,600	\$ -	-	1	\$ 1,764,770	-	\$ -	Promissory note	\$ -	\$ 1,764,770	\$ 1,861,051	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note H)
		Far Eastern Apparel (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	50,430	-	2	-	For revolving fund	-	Promissory note	-	1,329,322	3,987,967	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	202,584	-	2	-	For revolving fund	-	Promissory note	-	1,329,322	3,987,967	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
13	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	1,578,240	1,578,240	-	-	1	3,769,215	-	-	Promissory note	-	3,769,215	5,681,609	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	197,280	197,280	-	-	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Sino Belgium (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	1.3628	2	-	For revolving fund	-	Promissory note	-	3,246,634	3,246,634	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (WuXi) Ltd.	Yes	Other receivables - loans to related parties	2,133,912	2,133,912	90,947	-	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	1,946,100	1,946,100	199,600	1.265	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Oriental Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	2,959,200	2,959,200	411,741	-	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
14	Far Eastern Polychem Industries Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	230,160	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,311,730	4,311,730	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Other receivables - loans to related parties	2,170,080	2,170,080	-	-	1	9,378,820	-	-	Promissory note	-	7,545,527	7,545,527	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Other receivables - loans to related parties	3,222,240	1,709,760	98,640	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	1,282,320	1,282,320	319,679	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Ishizuka Green Pet Corporation	Yes	Other receivables - loans to related parties	545,800	545,800	368,415	1.13929-1.14443	2	-	For revolving fund	-	Promissory note	-	4,311,730	4,311,730	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	\$ 2,944,100	\$ 2,944,100	\$ 648,700	1.265	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,389,662	\$ 16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
15	PET Far Eastern (Holding) Ltd.	Tong Da Air Industry (Yangzhou) Co., Ltd.	Yes	Other receivables - loans to related parties	1,644,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,485,552	2,485,552	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	1,262,592	624,720	-	-	2	-	For revolving fund	-	Promissory note	-	2,485,552	2,485,552	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	1,315,200	1,315,200	-	1.3628	2	-	For revolving fund	-	Promissory note	-	3,106,941	9,320,822	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	2,095,800	2,095,800	2,095,800	1.265	2	-	For revolving fund	-	Promissory note	-	3,106,941	9,320,822	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
16	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	164,400	164,400	-	-	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	427,440	295,920	-	-	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
17	Waldorf Services B.V.	Far Eastern Polychem Industries Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	-	1.3628	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Oriental Textile (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	348,528	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	493,200	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
18	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Wuhan Far Eastern New Material Ltd.	Yes	Other receivables - loans to related parties	295,920	131,520	-	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	4,274,400	2,170,080	2,052,766	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
19	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	499,000	499,000	178,557	1.83479-3.37245	2	-	For revolving fund	-	Promissory note	-	2,130,667	4,734,815	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
20	Far Eastern Apparel (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	998,000	998,000	595,512	1.83479-3.37245	2	-	For revolving fund	-	Promissory note	-	1,273,234	2,829,408	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note	
													Item	Value				
21	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	\$ 499,000	\$ 149,700	\$ -	2.67653-3.18567	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 209,969	\$ 466,597	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
22	Oriental Industries (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Receivables from related parties	499,000	499,000	-	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
		Far Eastern Apparel (Suzhou) Ltd.	Yes	Receivables from related parties	499,000	499,000	-	3.30863	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
		Far Eastern Industries (WuXi) Ltd.	Yes	Receivables from related parties	1,497,000	998,000	-	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	349,300	349,300	349,300	2.5		2	-	For revolving fund	-	Promissory note	-	2,246,642	2,246,642	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,497,000	1,497,000	632,862	2.91159-3.57332		2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Receivables from related parties	1,671,650	1,671,650	680,766	2.61000-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
23	Sino Belgium Beer (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	49,900	-	-	-	2	-	For revolving fund	-	Promissory note	-	6,260	13,911	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
24	Far Eastern Industries (WuXi) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,497,000	998,000	167,729	1.83479-3.37245	2	-	For revolving fund	-	Promissory note	-	2,871,971	6,382,159	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)	
25	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Yes	Receivables from related parties	49,900	-	-	-	2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)	
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	99,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)	
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	249,500	249,500	-	1.265		2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Shanghai Far Eastern Petrochemical Logistic Ltd.	Yes	Receivables from related parties	74,850	74,850	34,930	5.9		2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
26	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	598,800	499,000	-	3	2	-	For revolving fund	-	Promissory note	-	3,688,172	3,688,172	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)	

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	\$ 748,500	\$ 748,500	\$ -	1.265	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,610,215	\$ 8,298,386	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
		Everest Textile (Shanghai) Ltd.	Yes	Receivables from related parties	249,500	249,500	149,700	4.2	2	-	For revolving fund	-	Promissory note	-	3,688,172	3,688,172	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	1,846,300	1,846,300	1,846,300	3	2	-	For revolving fund	-	Promissory note	-	3,688,172	3,688,172	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
27	Wuhan Far Eastern New Material Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	49,900	-	-	3	2	-	For revolving fund	-	Promissory note	-	413,235	413,235	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	99,800	99,800	-	1.265	2	-	For revolving fund	-	Promissory note	-	516,543	929,778	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
28	Far Eastern New Century (China) Investment Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	Yes	Receivables from related parties	59,880	59,880	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Textile (Holding) Ltd.	Yes	Receivables from related parties	99,800	99,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Ltd.	Yes	Receivables from related parties	99,800	99,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		PET Far Eastern (Holding) Ltd.	Yes	Receivables from related parties	99,800	99,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Wuhan Far Eastern New Material Ltd.	Yes	Receivables from related parties	99,800	99,800	50,424	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	898,200	898,200	481,984	1.26500-3.00	2	-	For revolving fund	-	Promissory note	-	718,337	718,337	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	748,500	748,500	747,826	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	5,788,400	5,788,400	2,014,223	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
29	Far Eastern Industries (Yangzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	598,800	-	-	3	2	-	For revolving fund	-	Promissory note	-	622,262	622,262	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	249,500	249,500	249,500	3	2	-	For revolving fund	-	Promissory note	-	1,400,089	3,111,309	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	598,800	598,800	598,800	2.50-3.00	2	-	For revolving fund	-	Promissory note	-	622,262	622,262	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

(Continued)

Notes: A. Reasons for financing are as follows:

1. Business relationship.
 2. For short-term financing.
- B. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- C. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- D. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- E. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- F. The limit is equal to 40% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- G. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- H. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- I. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- J. The limit is equal to 150% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- K. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- L. The limit is equal to 250% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- M. The limit is equal to 350% of the net value of the financier (based on audited financial statements) as of December 31, 2015.
- N. The limit is equal to business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note E)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note E)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note E)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 98,625,783	\$ 2,293,800	\$ 2,293,200	\$ 300,000	\$ -	1.16	\$ 197,251,565	Y	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
1	Far EasTone Telecommunicatio ns Co., Ltd.	KGEx.com Co., Ltd.	(Note A)	35,953,183	45,000	45,000	5,994	-	0.06	71,906,365	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
2	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	(Note A)	20,355,245	130,000	130,000	50,000	-	0.32	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Oriental Resources Development Ltd.	(Note A)	20,355,245	250,000	250,000	34,000	-	0.61	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Da Ju Fiber Co., Ltd.	(Note B)	20,355,245	394,000	360,000	120,000	-	0.88	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		PET Far Eastern (Holding) Ltd.	(Note C)	19,725,157	1,091,925	657,600	-	-	1.62	19,725,157	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note H); maximum amounts allowed for the period (Note I).
		Far Eastern Apparel (Holding) Ltd.	(Note A)	20,355,245	1,582,500	986,400	51,851	-	2.42	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Polychem Industries Ltd.	(Note C)	19,725,157	2,215,500	1,315,200	-	-	3.23	19,725,157	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note H); maximum amounts allowed for the period (Note I).
		Oriental Textile (Holding) Ltd.	(Note A)	20,355,245	2,848,500	1,545,360	60,038	-	3.80	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note E)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note E)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note E)	Note
		Name	Relationship											
		Far Eastern New Century Corporation	(Note D)	\$ 20,355,245	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	0.74	\$ 40,710,489	N	Y	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Resources Development Co.	(Note A)	20,355,245	1,644,000	1,644,000	-	-	4.04	40,710,489	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
3	Far Eastern Resources Development Co.	Far Eastern New Century Corporation	(Note D)	13,789,999	6,271,448	5,596,448	2,640,000	5,596,448	2.84	27,579,998	N	Y	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
4	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	3,783,128	1,103,000	1,103,000	710,000	50,000	0.56	7,566,256	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	3,783,128	65,840	65,760	32,880	-	0.03	7,566,256	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
5	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	38,163,858	350,000	350,000	-	-	2.75	38,163,858	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note J); maximum amounts allowed for the period (Note J).
6	PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	98,625,783	4,274,400	2,219,400	1,150,800	-	1.13	197,251,565	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note K); maximum amounts allowed for the period (Note L).
7	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	98,625,783	1,266,650	1,141,900	464,759	-	2.80	197,251,565	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note K); maximum amounts allowed for the period (Note L).

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

B. Equity-method investee.

C. The guarantee provider and counter-party have the same ultimate parent company.

D. Parent company of the investee.

(Continued)

- E. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.
- F. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor, based on latest audited financial statements.
- G. The amount of the collateral/guarantee is equal to the net value of the guarantor, based on latest audited financial statements.
- H. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements as of December 31, 2015) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements as of December 31, 2015.)
- I. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements as of December 31, 2015) and the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements as of December 31, 2015.)
- J. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor, based on latest audited financial statements.
- K. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company, based on latest audited financial statements.
- L. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company, based on latest audited financial statements.
- M. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
- N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows:
 - 1. Far Eastern Industries (WuXi) Ltd.: RMB9,909 thousand (NT\$49,446 thousand), the actual remittance was this same amount.
 - 2. Far Eastern Apparel (Suzhou) Ltd.: RMB2,100 thousand (NT\$10,479 thousand), the actual remittance was this same amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 18,571,971	22.33	\$ 20,564,001	19,900 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	4,749,095	17.06	4,412,303	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	81,216	1,359,418	9.17	1,701,475	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	129	1,519	0.03	1,935	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	140,278	1,948,952	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	135,000	1,777,417	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	40,135,283	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Investments accounted for using the equity method	557,354	99,278,697	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	124	8,149,514	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,875,339	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	7,887,200	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,274,785	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	9,309,702	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	5,573,361	90.54	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,183,311	7,562,475	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	7,931,482	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,176,146	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,932,594	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,670,534	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	238,841	50.43	-	
Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,998	282,479	99.96	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,772	45,587	19.00	-		
Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,371	100.00	-		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	79,778	781,027	2.63	781,027		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	15,839	565,776	0.47	433,989	43,145 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	82,835	1,594,342	9.35	1,735,393	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,615	419,372	1.38	357,974	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,869	1,129,055	25.23	1,783,035	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	23,473,128	32.73	72,106,081	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,906,889	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	2,716,824	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,305	1,490,394	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	282,860	100.00	-	
	Yuan Faun Ltd.	(Note A)	Investments accounted for using the equity method	5,000	121,305	100.00	-	
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	3,729	62,904	45.50	-	
	Yuan Ding Leasing Corp.	(Note A)	Investments accounted for using the equity method	36,706	416,261	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,139,108	100.00	-	
	Oriental Resources Development Ltd.	(Note A)	Investments accounted for using the equity method	34,242	322,577	70.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,874,964	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	355,217	29.80	-	
Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	185,247	2,680,310	25.96	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	64,759	\$ 1,129,042	12.86	\$ -	16,500 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	75,268	1,146,754	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	8,197,180	100.00	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	119,653	1,489,063	14.92	-	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	98,198	560,876	18.96	-	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,490	22,341	1.00	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	81,374	526,742	5.20	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	8,599	229,163	1.02	229,163	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	108,534	1,062,553	3.58	1,062,553	
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - non-current	1,029	22,493	0.16	-	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	0.00	-	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	-	
	Financial assets under asset management contracts (Note F)							
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	700	42,525	-	42,525	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	350	25,900	-	25,900	
	United Microelectronics Corporation	-	Financial assets at fair value through profit or loss - current	2,000	24,200	-	24,200	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	103	15,958	-	15,958	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	16,160	-	16,160	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	325	46,475	-	46,475	
	Foxconn Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	175	12,180	-	12,180	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	300	13,890	-	13,890	
	Yuanta Financial Holdings	-	Financial assets at fair value through profit or loss - current	1,800	21,870	-	21,870	
	LOTES Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	6,125	-	6,125	
	Chipbond Technology Corporation.	-	Financial assets at fair value through profit or loss - current	550	26,153	-	26,153	
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	250	10,775	-	10,775	
	Yuanta Daily Taiwan 50 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	350	6,289	-	6,289	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,552,545	100.00	-	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	182,977	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	13,975	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	407,054	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	100,021	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note H)	1,710	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	171,601	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	133,197	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	181,629	100.00	-	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	183,230	50.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	483,471	0.39	362,283	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,551	84,135	0.25	64,806	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,582	41,626	0.97	68,730	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	27,710	703,116	3.13	580,525	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Kai Yuan International Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	\$ 41,570	0.03	\$ 62,192	15,000 thousand shares pledged or mortgaged as collaterals for loans.
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	218,672	2.24	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,074	301,648	13.20	-	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	66	0.03	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	80,649	789,559	2.66	789,559	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	728,529	0.60	553,672	23,800 thousand shares pledged or mortgaged as collaterals for loans.
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,145,553	1.05	2,308,472	
Far Eastern Polychem Industries Ltd.	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	36,367	787,414	4.11	761,889	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	568,929	1.46	377,264	
	Kowloon Cement Corp.	(Note A)	Investments accounted for using the equity method	1,127	482,746	49.00	-	
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	74,970	1,146,933	16.80	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	218,874	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	97,912	958,557	3.23	958,557	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	819	21,826	0.10	21,826	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	8,078,503	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	587,671	9.46	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	235,028	49.57	-	
Far Eastern Construction Co., Ltd.	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,555,215	100.00	-	485,692
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	172	37,134	85.15	-	
	Bank of Chungqing	-	Available-for-sale financial assets - non-current	3,883	115,317	0.25	115,317	
	Nippon Parison Co., Ltd	-	Financial assets carried at cost - non-current	4	71,865	10.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	589,826	0.53	485,692	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	147,413	2,031,182	98.95	-	-
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	42,368	0.19	42,368	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	544,955	38.46	-	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,371,075	100.00	-	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	18,803	0.01	12,851	6,084
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	1,985	0.00	6,084	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	7	949	0.01	-	
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	4,705	9.00	-	19,894
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	19,894	0.09	19,894	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	7,572	44,863	2.72	-	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,595	50,000	-	50,000	
	Union Money Market	-	Financial assets at fair value through profit or loss - current	4,984	65,016	-	65,016	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	3,431	50,159	-	50,159	
	Fubon Chi-Hsiang Money Market	-	Financial assets at fair value through profit or loss - current	3,227	50,015	-	50,015	
	Taishin Ta-Chong Money Market	-	Financial assets at fair value through profit or loss - current	7,137	100,098	-	100,098	
	FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,571,969	100.00	
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	497,746	37.92	-	-
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,531)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,627)	50.00	-	
	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	9.95	-	
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note H)	(46)	99.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	\$ 1,077,250	1.25	\$ 2,759,297	21,050 thousand shares pledged or mortgaged as collaterals for loans.
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	249,363	0.18	166,976	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	11,204	272,344	1.26	234,724	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,175	0.03	6,753	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	5,890	86,703	0.83	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,146	259,754	15.66	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	9,681	122,852	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	164,796	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	20,083	196,613	0.66	196,613	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	(Note A)	Investments accounted for using the equity method	745	12,359	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	4,256	41,663	0.14	41,663	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - non-current	3,504	28,519	3.56	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,734	0.02	35,152	34,100 thousand shares pledged or mortgaged as collaterals for loans.
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,812,888	3.08	6,776,021	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	39,619	1,234,733	2.80	723,047	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	49,705	1,732,471	5.61	1,041,320	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,132,423	0.85	783,065	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	217,675	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	77,257	320,276	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	27	0.00	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	36	23,146	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	36	0.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	170,641	13.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,407	189,998	0.64	189,998	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-	
	Bockhold N.V- stock	-	Financial assets carried at cost - non-current	1	182,283	12.51	-	
	Financial assets under asset management contracts (Note F)	-			-		-	
	YUANTA DAILY TAIWAN 50 BULL 2X ETF	-	Financial assets at fair value through profit or loss - current	400	7,188	-	7,188	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	361	16,714	-	16,714	
	Yuanta Financial Holdings	-	Financial assets at fair value through profit or loss - current	2,240	27,216	-	27,216	
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	432	18,619	-	18,619	
	Foxconn Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	132	9,196	-	9,196	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	63	9,820	-	9,820	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	347	49,621	-	49,621	
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	893	54,250	-	54,250	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	220	17,776	-	17,776	
	Fubon SSE180 ETF	-	Financial assets at fair value through profit or loss - current	450	14,405	-	14,405	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	290	21,460	-	21,460	
	United Microelectronics Corporation	-	Financial assets at fair value through profit or loss - current	1,170	14,157	-	14,157	
	Chipbond Technology Corporation.	-	Financial assets at fair value through profit or loss - current	140	6,657	-	6,657	
	Innolux Corporation	-	Financial assets at fair value through profit or loss - current	830	8,250	-	8,250	
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	53,874	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	3,410,208	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,728,099	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,043,410	50.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	\$ 3,196,041	100.00	\$ -	
		(Note A)	Investments accounted for using the equity method	(Note H)	5,625,341	100.00	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	233,298	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern New Century (China) Investment Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,033,086	100.00	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	870,609	61.54	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	1,795,843	100.00	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	4,379,090	60.00	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd. Shanghai Yuan Zi Information Co., Ltd. Oriental Petrochemical (Shanghai) Corp. Yuan Ding Enterprise (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,139,644	12.36	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	67,200	100.00	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	519,968	8.11	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	257,404	100.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd. Martens Beers Trading (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	6,956	100.00	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	27,820	100.00	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	133,408	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	15,111	75,403	-	75,403	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	561,532	2,802,042	-	2,802,042	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd. Ding Ding Integrated Marketing Services Co., Ltd. Far Eastern Technical Consultants Co, Ltd. YDC (Virgin Islands) Ltd. Ding Ding Hotel Co., Ltd. Far Eastern Electronic Commerce Co., Ltd. FET Consulting Engineers Co., Ltd. Asia Cement Corporation Far Eastone Telecommunications Co., Ltd. Yu Yuan Investment Co. Yue Ming Corp. Yue Ding Industry Co., Ltd. FEDS Asia Pacific Development Co., Ltd. Far Eastern Electronic Toll Collection Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. Far Eastern International Bank Far Eastern New Century Corporation	(Note A)	Investments accounted for using the equity method	13,992	304,877	100.00	-	104,000 thousand shares pledged or mortgaged as collaterals for loans
		(Note A)	Investments accounted for using the equity method	41,633	229,537	60.00	-	
		(Note A)	Investments accounted for using the equity method	4,550	50,226	91.00	-	
		(Note A)	Investments accounted for using the equity method	-	8,790	17.70	-	
		(Note A)	Investments accounted for using the equity method	64,502	148,571	61.99	-	
		(Note A)	Other liabilities - other	23,913	(119,795)	53.08	-	
		(Note A)	Investments accounted for using the equity method	85,000	533,356	100.00	-	
		(Note A)	Investments accounted for using the equity method	5,329	206,878	0.16	146,015	
		(Note A)	Investments accounted for using the equity method	4,164	112,317	0.13	281,486	
		(Note A)	Investments accounted for using the equity method	129,637	1,527,843	25.02	-	
		(Note A)	Investments accounted for using the equity method	82	576	1.00	-	
		(Note A)	Investments accounted for using the equity method	2,175	42,590	2.59	-	
		(Note A)	Investments accounted for using the equity method	10,650	130,303	5.00	-	
		(Note A)	Investments accounted for using the equity method	96,312	393,847	14.93	-	
(Note A)	Investments accounted for using the equity method	30,000	217,726	20.00	-			
(Note D)	Available-for-sale financial assets - non-current	7,592	74,326	0.25	74,326			
(Note J)	Financial assets at fair value through profit or loss - current	779	20,069	-	20,069			
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd. Yuan Hsin Digital Payment Co., Ltd. DDIM (Virgin Islands) Ltd. Pacific SOGO Department Stores DFE DWS Taiwan Money Market	(Note A)	Other liabilities - other	79	(407)	0.18	-	
		(Note A)	Investments accounted for using the equity method	22,515	163,400	15.01	-	
		(Note A)	Investments accounted for using the equity method	(Note H)	32,161	46.13	-	
		-	Financial assets carried at cost - non-current	1	10	0.00	-	
		-	Financial assets at fair value through profit or loss - current	12,192	140,761	-	140,761	
Far Eastern Technical Consultants Co, Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial assets carried at cost - non-current	480	4,800	4.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	\$ 37,557	53.87	\$ -	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	329	0.46	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	47,628	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	69,226	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	120	1,146	0.03	1,800	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	94,846	0.19	50,443	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,342	0.00	1,671	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	1	40,872	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,670	26,137	0.09	26,137	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	0.00	-	
Far EastTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	27,274,470	100.00	-	
	Arcoa Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	1,311,282	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	88,894	948,235	99.99	-	
	Hiiir Digital Marketing Co., Ltd.	(Note A)	Investments accounted for using the equity method	53,726	123,831	89.54	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,350	137,951	99.99	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Other liabilities - other	1	(49,267)	100.00	-	
	O-music Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,500	3,925	50.00	-	
	Q-Ware Communication Co., Ltd.	(Note A)	Other liabilities - other	33,983	(62,915)	81.46	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	254,240	631,848	39.42	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	6,691	(33,032)	14.85	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,408	57,692	15.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	45,000	326,458	30.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,000	16,008	13.33	-	
	AppWorks Venture Co., Ltd.	-	Financial assets carried at cost - non-current	15,000	150,000	11.11	-	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	80,000	563,778	100.00	-	
	Information Security Service Digital United Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,249	104,491	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	4,320	32,555	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,469	19,231	5.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	2,392	(11,809)	5.31	-	
	Opas Fund Segregated Portfolio Tranche A	-	Available-for-sale financial assets - current	15	492,375	-	492,375	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	4	172,920	-	172,920	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	205,417	70.00	-	
	THI Consultants, Inc.	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	-	100	100.00	-	
	Far Eastern New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	50,460	100.00	-	
	New Diligent (HK) Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Investments accounted for using the equity method	-	43,413	100.00	-	
	Home Master Technology Ltd.	(Note A)	Other liabilities - other	-	(9,177)	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technologies (Shanghai) Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	10,817	100.00	-	
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	2,105	2.12	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	\$ 76,364	76.92	\$ -	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	62,894	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	44,931	41.67	-	

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

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

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

E. The chairman of the investee is FENC's chairman.

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

G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.

H. A private company.

I. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.

J. Parent company of the investee.

K. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedules M and N.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,032,195	\$ 6,665,722	151,116	\$ 1,511,163	-	\$ -	\$ -	\$ -	\$ (614,410)	1,183,311	\$ 7,562,475
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	89	7,009,140	21	1,300,271	-	-	-	-	(112,231)	110	8,197,180
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US\$ 132,802	(Note B)	US\$ 40,740	-	-	-	-	US\$ (2,455)	(Note B)	US\$ 171,087
Yuan Ding Company Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	9,833	119,481	31,800	318,000	-	-	-	-	(207,944)	41,633	229,537
Ding Ding Integrated Marketing Services Co., Ltd.	DDIM (Virgin Islands) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	-	(Note B)	357,940	-	-	-	-	(325,779)	(Note B)	32,161
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US\$ (3,506)	(Note B)	US\$ 11,000	-	-	-	-	US\$ (5,389)	(Note B)	US\$ 2,105
Far Eastern Construction Co., Ltd.	Hua Nan Phoenix Money Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	18,746	300,000	18,746	300,030	300,000	30	-	-	-
	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,712	300,000	27,712	300,268	300,000	268	-	-	-
Far Eastern General Contractor Co., Ltd.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	30,488	330,021	26,246	285,000	52,139	565,555	565,021	524	-	4,595	50,000
	Hua Nan Phoenix Money Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	36,477	430,000	36,477	430,185	430,000	185	-	-	-
	Mirae Asset Solomon Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,102	150,000	13,029	162,000	25,131	312,160	312,000	160	-	-	-
	UPAMC James Bond Mouey Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	22,379	368,000	22,379	368,225	368,000	225	-	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	34,032	541,000	34,032	541,260	541,000	260	-	-	-
Far Eastern Industries (Yangzhou) Ltd.	Yoshizane Money Market Fund B (Note C)	Financial assets at fair value through profit or loss - current	-	-	-	-	110,000	RMB 110,000	96,000	RMB 96,000	RMB 96,000	RMB -	-	15,111	RMB 15,111
Far Eastern Yihua petrochemical (Yangzhou) Coporation	Yoshizane Money Market Fund B (Note C)	Financial assets at fair value through profit or loss - current	-	-	-	-	837,583	RMB 837,583	282,497	RMB 282,497	RMB 282,497	RMB -	-	561,532	RMB 561,532
Ding Ding Integrated Marketing Services Co., Ltd.	DFE DWS Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	45,158	520,000	32,966	380,000	379,591	409	-	12,192	140,409
Far Eastern Electronic Commerce Co., Ltd.	DFE DWS Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	12,235	140,541	21,696	250,000	33,931	390,749	390,541	208	-	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
New Century InfoComm Co., Ltd.	Opas Fund Segregated Portfolio Tranche A	Available-for-sale financial assets - current	-	-	-	\$ -	15	\$ 487,050	-	\$ -	\$ -	\$ -	-	15	\$ 487,050
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	11	445,500	-	-	11	505,614	445,500	60,114	-	-	-

Notes: A. Subsidiary.

B. A private company

C. The transaction of Yoshizane Money Market Fund B were purchased and redeemed based on one unit for RMB 1, the dividend were reinvested original unit when holding period, difference of unit were the dividend reinvested.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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

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

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

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

FAR EASTERN NEW CENTURY CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern New Century Corporation	Oriental Resources Development Ltd.	(Note A)	Purchase	\$ 345,722	1	Based on contract	-	-	\$ -	-	\$ (35,481)	(1)	
	Oriental Petrochemical (Taiwan) Co.	(Note A)	Purchase	6,664,674	16	Based on contract	-	-	-	-	(478,203)	(17)	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	116,353	-	Based on contract	-	-	-	-	(51,194)	(2)	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,947,085)	(4)	Based on contract	-	-	-	-	648,962	9	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	(775,108)	(2)	Based on contract	-	-	-	-	234,997	3	
	Far Eastern Industries (WuXi) Ltd.	(Note A)	Sale	(276,380)	(1)	Based on contract	-	-	-	-	38,690	1	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(139,810)	-	Based on contract	-	-	-	-	10,449	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Sale	(240,470)	(1)	Based on contract	-	-	-	-	15,610	-	
	Pet Far Eastern (M) Sdn. Bhd.	(Note A)	Sale	(110,058)	-	Based on contract	-	-	-	-	27,746	-	
	Fu-Da Transport Corp.	(Note G)	Purchase	137,525	-	Based on contract	-	-	-	-	(4,533)	-	
	Oriental Union Chemical Corp.	(Note D)	Purchase	1,285,907	3	Based on contract	-	-	-	-	(59,166)	(2)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note E)	Sale	(307,698)	(1)	Based on contract	-	-	-	-	44,634	1	
	Everest Textile Co., Ltd.	(Note D)	Sale	(331,357)	(1)	Based on contract	-	-	-	-	37	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Sale	(277,341)	(100)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Purchase	2,531,504	51	Based on contract	-	-	-	-	(437,589)	(45)	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Purchase	1,283,209	26	Based on contract	-	-	-	-	(270,832)	(28)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	1,167,688	23	Based on contract	-	-	-	-	(242,374)	(25)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(230,158)	(4)	Based on contract	-	-	-	-	170,151	37	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note C)	Purchase	266,530	7	Based on contract	-	-	-	-	(89,298)	(15)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	215,071	6	Based on contract	-	-	-	-	(53,794)	(9)	
	Far Eastern Apparel (Holding) Ltd.	(Note B)	Sale	(2,531,504)	(60)	Based on contract	-	-	-	-	437,589	47	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sale	(253,645)	(6)	Based on contract	-	-	-	-	91,844	10	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	775,108	4	Based on contract	-	-	-	-	(234,997)	(9)	
	Oriental Petrochemical (Shanghai) Corp.	(Note C)	Purchase	4,578,892	23	Based on contract	-	-	(583,870)	(87)	(400,205)	(16)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	157,004	1	Based on contract	-	-	-	-	(50,967)	(2)	
	Far Eastern Polychem Industries Ltd.	(Note B)	Sale	(7,078,515)	(33)	Based on contract	-	-	-	-	955,307	43	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(888,607)	(4)	Based on contract	-	-	89,979	27	145,647	7	
	Worldwide Polychem (HK) Ltd.	(Note C)	Sale	(182,081)	(1)	Based on contract	-	-	-	-	16,516	1	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(215,071)	(1)	Based on contract	-	-	-	-	53,794	2	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(116,353)	(1)	Based on contract	-	-	-	-	51,194	58	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note C)	Purchase	1,511,153	53	Based on contract	-	-	(270,702)	(100)	(125,369)	(71)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(2,449,615)	(86)	Based on contract	-	-	17,884	62	226,677	68	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Purchase	7,078,515	92	Based on contract	-	-	-	-	(955,307)	(81)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	372,929	5	Based on contract	-	-	-	-	(24,528)	(2)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(878,051)	(11)	Based on contract	-	-	-	-	255,837	21	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(271,317)	(3)	Based on contract	-	-	-	-	63,248	5	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Oriental Petrochemical (Shanghai) Corp.	PET Far Eastern (Holding) Ltd.	(Note B)	Purchase	\$ 277,341	2	Based on contract	-	-	\$ -	-	\$ -	(61)	
	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Other operating cost	120,564	1	Based on contract	-	-	-	-	(11,985)	(2)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(4,578,892)	(31)	Based on contract	-	-	583,870	44	400,205	59	
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Sale	(1,511,153)	(10)	Based on contract	-	-	270,702	21	125,369	18	
Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	(Note B)	Sale	(6,664,674)	(50)	Based on contract	-	-	-	-	478,203	39	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Purchase	2,449,615	39	Based on contract	-	-	(17,884)	100	(226,677)	(49)	
	Oriental Textile (Holding) Ltd.	(Note B)	Sale	(3,001,224)	(43)	Based on contract	-	-	-	-	442,767	36	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note A)	Purchase	3,001,224	88	Based on contract	-	-	-	-	(442,767)	(83)	
	Far Eastern Industries (WuXi) Ltd.	(Note A)	Purchase	415,852	12	Based on contract	-	-	-	-	(93,695)	(17)	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note F)	Sale	(259,912)	(12)	Based on contract	-	-	-	-	29,060	22	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	230,158	12	Based on contract	-	-	-	-	(170,151)	(74)	
	Far Eastern New Century Corporation	(Note B)	Purchase	139,810	8	Based on contract	-	-	-	-	(10,449)	(5)	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,167,688)	(55)	Based on contract	-	-	-	-	242,374	75	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	878,051	63	Based on contract	-	-	-	-	(255,837)	(89)	
	Far Eastern New Century Corporation	(Note B)	Purchase	110,058	8	Based on contract	-	-	-	-	(27,746)	(10)	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	888,607	62	Based on contract	-	-	(89,979)	(100)	(145,647)	(51)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	271,317	19	Based on contract	-	-	-	-	(63,248)	(22)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(157,004)	(10)	Based on contract	-	-	-	-	50,967	28	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(372,929)	(23)	Based on contract	-	-	-	-	24,528	14	
Worldwide Polychem (HK) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	182,081	8	Based on contract	-	-	-	-	(16,516)	(2)	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,947,085	84	Based on contract	-	-	-	-	(648,962)	(94)	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp.	(Note H)	Purchase	444,591	9	Based on contract	-	-	(47,532)	(12)	(41,303)	(3)	
	Far Eastern Department Stores Co., Ltd.	(Note F)	Construction revenue	(206,519)	(4)	Based on contract	-	-	-	-	159,968	27	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(345,722)	(61)	Based on contract	-	-	-	-	35,481	55	
Far Eastern Industries (WuXi) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	276,380	9	Based on contract	-	-	-	-	(38,690)	(93)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(266,530)	(8)	Based on contract	-	-	-	-	89,298	24	
	Oriental Textile (Holding) Ltd.	(Note B)	Sale	(415,852)	(13)	Based on contract	-	-	-	-	93,695	25	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	253,645	9	Based on contract	-	-	-	-	(91,844)	(21)	
	Far Eastern New Century Corporation	(Note B)	Purchase	240,470	9	Based on contract	-	-	-	-	(15,610)	(4)	
	An Ho Garment (Suzhou) Co., Ltd.	(Note A)	Purchase	207,994	8	Based on contract	-	-	-	-	(12,067)	(3)	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,283,209)	(44)	Based on contract	-	-	-	-	270,832	52	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note B)	Other operating revenue	(120,564)	(64)	Based on contract	-	-	-	-	11,985	39	
An Ho Garment (Suzhou) Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note B)	Sale	(207,994)	(100)	Based on contract	-	-	-	-	12,067	30	
Yuan Cheng Human Resources Consultant Corp.	Far Eastern International Bank	(Note I)	Other operating revenue	(134,727)	(42)	Based on contract	-	-	-	-	-	-	
	Far Eastone Telecommunications Co., Ltd.	(Note C)	Other operating revenue	(105,089)	(33)	Based on contract	-	-	-	-	9,015	83	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note A)	Operating revenues	\$ (242,740)	-	Based on contract	-	-	\$ -	-	\$ 97,761	2	(Note J)
			Cost of telecommunications services, marketing expenses and cost of sales	16,048,386	25	Based on contract	-	-	-	-	(1,181,896)	(7)	
	New Century InfoComm Co., Ltd.	(Note A)	Operating revenues	(749,882)	(1)	Based on contract	-	-	-	-	3,845	-	
			Cost of telecommunications services	3,791,289	8	Based on contract	-	-	-	-	(779,035)	(5)	
	KGEx.com Co., Ltd.	(Note A)	Operating revenues	(170,078)	-	Based on contract	-	-	-	-	27,352	-	
	O-music Co., Ltd.	(Note A)	Cost of telecommunications services	202,417	-	Based on contract	-	-	-	-	(41,089)	-	
	Yuan Cheng Human Resources Consultant Corp.	(Note C)	Service fee	105,089	1	Based on contract	-	-	-	-	(9,015)	-	
New Century InfoComm Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(3,791,289)	(28)	Based on contract	-	-	-	-	779,035	49	(Note K)
			Cost of telecommunications services	749,882	8	Based on contract	-	-	-	-	(3,845)	-	
	KGEx.com Co., Ltd.	(Note C)	Cost of telecommunications services	153,225	2	Based on contract	-	-	-	-	(27,189)	(4)	
	Sino Lead Enterprise Limited	(Note A)	Cost of telecommunications services	114,336	1	Based on contract	-	-	-	-	(19,723)	(3)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(16,048,386)	(78)	Based on contract	-	-	-	-	1,181,896	82	
			Cost of sales and cost of telecommunications services	242,740	1	Based on contract	-	-	-	-	-	(97,761)	
KGEx.com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Cost of telecommunications services	170,078	33	Based on contract	-	-	-	-	(27,352)	(47)	
	New Century InfoComm Co., Ltd.	(Note C)	Operating revenues	(153,225)	(26)	Based on contract	-	-	-	-	27,189	31	
O-music Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(202,417)	(99)	Based on contract	-	-	-	-	41,089	98	
Sino Lead Enterprise Limited	New Century InfoComm Co., Ltd.	(Note B)	Operating revenues	(114,336)	(100)	Based on contract	-	-	-	-	19,723	94	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Purchase	114,875	4	Based on contract	-	-	-	-	(16,385)	(5)	
Linkwell Tech. Ltd.	DataExpress Infotech Co., Ltd.	(Note B)	Operating revenues	(114,875)	(8)	Based on contract	-	-	-	-	16,385	40	

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

D. Equity-method investee.

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

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

G. The chairman of the company is the vice chairman of FENC.

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

I. The vice chairman of the company is the chairman of FENC.

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 648,962	3.94	\$ -	-	\$ 520,831	\$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	234,997	4.73	-	-	172,799	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	255,837	2.95	-	-	219,095	-
Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	(Note C)	478,203	12.47	-	-	476,203	-
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note D)	170,151	2.71	-	-	8,589	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	242,374	6.59	-	-	51,616	-
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	955,307	13.32	-	-	924,362	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	235,626	4.41	-	-	145,647	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	437,589	7.42	-	-	383,999	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	984,075	3.45	-	-	603,186	-
	Far Eastern Industries (Suzhou) Ltd.	(Note D)	396,071	3.07	-	-	266,828	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	442,767	6.01	-	-	442,767	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	244,561	4.27	-	-	226,677	-
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	270,832	4.97	-	-	259,223	-
Far Eastern General Contractor Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note E)	159,968	(Note F)	-	-	11,069	-
Far EastTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note B)	117,227	12.57	-	-	86,616	-
	New Century InfoComm Co., Ltd.	(Note B)	178,132	(Note G)	-	-	96,495	-
New Century InfoComm Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note C)	7,374,579	(Note H)	-	-	723,227	-
ARCOA Communication Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note C)	1,181,896	11.71	-	-	1,181,896	-

(Continued)

Notes: A. For the receivables from the financing to affiliates, please refer to Schedule D.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

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

F. The turnover rate was unavailable as the receivables from related parties because these receivables included retentions receivable, which will be settled only upon meeting the conditions in each contract, which usually have terms of more than 12 months.

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

H. The turnover rate was unavailable as the receivables from related parties were due to (A) the collection of telecommunications bills by Far EasTone for NCIC and (B) financing provided by NCIC to Far EasTone.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	22.33	\$ 18,571,971	\$ 4,860,241	\$ 660,862	Gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,749,095	1,655,135	279,387	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,359,418	(114,925)	(10,539)	(Notes A and K)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,519	451,520	135	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	1,948,952	(343,101)	(67,419)	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	810,000	810,000	135,000	16.83	1,777,417	391,170	65,834	(Note A)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,041	100,041	1,822,822	99.40	40,135,283	5,230,441	5,156,580	Including write off and reversed by side-stream transactions \$(42,478) thousand, (Notes B and H)
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate construction and selling	14,931,733	14,931,733	557,354	100.00	99,278,697	2,510,790	2,535,929	\$25,139 thousand, (Notes B and K)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,678,309	7,678,309	124	100.00	8,149,514	(433,539)	(433,539)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	7,875,339	(138,724)	(101,324)	(Note B)
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,887,200	159,121	169,027	\$9,906 thousand, (Note B)
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,843	100.00	5,274,785	468,403	468,403	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	9,309,702	738,771	738,771	(Note B and K)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	5,811,250	333	90.54	5,573,361	(1,028,962)	(921,895)	Including premium and discount amortization \$9,727 thousand, (Note B)
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	10,919,967	9,408,804	1,183,311	75.56	7,562,475	(711,208)	(596,084)	Including write off and reversed by upstream transactions \$(58,695) thousand, (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	7,931,482	1,552,350	1,010,735	(Notes B and K)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,511	857,511	186,929	37.13	3,176,146	47,695	24,782	Including write off and reversed by side-stream transactions \$7,073 thousand, (Notes B, I and K)
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Investment	1,023	1,023	66,346	100.00	1,932,594	178,886	172,012	Including write off and reversed by side-stream transactions \$(6,874) thousand, (Note B)
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,670,534	69,440	63,758	Including write off and reversed by side-stream transactions \$(5,682) thousand, (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	238,841	(195,313)	(98,496)	(Note B)
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,076	9,129	3,998	99.96	282,479	116,249	116,214	(Notes B and K)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	393,651	393,651	19,772	19.00	45,587	(294,126)	(55,884)	(Note B)
	Far Eastern Textile Ltd.	Taipei, Taiwan	Chemical fiber production	1,000	1,000	100	100.00	1,371	63	63	(Note B)
	Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	453,350	316,556	15,839	0.47	565,776	4,860,241	-
Oriental Union Chemical Corp.		Taipei, Taiwan	Petrochemical materials production	1,335,807	1,321,883	82,835	9.35	1,594,342	(114,925)	-	(Note A)
Far Eastern Department Stores Co., Ltd.		Taipei, Taiwan	Department store operations	408,054	169,831	19,615	1.38	419,372	1,655,135	-	(Note A)
Everest Textile Co., Ltd.		Taipei, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,129,055	451,520	-	(Note A)
Far EastTone Telecommunications Co., Ltd.		Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,473,128	11,485,695	-	(Note B)
Far Eastern Polychem Industries Ltd.		Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,906,889	(138,724)	-	(Note B)
Far Eastern Apparel (Holding) Ltd.		Bermuda	Investment	2,179,442	2,179,442	111	100.00	2,716,824	213,663	-	(Note B)
Da Ju Fiber Co., Ltd.		Taipei, Taiwan	Investment	263,790	263,790	27,305	41.86	1,490,394	498,555	-	(Note A)
Far Eastern Apparel Co., Ltd.		Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	282,860	(81,905)	-	(Note B)
Yuan Faun Ltd.		Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	121,305	2,801	-	(Note B)
Yue Ming Co., Ltd.		Taipei, Taiwan	Trading	97,852	97,852	3,729	45.50	62,904	2,475	-	(Note A)
Yuan Ding Leasing Corp.		Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	416,261	82,958	-	(Note A)
Far Eastern Fibertech Co., Ltd.		Taipei, Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,139,108	148,739	-	(Note B)
Oriental Resources Development Ltd.		Taipei, Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	322,577	(21,694)	-	(Note B)
Air Liquide Far Eastern Ltd.		Taipei, Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,874,964	1,657,664	-	(Note A)
Freudenberg Far Eastern Spunweb Co., Ltd.		Taipei, Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	355,217	521,895	-	(Note A)
Oriental Securities Corp.		Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,680,310	(343,101)	-	(Note A)
Yuan Ding Company Ltd.		Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,129,042	47,695	-	(Note B)
Far Eastern International Leasing Corp.		Taipei, Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	1,146,754	1,528,756	-	(Note A)
Oriental Textile (Holding) Ltd.		Bermuda	Investment	7,142,602	5,842,331	110	100.00	8,197,180	63,325	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	\$ 796,491	\$ 796,491	119,653	14.92	\$ 1,489,063	\$ 391,170	\$ -	(Note A)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	673,704	673,704	98,198	18.96	560,876	508,158	-	(Note A)
	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,490	1.00	22,341	124,049	-	(Note B)
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	415,679	311,759	81,374	5.20	526,742	(711,208)	-	(Note B)
	FETG Investment Antilles N.V.	Antillem	Investment	US\$ 6	US\$ 6	6	100.00	1,552,545	381,395	-	(Note B)
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	8,000	50.00	182,977	24,075	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	13,975	(1,150)	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100.00	407,054	139,853	-	(Notes B and D)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Polyester production trading	US\$ 3,500	US\$ 3,500	2,700	100.00	100,021	-	-	(Note B)
Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34.00	1,710	15	-	(Notes A and D)	
Far Eastern Polytex (Vietnam) Ltd.	Vietnam	Chemical fiber and textile production	US\$ 5,300	-	-	100.00	171,601	(2,558)	-	(Notes B and D)	
Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 4,300	-	-	100.00	133,197	(7,905)	-	(Notes B and D)	
Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	-	3,000	100.00	181,629	-	-	(Note B)	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	8,000	50.00	183,230	24,075	-	(Notes B and C)
Ding Yuan International Investment Co., Ltd	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	13,222	0.39	483,471	4,860,241	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	70,995	54,812	3,551	0.25	84,135	1,655,135	-	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	74,932	70,428	4,582	0.97	41,626	451,520	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	684,551	596,353	27,710	3.13	703,116	(114,925)	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	41,570	11,485,695	-	(Note B)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	218,672	391,170	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	11,074	13.20	301,648	99,419	-	(Note A)
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	50	-	1	0.03	66	116,249	-	(Note B)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	483,448	483,448	20,207	0.60	728,529	4,860,241	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,145,553	11,485,695	-	(Note B)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	834,820	816,803	36,367	4.11	787,414	(114,925)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	519,473	519,473	20,672	1.46	568,929	1,655,135	-	(Note A)
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	482,746	58,054	-	(Note A)
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,146,933	1,528,756	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	218,874	391,170	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	587,671	(1,028,962)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	235,028	(195,313)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET PRODUCTION AND SALE	JPY 1,214,683	JPY 1,200,000	172	85.15	37,134	(184,221)	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	216,959	216,959	17,726	0.53	589,826	4,860,241	-	(Note A)
	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,031,182	124,049	-	(Note B)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	16,246	-	469	0.01	18,803	4,860,241	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	6,353	-	90	-	1,985	11,485,695	-	(Note B)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	29	29	7	0.01	949	99,419	-	(Note A)
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	4,705	2,071	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	1,571,969	381,612	-	(Note B)
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production & Investment	SGD 3,000	SGD 3,000	30	37.92	497,746	13,785	-	(Note B)
	Far Eastern International Garments	Philippines	Garment production	US\$ 290	US\$ 290	59	41.00	(12,531)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	(11,627)	-	-	(Note A)
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	Malaysia	Garment production	IDR -	IDR -	-	99.00	(46)	-	-	(Notes B and D)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,077,250	11,485,695	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	206,551	206,551	6,094	0.18	249,363	4,860,241	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	287,121	286,049	11,204	1.26	272,344	(114,925)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	10,483	10,483	370	0.03	11,175	1,655,135	-	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	95,103	95,103	5,890	0.83	86,703	(343,101)	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	13,146	15.66	259,754	99,419	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	67,285	67,285	9,681	1.21	122,852	391,170	-	(Note A)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	164,796	5,230,441	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Taipei, Taiwan	Personnel recruitment	\$ 7,214	\$ 7,214	745	55.19	\$ 12,359	\$ 3,672	\$ -	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	19,734	11,485,695	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,812,888	11,485,695	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.80	1,234,733	1,655,135	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,755,017	1,511,986	49,705	5.61	1,732,471	(114,925)	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	888,648	888,648	28,579	0.85	1,132,423	4,860,241	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	217,675	391,170	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	320,276	(264,208)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	20	20	1	-	27	1,657,664	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,191,960	36	90.88	23,146	(219,891)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	36	521,895	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production & Investment	SGD 7,354	SGD -	10	13.00	170,641	13,785	-	(Note B)
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Taipei, Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	304,877	44,370	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	558,000	240,000	41,633	60.00	229,537	(17,298)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	50,226	2,071	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	-	17.70	8,790	2,481	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	645,021	645,021	64,502	61.99	148,571	(294,126)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	239,130	239,130	23,913	53.08	(119,795)	(249,925)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taipei, Taiwan	Business consulting	822,701	822,701	85,000	100.00	533,356	(147,542)	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,037	136,037	5,329	0.16	206,878	4,860,241	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	100,412	100,412	4,164	0.13	112,317	11,485,695	-	(Note B)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	411,187	411,187	129,637	25.02	1,527,843	508,158	-	(Note A)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	787	787	82	1.00	576	2,475	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	22,676	22,676	2,175	2.59	42,590	99,419	-	(Note A)
	FEDS Asia Pacific Development Ltd.	Taipei, Taiwan	Department store operations	100,000	100,000	10,650	5.00	130,303	163,010	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	393,847	(264,208)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	300,000	300,000	30,000	20.00	217,726	(265,416)	-	(Note B)
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	745	745	79	0.18	(407)	(249,925)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	225,150	225,150	22,515	15.01	163,400	(265,416)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	-	-	46.13	32,161	(170,927)	-	(Note B and D)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	-	53.87	37,557	(170,927)	-	(Note B and D)
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	10,161	16,173	120	0.03	1,146	451,520	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	51,673	51,673	2,764	0.19	94,846	1,655,135	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	862	862	61	-	2,342	4,860,241	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	1	82.30	40,872	2,481	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	27,274,470	3,032,150	-	(Note B)
	ARCOA Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	1,311,282	201,715	-	(Note B)
	KGEx. com. Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	2,540,442	2,540,442	88,894	99.99	948,235	56,612	-	(Note B)
	Hiiir Inc.	Taipei, Taiwan	Electronic information providing services	537,260	537,260	53,726	89.54	123,831	(323,516)	-	(Note B)
	Yuan Cing Co., Ltd.	Taipei, Taiwan	Call center services	101,371	101,371	19,350	99.99	137,951	11,334	-	(Note B)
	E. World (Holdings) Ltd.	Cayman Islands	Investment	-	82,883	-	-	-	(215)	-	(Note B)
	Far EasTron Holding Ltd.	Cayman Islands	Investment	-	150,000	-	-	-	267	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	(49,267)	(37,686)	-	(Note B)
	Omusic Co., Ltd.	Taipei, Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	3,925	7,912	-	(Note B)
	Q-ware Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(62,915)	254	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	2,542,396	2,542,396	254,240	39.42	631,848	(264,208)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	450,000	450,000	45,000	30.00	326,458	(265,416)	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	139,500	60,000	10,408	15.00	57,692	(17,298)	-	(Note B)
	Alliance Digital Technology Co., Ltd.	Taipei, Taiwan	Electronic information providing services	30,000	30,000	3,000	13.33	16,008	(53,481)	-	(Note A)
	iScreen Corporation	Taipei, Taiwan	Information service	-	100,000	-	-	-	1,626	-	(Note A)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	80,893	80,893	6,691	14.85	(33,032)	(249,925)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taipei, Taiwan	Sale of communications products	141,750	141,750	12,866	70.00	205,417	51,792	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taipei, Taiwan	Investment	\$ 800,000	\$ 800,000	80,000	100.00	\$ 563,778	\$ (68,414)	\$ -	(Note B)
	Information Security Service Digital United Inc.	Taipei, Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	104,491	2,502	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	132,406	4,320	100.00	32,555	(6,821)	-	(Note B)
	Simple InfoComm Co., Ltd.	Taipei, Taiwan	Electronic information providing services	-	34,000	-	-	-	24	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	28,922	28,922	2,392	5.31	(11,809)	(249,925)	-	(Note B)
New Diligent Co., Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	46,500	20,000	3,469	5.00	19,231	(17,298)	-	(Note B)
	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	-	100.00	100	(126)	-	(Note B)
	Far Eastern New Diligent Company Ltd.	British Virgin Islands	Investment	133,048	133,048	-	100.00	50,460	(74,600)	-	(Note B)
DataExpress Infotech Co., Ltd.	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	-	-	-	-	-	-	-	(Notes B and J)
	Linkwell Tech. Ltd.	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	43,413	(6,369)	-	(Note B)
	Home Master Technology Ltd.	Taipei, Taiwan	Sale of communications products	10,000	9,999	-	100.00	(9,177)	(6,240)	-	(Note B)

Notes: A. Equity-method investee.

B. Subsidiary.

C. Included 5,000 thousand common shares and 3,000 thousand preferred shares.

D. A private company.

E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.

F. Shares in thousands.

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

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

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

J. New Diligent Hong Kong Co., Ltd. was established on December 4, 2014. The investment amount had not been remitted to the investee as of December 31, 2015.

K. Adjustment in investee's investment properties measured by market value method.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

INVESTMENT IN MAINLAND CHINA
 FOR THE YEAR ENDED DECEMBER 31, 2015
 (In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2015 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 9,383,193	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 248,052	100.00	\$ 248,052	\$ 9,218,147	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Ltd.	Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,020,840	2	1,010,901	-	-	1,010,901	100,779	100.00	100,779	1,415,564	233,172	Notes F and G
Far Eastern Industries (WuXi) Ltd.	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, greige woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,402,538	2	2,018,430	-	-	2,018,430	(78,417)	100.00	(78,417)	3,196,041	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products	7,494,329	2	2,976,148	-	-	2,976,148	(1,528,223)	61.35	(937,565)	3,930,176	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,842,673	2	1,342,854	-	-	1,342,854	130,463	100.00	130,463	2,371,075	92,719	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,967,905	2	1,765,319	-	-	1,765,319	(195,405)	100.00	(195,405)	233,298	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products	853,528	2	724,110	-	-	724,110	29,542	100.00	29,542	1,033,086	-	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	5,463,285	2	3,656,977	1,300,271	-	4,957,248	212,473	100.00	212,473	5,625,341	-	Note H
Far Eastern New Century (China) Investment Ltd.	Investment	2,348,701	2	2,089,425	-	-	2,089,425	(485,854)	100.00	(485,854)	1,795,843	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2015 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outflow	Inflow							
Sino Belgium (Suzhou) Ltd.	Brewery	\$ 1,901,979	2	\$ 1,763,952	\$ -	\$ -	\$ 1,763,952	\$ (138,479)	100.00	\$ (138,479)	\$ 6,956	\$ -	Note L
Martens Beers Trading (Shanghai) Ltd.	Brewery	391,247	2	200,473	31,002	-	231,475	(10,587)	100.00	(10,587)	27,820	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,252,222	2	4,181,323	-	-	4,181,323	388	60.00	233	4,379,090	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,541,423	2	1,436,190	-	-	1,436,190	16,637	100.00	16,637	1,555,215	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	4,072,392	2	1,962,908	-	-	1,962,908	(417,187)	50.00	(208,594)	1,728,099	-	
Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	63,423	3	-	-	-	-	794	100.00	794	67,200	-	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	94,810	3	-	-	-	-	9,676	100.00	9,676	133,408	-	
An Ho Garment (Suzhou) Ltd.	Garment production	4,990	3	-	-	-	-	4,678	100.00	4,678	53,874	-	
Yuan Ding Enterprise (Shanghai) Ltd.	Software development	528,940	3	-	-	-	-	(110,855)	100.00	(110,855)	257,404	-	
Tong Da air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, nitrogen and hydrogen warehousing	2,053,256	2	1,020,489	-	-	1,020,489	32,658	50.00	16,329	1,043,410	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	751,735	2	240,330	357,940	-	598,270	(171,666)	100.00	(171,666)	69,555	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	32,631	2	24,220	-	-	24,220	3,801	100.00	3,801	47,628	-	Note N
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and provision of network information	196,950	2	207,504	-	-	207,504	(44,223)	100.00	(44,223)	107,825	-	Note O
Digital United Information Technologies (Shanghai) Ltd.	Research and design of computer system	101,758	2	101,758	-	-	101,758	(7,549)	100.00	(7,549)	10,817	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	170,690	2	131,300	-	-	131,300	(64,464)	79.04	(50,951)	78,469	-	Note Q
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	36,994	-	-	36,994	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Co., Ltd. (Notes T and U)	\$ 19,134,418	\$ 25,638,872	\$ -

(Continued)

Notes: A. Investment type as follows:

1. The Group made the investment directly.
2. The Group made the investment through a company registered in a third region. The companies registered in a third region are Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far Eastern New Diligent Company Ltd.
3. Other.

B. Recognition of gains/losses was based on the following three information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Sino Belgium (Suzhou) Limited, Far Eastern Apparel (Suzhou) Ltd., Oriental Petrochemical (Shanghai) Corp., Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Far Eastern Industries (WuXi) Ltd. and Oriental Industries (Suzhou) Ltd.
2. Financial statements of these companies, which were audited by the parent company's accounting firm: Far Eastern Tech-info Ltd. (Shanghai), Digital United Information Technology (Shanghai) Co., Ltd., New Diligence Tech-info (Shanghai) Ltd. and Far Eastern New Century Information Technology (Beijing) Limited.
3. Others: Far Eastern New Century (China) Investment Ltd., Martens Beers Trading (Shanghai) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) Digital Tech. Co., Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Far Eastern Industries (Yangzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation., Shanghai Yuan Zi Information Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Ltd., An Ho Garment (Suzhou) Ltd., Suqian Far Eastern Apparel Co., Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.

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

D. As of December 31, 2015, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2015, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2015, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2015, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2015, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiaries, Oriental Textile (Holding) Ltd.

J. As of December 31, 2015, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2015, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.

L. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.

M. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd., Ding Ding Integrated Marketing Services Co., Ltd. and FET Consulting Engineers Co., Ltd.

N. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.

P. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Co., Ltd.

Q. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.

R. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Co., Ltd.

S. As of December 31, 2015, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Ltd.

T. Investment amounts authorized by Investment Commission, MOEA were included by US\$778,755 thousand and RMB6,695 thousand which was the original investment from Far Eastern Polytex (Holding) Ltd. and approved by Investment Commission under the Ministry of Economic Affairs.

U. Based on MOEA Approval Letter No. 10320431180, there is no cap on the amount of the Company's investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of U.S. Dollars)

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

(Continued)

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

(Continued)

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

Notes: A. Far Eastern New Century (China) Investment Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Ltd.

B. Document No. 092035971 has been canceled and replaced with document No. 09800408170.

C. Document No. 092035970 has been canceled and replaced with document No. 09800408160.

D. The approved amount of US\$12,000 thousand as stated in document No. 09800283970 dated September 18, 2009 had been changed to US\$11,500 thousand while awaiting the completion of the-review process on April 19, 2010.

E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Oriental Petrochemical (Shanghai) Ltd. increased.

G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd. under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

I. After obtaining MOEA approval (No. 09900470520), FENC received from FEDP (Holding) Ltd. the equity of Yuan Tong Investment Co., Ltd. amounting US\$18,224 thousand (MOEA approval No. 09600243260).

J. After obtaining MOEA approval (No. 10000021360), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of December 31, 2015, FENC paid US\$139,400 thousand in this indirect investment.

K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to make its Oriental Textile (Holding) Ltd. indirectly invest US\$43,000 thousand or equivalent RMB in Far Eastern Industries (Suzhou) Ltd. As of December 31, 2015, Yuan Ding Investment Co., Ltd. remitted RMB258,000 thousand to this indirect investment.

L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC made its subsidiary, Yuan Tong Investment Co., Ltd. amended to makes its Sino Belgium (Holding) Ltd. indirectly invest US\$17,500 thousand in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers Trading (Shanghai) Ltd.

M. After obtaining MOEA approval (No. 10100115020), FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Ltd. As of December 31, 2015, FENC remitted US\$66,000 thousand to this indirect investment.

N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of December 31, 2015, Yuan Tong Investment Co., Ltd. remitted US\$1,065 thousand to this indirect investment.

O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US\$11,000 thousand in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2015, FENC remitted US\$10,950 thousand to this indirect investment.

P. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the MOEA's Investment Commission, which then canceled this amount.

Q. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirectly investment to US\$33,500 thousand and made its subsidiary, PET Far Eastern (Holding) Ltd. indirectly invest Tong Da Air Industry (Yangzhou) Co., Ltd.

R. After obtaining MOEA approval (No. 10200399290), FENC made it subsidiary, Far Eastern Polytex (Holding) Ltd. and Far Eastern New Century (China) Investment Ltd., indirectly invest US\$82,340 thousand in Yuan Ding Enterprise (Shanghai) Ltd. As of December 31, 2015, FENC remitted US\$16,625 thousand as its indirect investment.

(Concluded)