

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2016 and 2015 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries as of June 30, 2016 and 2015, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2016 and 2015, and changes in equity and cash flows for the six months ended June 30, 2016 and 2015. These consolidated financial statements are the responsibility of the Company's and subsidiaries' management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As stated in Note 15 to the consolidated financial statements, the financial statements of some nonsignificant subsidiaries used as basis for the consolidated financial statements were unreviewed. As of June 30, 2016 and 2015, combined total assets of these nonsignificant subsidiaries were NT\$179,793,671 thousand and NT\$193,305,590 thousand, respectively, representing 34.17% and 36.86%, respectively, of the consolidated total assets and combined total liabilities of these subsidiaries were NT\$68,157,220 thousand and NT\$61,853,533 thousand, respectively, representing 24.61% and 23.32%, respectively, of the consolidated total liabilities. For the three months ended June 30, 2016 and 2015 combined comprehensive income of these subsidiaries were NT\$(1,648,161) thousand and NT\$(765,898) thousand, respectively, representing (90.92%) and (18.82%), respectively; for the six months ended June 30, 2016 and 2015 combined comprehensive income of these subsidiaries were NT\$(2,974,531) thousand and NT\$464,611 thousand, respectively, representing (166.64%) and 4.93%, respectively, of the consolidated total comprehensive income. In addition, as stated in Note 16 to the consolidated financial statements, the investments accounted for using equity-method as of June 30, 2016 and 2015, with carrying values of NT\$23,508,593 thousand and NT\$21,731,558 thousand, respectively, and the related share of the comprehensive income of associates for the three months ended June 30, 2016 and 2015 were NT\$149,794 thousand and NT\$30,862 thousand, respectively, and six months ended June 30, 2016 and 2015 were NT\$(840,255) thousand and NT\$1,261,371 thousand, respectively. These amounts referring to the investments accounted for using equity-method were based on unreviewed financial statements of associates. Related information on subsidiaries and associates measured above investments shown in Note 39 to the consolidated financial statements was not reviewed either.

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

August 11, 2016

Notice to Readers

The accompanying consolidated 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 review such consolidated financial statements are those generally applied in the Republic of China.

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2016 (Reviewed)		December 31, 2015 (Audited)		June 30, 2015 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 34)	\$ 45,234,536	9	\$ 40,878,814	8	\$ 46,215,049	9
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	3,335,770	1	3,997,895	1	1,584,019	-
Available-for-sale financial assets - current (Notes 4, 8 and 35)	660,609	-	727,557	-	600,696	-
Derivative financial assets for hedging - current (Notes 4, 9 and 34)	5,151	-	6,015	-	1,230	-
Debt investments with no active market - current (Notes 4, 11 and 34)	2,907,121	-	3,350,990	1	3,702,122	1
Notes and accounts receivable, net (Notes 4, 12 and 34)	24,042,883	5	23,370,506	4	27,306,791	5
Amounts due from customers for construction contracts (Notes 4 and 13)	1,283,734	-	973,888	-	1,282,285	-
Other receivables (Note 34)	8,020,836	1	5,789,282	1	5,783,908	1
Current tax assets (Note 4)	42,328	-	23,615	-	53,992	-
Inventories (Notes 4, 14 and 35)	22,136,283	4	24,558,575	5	25,465,829	5
Prepayments	3,932,977	1	3,257,852	1	4,352,764	1
Other financial assets - current (Notes 34 and 35)	4,322,349	1	4,573,109	1	3,540,907	1
Refundable deposits - current	12,070	-	50,742	-	49,421	-
Other current assets	<u>2,017,009</u>	<u>-</u>	<u>2,094,404</u>	<u>-</u>	<u>2,374,096</u>	<u>-</u>
Total current assets	<u>117,953,656</u>	<u>22</u>	<u>113,653,244</u>	<u>22</u>	<u>122,313,109</u>	<u>23</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4, 8 and 35)	4,173,755	1	4,486,739	1	4,737,948	1
Financial assets measured at cost - non-current (Notes 4 and 10)	1,136,193	-	1,138,626	-	1,067,347	-
Debt investment with no active market - non-current (Notes 4 and 11)	-	-	-	-	164,040	-
Investments accounted for using the equity method (Notes 4, 16 and 35)	53,669,080	10	58,658,951	11	60,127,019	12
Property, plant and equipment (Notes 4, 17 and 35)	149,149,971	28	148,141,804	29	141,712,900	27
Investment properties (Notes 4, 18 and 35)	125,287,195	24	124,190,706	24	122,997,977	23
Concession (Notes 20 and 35)	42,949,485	8	35,151,640	7	36,275,522	7
Goodwill (Notes 4 and 19)	11,865,515	2	11,865,515	2	11,882,789	2
Other intangible assets (Notes 4 and 20)	3,441,127	1	3,465,545	1	3,560,892	1
Deferred tax assets (Note 4)	2,406,125	1	2,317,146	1	2,569,579	1
Prepayments for equipment (Note 17)	2,129,862	1	2,280,180	-	4,791,062	1
Refundable deposits	916,877	-	822,052	-	829,370	-
Long-term other receivables from related parties (Note 34)	1,620,000	-	1,620,000	-	1,620,000	-
Other financial assets - non-current (Notes 34 and 35)	2,248,046	1	2,714,837	1	2,516,724	1
Long-term prepayments for lease	6,900,707	1	7,000,124	1	6,915,571	1
Other non-current assets	<u>262,159</u>	<u>-</u>	<u>1,258,013</u>	<u>-</u>	<u>281,161</u>	<u>-</u>
Total non-current assets	<u>408,156,097</u>	<u>78</u>	<u>405,111,878</u>	<u>78</u>	<u>402,049,901</u>	<u>77</u>
TOTAL	<u>\$ 526,109,753</u>	<u>100</u>	<u>\$ 518,765,122</u>	<u>100</u>	<u>\$ 524,363,010</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 34)	\$ 26,915,937	5	\$ 24,687,627	5	\$ 28,796,587	6
Short-term bills payable (Note 21)	5,490,120	1	6,597,763	1	6,541,190	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 34)	65,292	-	-	-	19,322	-
Derivative financial liabilities for hedging - current (Notes 4, 9 and 34)	19,155	-	11,016	-	200	-
Notes and accounts payable (Note 4)	16,636,863	3	15,622,902	3	15,833,824	3
Notes and accounts payable to related parties (Notes 4 and 34)	572,568	-	381,383	-	335,381	-
Amounts due to customers for construction contracts (Notes 4 and 13)	111,897	-	120,696	-	83,146	-
Payables to suppliers of machinery and equipment	3,079,192	1	2,986,273	1	2,689,031	1
Other payable	26,469,781	5	14,430,397	3	28,535,568	5
Current tax liabilities (Note 4)	2,413,573	1	1,830,859	-	1,888,735	-
Provisions - current (Notes 4 and 23)	267,628	-	258,638	-	249,885	-
Guarantee deposits received - current	366,815	-	287,280	-	377,941	-
Receipts in advance	1,465,255	-	1,047,226	-	1,274,746	-
Unearned revenue	2,417,051	1	2,581,177	1	2,618,127	1
Current portion of long-term liabilities (Notes 21 and 22)	18,764,431	4	22,012,363	4	20,695,035	4
Other current liabilities	<u>2,386,105</u>	<u>-</u>	<u>1,992,912</u>	<u>-</u>	<u>2,789,259</u>	<u>1</u>
Total current liabilities	<u>107,441,663</u>	<u>21</u>	<u>94,848,512</u>	<u>18</u>	<u>112,727,977</u>	<u>22</u>
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 4 and 9)	332,701	-	338,020	-	416,069	-
Bonds payable (Note 22)	67,557,669	13	63,363,036	12	60,919,170	12
Long-term borrowings (Note 21)	78,442,768	15	77,004,892	15	70,136,588	13
Provisions - non-current (Notes 4 and 23)	843,774	-	811,094	-	779,725	-
Deferred tax liabilities (Note 4)	17,193,615	3	16,822,397	4	16,536,181	3
Net defined benefit liabilities - non-current (Note 24)	3,881,155	1	3,941,868	1	2,514,864	1
Guarantee deposits received (Note 34)	669,683	-	695,895	-	634,040	-
Deferred credit-gains on related-party accounts (Note 34)	148,796	-	149,074	-	149,351	-
Other non-current liabilities	<u>387,622</u>	<u>-</u>	<u>393,331</u>	<u>-</u>	<u>380,175</u>	<u>-</u>
Total non-current liabilities	<u>169,457,783</u>	<u>32</u>	<u>163,519,607</u>	<u>32</u>	<u>152,466,163</u>	<u>29</u>
Total liabilities	<u>276,899,446</u>	<u>53</u>	<u>258,368,119</u>	<u>50</u>	<u>265,194,140</u>	<u>51</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Capital stock						
Common stock	<u>53,528,751</u>	<u>10</u>	<u>53,528,751</u>	<u>10</u>	<u>52,479,168</u>	<u>10</u>
Stock dividends to be distributed	-	-	-	-	1,049,583	-
Capital surplus	<u>2,855,238</u>	<u>1</u>	<u>2,807,683</u>	<u>1</u>	<u>2,618,281</u>	<u>1</u>
Retained earnings						
Legal reserve	15,315,028	3	14,511,559	3	14,511,559	3
Special reserve	110,854,010	21	108,721,550	21	108,745,336	21
Unappropriated earnings	<u>7,970,646</u>	<u>1</u>	<u>13,706,389</u>	<u>2</u>	<u>13,450,693</u>	<u>2</u>
Total retained earnings	<u>134,139,684</u>	<u>25</u>	<u>136,939,498</u>	<u>26</u>	<u>136,707,588</u>	<u>26</u>
Other stockholders' equity	<u>(130,231)</u>	<u>-</u>	<u>4,000,696</u>	<u>1</u>	<u>6,147,865</u>	<u>1</u>
Treasury shares	<u>(25,063)</u>	<u>-</u>	<u>(25,063)</u>	<u>-</u>	<u>(25,063)</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>190,368,379</u>	<u>36</u>	<u>197,251,565</u>	<u>38</u>	<u>198,977,422</u>	<u>38</u>
NON-CONTROLLING INTERESTS (Note 26)	<u>58,841,928</u>	<u>11</u>	<u>63,145,438</u>	<u>12</u>	<u>60,191,448</u>	<u>11</u>
Total equity	<u>249,210,307</u>	<u>47</u>	<u>260,397,003</u>	<u>50</u>	<u>259,168,870</u>	<u>49</u>
TOTAL	<u>\$ 526,109,753</u>	<u>100</u>	<u>\$ 518,765,122</u>	<u>100</u>	<u>\$ 524,363,010</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 11, 2016)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES								
(Notes 4, 9 and 34)								
Net sales	\$ 34,157,393	62	\$ 34,030,621	61	\$ 65,763,463	62	\$ 67,294,527	62
Telecommunications service revenue	16,978,343	31	17,468,296	32	33,834,612	32	34,740,723	32
Gain on disposal of investments, net	-	-	69,684	-	12,994	-	72,292	-
Construction revenue	1,475,497	3	1,331,129	2	2,099,148	2	2,124,342	2
Other operating revenue	2,358,246	4	2,545,834	5	4,853,363	4	4,743,232	4
Total operating revenues	54,969,479	100	55,445,564	100	106,563,580	100	108,975,116	100
OPERATING COSTS (Notes 4, 14, 27 and 34)								
Cost of goods sold	32,587,107	59	33,086,601	60	63,362,134	60	65,862,519	60
Cost of telecommunications services	6,505,972	12	6,470,645	12	12,857,662	12	12,629,286	12
Loss on disposal of investments, net	1,805	-	-	-	-	-	-	-
Construction cost	1,422,950	3	1,264,869	2	2,011,899	2	1,982,510	2
Other operating cost	1,151,908	2	1,399,466	2	2,302,926	2	2,430,325	2
Total operating costs	41,669,742	76	42,221,581	76	80,534,621	76	82,904,640	76
GROSS PROFIT	13,299,737	24	13,223,983	24	26,028,959	24	26,070,476	24
REALIZED CONSTRUCTION INCOME	278	-	278	-	278	-	278	-
OPERATING EXPENSES								
(Notes 4, 27 and 34)								
Selling and marketing	6,216,451	11	5,821,470	11	12,123,091	11	11,622,827	11
General and administrative	2,618,159	5	2,828,117	5	5,408,363	5	5,812,581	5
Research and development	203,033	1	201,045	-	412,179	1	389,599	-
Total operating expenses	9,037,643	17	8,850,632	16	17,943,633	17	17,825,007	16
OPERATING INCOME	4,262,372	7	4,373,629	8	8,085,604	7	8,245,747	8
NON-OPERATING INCOME								
Share of the profit or loss of associates (Note 16)	537,582	1	1,185,250	2	651,040	1	1,567,886	1
Interest income (Note 34)	107,330	-	106,784	-	197,272	-	259,798	-
Other income - other (Note 34)	407,448	1	346,225	1	621,692	-	525,029	-
(Loss) gain on disposal of investment properties (Note 34)	-	-	-	-	(25,201)	-	983,629	1
(Loss) gain on financial assets (liabilities) at fair value through profit or loss (Notes 7 and 34)	61,127	-	(12,043)	-	(294,136)	-	122,600	-
Valuation gain on investment properties (Note 18)	102,619	-	1,318,310	2	1,131,101	1	3,796,810	4
Interest expense (Notes 9 and 27)	(600,246)	(1)	(566,217)	(1)	(1,223,634)	(1)	(1,213,084)	(1)
Other expense (Note 34)	(179,324)	-	(37,312)	-	(296,788)	-	(198,105)	-
Loss on disposal of property, plant and equipment (Note 17)	(216,928)	(1)	(323,045)	(1)	(355,598)	-	(432,451)	-
(Loss) gain on disposal of concession (Note 20)	(69)	-	102	-	(69)	-	(409)	-

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange loss, net (Note 4)	\$ (208,191)	-	\$ (12,630)	-	\$ (648,219)	(1)	\$ (181,131)	-
Impairment loss (Notes 17 and 19)	(48,330)	-	(1,544)	-	(53,117)	-	(120,704)	-
Total non-operating incomes and expenses	(36,982)	-	2,003,880	3	(295,657)	-	5,109,868	5
INCOME BEFORE INCOME TAX	4,225,390	7	6,377,509	11	7,789,947	7	13,355,615	13
INCOME TAX EXPENSE (Notes 4 and 28)	(714,104)	(1)	(811,428)	(1)	(1,711,799)	(1)	(3,163,030)	(3)
NET INCOME	3,511,286	6	5,566,081	10	6,078,148	6	10,192,585	10
OTHER COMPREHENSIVE INCOME (LOSS), NET								
Items that will not be reclassified subsequently to profit or loss:								
Share of the other comprehensive income (loss) of associates accounted for using the equity method	-	-	(5,434)	-	793	-	(5,434)	-
	-	-	(5,434)	-	793	-	(5,434)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	(924,993)	(2)	(631,377)	(1)	(1,190,229)	(1)	(1,147,619)	(1)
Unrealized gain (loss) on available-for-sale financial assets	(157,085)	-	(56,677)	-	(345,886)	-	82,509	-
Cash flow hedges	18,399	-	91,124	-	7,307	-	134,877	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(634,869)	(1)	(893,478)	(2)	(2,765,116)	(3)	158,751	-
	(1,698,548)	(3)	(1,490,408)	(3)	(4,293,924)	(4)	(771,482)	(1)
Total other comprehensive income (loss), net	(1,698,548)	(3)	(1,495,842)	(3)	(4,293,131)	(4)	(776,916)	(1)
TOTAL COMPREHENSIVE INCOME	\$ 1,812,738	3	\$ 4,070,239	7	\$ 1,785,017	2	\$ 9,415,669	9
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 1,724,667	3	\$ 3,670,643	7	\$ 2,559,613	3	\$ 6,305,932	6
Non-controlling interests	1,786,619	3	1,895,438	3	3,518,535	3	3,886,653	3
	\$ 3,511,286	6	\$ 5,566,081	10	\$ 6,078,148	6	\$ 10,192,585	9
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 106,723	-	\$ 2,228,704	4	\$ (1,570,521)	(1)	\$ 5,607,295	5
Non-controlling interests	1,706,015	3	1,841,535	3	3,355,538	3	3,808,374	4
	\$ 1,812,738	3	\$ 4,070,239	7	\$ 1,785,017	2	\$ 9,415,669	9

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)								
Basic	<u>\$ 0.34</u>		<u>\$ 0.73</u>		<u>\$ 0.51</u>		<u>\$ 1.26</u>	
Diluted	<u>\$ 0.34</u>		<u>\$ 0.73</u>		<u>\$ 0.51</u>		<u>\$ 1.26</u>	

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

(With Deloitte & Touche review report dated August 11, 2016)

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company													
							Other Equity							
	Common Stock (Note 26)	Stock Dividend to Be Distributed	Capital Surplus (Notes 4 and 26)	Retained Earnings		Exchange Differences on Translating Foreign Operations (Notes 4 and 26)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 26)	Unrealized Gain (Loss) on Cash Flow Hedge (Notes 4 and 26)	Gains on Property Revaluation (Note 26)	Treasury Shares (Note 26)	Total Equity Attributable to Owners of the Company	Non-controlling Interests (Note 26)	Total Equity	
			Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Note 26)									
BALANCE AT JANUARY 1, 2015	\$ 52,479,168	\$ -	\$ 3,666,948	\$ 13,408,217	\$ 105,911,942	\$ 17,383,706	\$ 2,871,860	\$ 3,629,652	\$ (173,051)	\$ 512,607	\$ (25,063)	\$ 199,665,986	\$ 63,818,325	\$ 263,484,311
Appropriation of the 2014 earnings														
Legal reserve	-	-	-	1,103,342	-	(1,103,342)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	4,348,583	(4,348,583)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.2 per share	-	-	-	-	-	(6,297,500)	-	-	-	-	-	(6,297,500)	-	(6,297,500)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(7,933,930)	(7,933,930)
Stock dividends from capital surplus - NT\$0.2 per share	-	1,049,583	(1,049,583)	-	-	-	-	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2015	-	-	-	-	-	6,305,932	-	-	-	-	-	6,305,932	3,886,653	10,192,585
Other comprehensive income (loss) for the six months ended June 30, 2015	-	-	-	-	-	(5,434)	(1,433,138)	690,736	49,199	-	-	(698,637)	(78,279)	(776,916)
Total comprehensive income (loss) for the six months ended June 30, 2015	-	-	-	-	-	6,300,498	(1,433,138)	690,736	49,199	-	-	5,607,295	3,808,374	9,415,669
Change in associates accounted for using the equity method	-	-	-	-	-	8,487	-	-	-	-	-	8,487	-	8,487
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	490,917	490,917
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	-	916	-	-	-	-	-	-	-	-	916	-	916
Partial acquisition/disposal of interests in subsidiaries	-	-	-	-	-	(7,762)	-	-	-	-	-	(7,762)	7,762	-
Reversal of special reserve	-	-	-	-	(1,515,189)	1,515,189	-	-	-	-	-	-	-	-
BALANCE, JUNE 30, 2015	<u>\$ 52,479,168</u>	<u>\$ 1,049,583</u>	<u>\$ 2,618,281</u>	<u>\$ 14,511,559</u>	<u>\$ 108,745,336</u>	<u>\$ 13,450,693</u>	<u>\$ 1,438,722</u>	<u>\$ 4,320,388</u>	<u>\$ (123,852)</u>	<u>\$ 512,607</u>	<u>\$ (25,063)</u>	<u>\$ 198,977,422</u>	<u>\$ 60,191,448</u>	<u>\$ 259,168,870</u>
BALANCE AT JANUARY 1, 2016	\$ 53,528,751	\$ -	\$ 2,807,683	\$ 14,511,559	\$ 108,721,550	\$ 13,706,389	\$ 2,274,683	\$ 1,119,927	\$ (95,944)	\$ 702,030	\$ (25,063)	\$ 197,251,565	\$ 63,145,438	\$ 260,397,003
Appropriation of the 2015 earnings														
Legal reserve	-	-	-	803,469	-	(803,469)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	2,165,513	(2,165,513)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.0 per share	-	-	-	-	-	(5,352,875)	-	-	-	-	-	(5,352,875)	-	(5,352,875)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(7,710,107)	(7,710,107)
Net income for the six months ended June 30, 2016	-	-	-	-	-	2,559,613	-	-	-	-	-	2,559,613	3,518,535	6,078,148
Other comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	-	793	(1,544,194)	(2,589,911)	3,178	-	-	(4,130,134)	(162,997)	(4,293,131)
Total comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	-	2,560,406	(1,544,194)	(2,589,911)	3,178	-	-	(1,570,521)	3,355,538	1,785,017
Change in associates accounted for using the equity method	-	-	378	-	-	(136)	-	-	-	-	-	242	(2)	240
Disposal of investments in associates	-	-	-	-	(3,756)	2,963	-	-	-	-	-	(793)	-	(793)
Partial acquisition/disposal of interests in subsidiaries	-	-	-	-	-	(6,416)	-	-	-	-	-	(6,416)	6,411	(5)
Increase in non-controlling interests	-	-	47,177	-	-	-	-	-	-	-	-	47,177	44,665	91,842
Reversal of special reserve	-	-	-	-	(29,297)	29,297	-	-	-	-	-	-	-	-
Cash capital reduction by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
BALANCE, JUNE 30, 2016	<u>\$ 53,528,751</u>	<u>\$ -</u>	<u>\$ 2,855,238</u>	<u>\$ 15,315,028</u>	<u>\$ 110,854,010</u>	<u>\$ 7,970,646</u>	<u>\$ 730,489</u>	<u>\$ (1,469,984)</u>	<u>\$ (92,766)</u>	<u>\$ 702,030</u>	<u>\$ (25,063)</u>	<u>\$ 190,368,379</u>	<u>\$ 58,841,928</u>	<u>\$ 249,210,307</u>

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

(With Deloitte & Touche review report dated August 11, 2016)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,789,947	\$ 13,355,615
Adjustments for:		
Depreciation	7,484,677	6,854,654
Amortization	2,038,502	1,918,716
Allowance for doubtful accounts	268,843	160,047
Interest expenses	1,223,634	1,213,084
Interest income	(197,272)	(259,798)
Dividend income	(185,315)	(204,400)
Loss on disposal of property, plant and equipment	355,598	432,451
Loss (gain) on disposal of investment properties	25,201	(983,629)
Loss on disposal of concession	69	409
Share of the profit of associates	(651,040)	(1,567,886)
Gain on disposal of investments	(15,454)	(79,647)
Impairment loss	53,117	120,704
Reversal of write-down of inventories	(190,652)	(319,780)
Realized gain on the transactions with associates	(278)	(278)
Gain on change in fair value of investment properties	(1,131,101)	(3,796,810)
Deferred loss (gain) on derivative assets for hedging	6,206	(180)
Net changes in operating assets and liabilities		
Financial assets held for trading	662,125	(459,903)
Notes and accounts receivable	(939,640)	254,493
Amounts due from customers for construction contracts	(309,846)	1,004,626
Other receivables	336,354	1,962,196
Inventories	2,608,897	(2,760,671)
Prepayments	(672,326)	59,287
Other current assets	77,395	(147,024)
Financial liabilities held for trading	65,292	18,515
Notes and accounts payable	1,013,961	2,331,456
Notes and accounts payable to related parties	191,185	(178,244)
Amounts due to customers for construction contracts	(8,799)	(27,448)
Other payables	(1,043,837)	20,270
Provisions	41,670	26,190
Receipts in advance	418,029	60,107
Other current liabilities	393,178	495,970
Net defined benefit liabilities - non-current	(60,713)	(134,018)
Unearned revenue	(164,126)	227
Cash generated from operations	19,483,481	19,369,301
Interest received	187,813	210,366
Dividend received	724,078	406,293

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2016	2015
Interest paid	\$ (1,199,213)	\$ (1,155,354)
Income tax paid	<u>(865,559)</u>	<u>(3,034,368)</u>
Net cash generated from operating activities	<u>18,330,600</u>	<u>15,796,238</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(6,420)	(32,209)
Proceeds on the disposal of available-for-sale financial assets	202,059	212,850
Decrease in debt investments with no active market	443,869	434,444
Acquisition of investments accounted for using the equity method	(81,702)	(548,960)
Proceeds on the disposal of investments accounted for using the equity method	111,959	13,425
Payments for property, plant, equipment and prepayments for equipment	(9,521,473)	(11,921,644)
Proceeds on the disposal of property, plant and equipment	8,684	64,042
Increase in refundable deposits	(56,153)	(135,863)
Increase in other receivables	(292,450)	-
Payments for intangible assets	(446,694)	(485,665)
Proceeds on the disposal of intangible assets	-	477
Payments for investment properties	(1,077)	(244,552)
Proceeds on the disposal of investment properties	-	66,347
Increase in long-term prepayments for lease	(195,847)	(2,998)
Payments for concession	(8,184,918)	(105,859)
Proceeds on disposal of concession	154	109
Decrease in other financial assets	717,551	647,875
(Increase) decrease in other non-current assets	<u>(6,236)</u>	<u>123,178</u>
Net cash used in investing activities	<u>(17,308,694)</u>	<u>(11,915,003)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	2,228,310	1,157,927
(Decrease) increase in short-term bills payables	(1,111,000)	1,879,000
Proceeds from issue of bonds	11,800,000	10,600,000
Repayments of bonds payable	(10,479,500)	(4,650,000)
Proceeds from long-term borrowings	70,265,678	124,687,145
Repayment of long-term borrowings	(69,379,357)	(117,577,155)
Increase (decrease) in guarantee deposits received	53,323	(17,880)
Decrease in other non-current liabilities	(5,709)	(28,145)
Increase in non-controlling interests	91,842	490,917
Dividends paid to non-controlling interest	<u>(22,400)</u>	<u>-</u>
Net cash generated from financing activities	<u>3,441,187</u>	<u>16,541,809</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2016	2015
EFFECTS OF EXCHANGE RATE CHANGES	\$ <u>(107,371)</u>	\$ <u>(193,414)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,355,722	20,229,630
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>40,878,814</u>	<u>25,985,419</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 45,234,536</u>	<u>\$ 46,215,049</u>

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

(With Deloitte & Touche review report dated August 11, 2016)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials, semifinished products and finished goods such as cotton, synthetic or blended fabrics, towels and bedsheets, and woven and knitted garments; PET (polyethylene terephthalate) bottles and PET sheets; and natural, synthetic or blended yarns and polyester textured yarns. It also does yarn, silk and cloth printing and dyeing as well as manufactures wide-view film, antiglare film, antireflection film and other optical films.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors on August 11, 2016.

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

- a. International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC for application starting from 2017

Rule No. 1050026834 issued by the Financial Supervisory Commission (FSC) endorsed the following IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) for application starting January 1, 2017.

New, Amended or Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016

(Continued)

New, Amended or Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014
	(Concluded)

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

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

Note 3: 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.

Except for the following, the future initial application of the above New IFRSs is not expected to have any material impact on the Group’s accounting policies:

1) Amendment to IAS 36 “Recoverable Amount Disclosures for Non-financial Assets”

The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2/Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique. The amendment will be applied retrospectively.

2) IFRIC 21 “Levies”

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

3) 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.

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 amendment will be applied prospectively to business combination with acquisition date on or after January 1, 2017.

The amended IFRS 8 requires the Group 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. The judgements made in applying aggregation criteria should be disclosed retrospectively upon initial application of the amendment in 2017.

When the amended IFRS 13 becomes effective in 2017, the short-term receivables and payables with no stated interest rate will be measured at their invoice amounts without discounting, if the effect of not discounting is immaterial.

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

4) 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 amendment will be applied prospectively starting from January 1, 2017.

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.

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group continues assessing other possible impacts that application of the aforementioned amendments will have on the Group’s financial position and financial performance, and will disclose these other impacts when the assessment is completed.

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

The Group has not applied the following IFRSs issued by the IASB but not yet endorsed by the FSC. The FSC announced that the Group should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new IFRSs.

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 2 “Share Based Payment”	January 1, 2018
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
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendment to IFRS 15 “Clarifications to IFRS 15”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017

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

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

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

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

Hedge accounting

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

2) IFRS 15 “Revenue from Contracts with Customers” and related amendment

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2018.

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

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

If the customer has retained a portion of payment to the Group in accordance with the term of the contract in order to protect the customer from the contractor’s possible failure to adequately complete its obligations under the contract, such payment arrangement does not include a significant financing component under IFRS 15. Under current standard, retention receivables under construction contract should be discounted to reflect time value of money.

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

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

The Group provides service-type warranty in addition to the assurance that the product complies with agreed-upon specifications. IFRS 15 requires such service to be considered as a performance obligation. Transaction price allocated to service-type warranty will be recognized as revenue and related costs will be recognized when warranty service is performed. Under current standard, transaction price of the aforementioned transaction is fully recognized as revenue when products are sold, and a corresponding provision is recognized for the expected warranty cost.

IFRS 15 and related amendment require that when another party is involved in providing goods or services to a customer, the Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. Since a specified good or service is a distinct good or service, the Group determines whether it is a principal or an agent for each specified good or service.

The Group is a principal if it obtains control of any one of the following:

- a) The good or another asset that it then transfers to the customer.
- b) The right to a service to be performed by other party, which gives the Group the ability to direct that party to provide the service to the customer on its behalf.
- c) The good or service from the other party that it then combines with the other goods or services in providing the specified good or service to the customer.

Indicators to support the Group's assessment of whether it controls a specified good or service include, but are not limited to, the following:

- a) The Group is primarily responsible for fulfilling the promise to provide the specified good or service.
- b) The Group has inventory risk before or after the specified good or service is transferred to the customer.
- c) The Group has discretion in establishing the price of the specified good or service.

Under current standard, the Group determines whether it is a principal or an agent based on its exposure to the significant risks and rewards of the transaction.

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

3) 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 Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group 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 consolidated statements of comprehensive income, the Group 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 consolidated 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 Group as lessor.

When IFRS 16 becomes effective, the Group 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.

4) 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 Group 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 Group 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 as 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 Group’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve the higher amount, 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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than disclosures required in a complete set of annual financial statements.

b. Basis of consolidation

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

c. Other significant accounting policies

Except for the following, the accounting policies applied in the consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2015. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2015.

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2015.

6. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015	June 30, 2015
Cash			
Cash on hand and petty cash	\$ 35,871	\$ 41,248	\$ 35,254
Demand and checking accounts	<u>18,444,765</u>	<u>19,736,587</u>	<u>26,644,785</u>
	<u>18,480,636</u>	<u>19,777,835</u>	<u>26,680,039</u>
Cash equivalents (investments with original maturities less than three months)			
Time deposits	1,788,292	8,708,385	3,814,456
Commercial paper and corporate bonds purchased under resell agreements	<u>24,719,975</u>	<u>12,332,654</u>	<u>15,598,413</u>
	<u>26,508,267</u>	<u>21,041,039</u>	<u>19,412,869</u>
Management discretionary accounts			
Demand accounts	<u>245,633</u>	<u>59,940</u>	<u>122,141</u>
	<u>\$ 45,234,536</u>	<u>\$ 40,878,814</u>	<u>\$ 46,215,049</u>

The Group's members individually contracted and fully authorized, other related parties, Oriental Securities Investment Advisory Corporation (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT\$245,633 thousand, NT\$59,940 thousand and NT\$122,141 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Time deposits	0.01%-2.73%	0.04%-4.45%	0.11%-3.00%
Commercial paper and corporate bonds purchased under resell agreements	0.30%-0.60%	0.37%-0.54%	0.35%-8.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Financial assets held for trading</u>			
Beneficial certificates	\$ 3,190,428	\$ 3,333,494	\$ 1,047,927
Marketable equity securities	83,458	543,829	474,269
Guarantee deposits - cotton futures contracts	42,353	43,073	40,484
Guarantee deposits - PTA futures contracts	13,009	6,012	13,368
Cross-currency swap contracts	6,331	2,195	-
Combined foreign exchange options	-	1,009	645
Forward exchange contracts	<u>191</u>	<u>68,283</u>	<u>7,326</u>
	<u>\$ 3,335,770</u>	<u>\$ 3,997,895</u>	<u>\$ 1,584,019</u>
Current	<u>\$ 3,335,770</u>	<u>\$ 3,997,895</u>	<u>\$ 1,584,019</u>
<u>Financial liabilities held for trading</u>			
Forward exchange contracts	\$ 7,981	\$ -	\$ 13,283
Option contracts	189	-	2,391
Combined foreign exchange options	31,007	-	3,648
Cross-currency swap contracts	<u>26,115</u>	<u>-</u>	<u>-</u>
	<u>\$ 65,292</u>	<u>\$ -</u>	<u>\$ 19,322</u>
Current	<u>\$ 65,292</u>	<u>\$ -</u>	<u>\$ 19,322</u>

a. Cotton futures contracts

The Group entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices in the six months ended June 30, 2016 and 2015. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding cotton futures contracts as of June 30, 2016, December 31, 2015 and June 30, 2015.

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices in the six months ended June 30, 2016 and 2015. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding PTA futures contracts as of June 30, 2016, December 31, 2015 and June 30, 2015.

c. Forward exchange contracts

The Group entered into forward exchange contracts for the six months ended June 30, 2016 and 2015 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 June 30, 2016, December 31, 2015 and June 30, 2015, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2016</u>			
Buy	USD/NTD	2016.7.1-2016.7.25	USD28,100/NTD909,066
Sell	USD/NTD	2016.7.7	USD4,800/NTD156,005
Sell	EUR/USD	2016.7.29-2016.9.29	EUR5,000/USD5,615
Buy	EUR/USD	2016.7.29	EUR1,000/USD1,160
Buy	USD/JPY	2016.7.29	USD3,000/JPY331,000
<u>December 31, 2015</u>			
Buy	USD/NTD	2016.1.4-2016.7.5	USD300,435/NTD9,849,453
Sell	EUR/USD	2016.2.25	EUR8,000/USD8,535
Buy	USD/JPY	2016.2.25	USD1,000/JPY122,970
Buy	USD/RMB	2016.2.25	USD6,000/RMB39,765
<u>June 30, 2015</u>			
Sell	EUR/USD	2015.7.29-2015.8.28	EUR3,000/USD3,175
Buy	EUR/USD	2015.7.22-2015.9.29	EUR9,000/USD10,254
Sell	USD/JPY	2015.8.28	USD1,000/JPY120,840
Buy	USD/JPY	2015.9.29-2015.10.28	USD2,000/JPY246,292
Buy	USD/NTD	2015.7.3-2015.12.10	USD35,700/NTD1,099,022
Sell	USD/CAD	2015.7.24	USD2,000/CAD2,458

d. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the six months ended June 30, 2016 and 2015.

The Group had no outstanding option contracts as of December 31, 2015.

As of June 30, 2016 and 2015, the Group had outstanding option contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2016</u>			
Sell call option	USD/NTD	2016.7.8-2016.7.21	USD10,000/NTD324,298
<u>June 30, 2015</u>			
Sell call option	USD/NTD	2015.7.6-2015.7.17	USD13,000/NTD402,245
Sell put option	USD/JPY	2015.7.2-2015.7.16	USD5,000/JPY610,120

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the six months ended June 30, 2016 and 2015 to hedge against the exchange risks on foreign currency assets and liabilities.

As of June 30, 2016, December 31, 2015 and June 30, 2015, the Group had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2016</u>			
Sell EUR call options	EUR/USD	2016.7.15-2016.8.31	EUR24,000/USD27,516
Buy EUR put options	EUR/USD	2016.7.15-2016.8.31	EUR8,000/USD9,172
Sell USD put options	USD/JPY	2016.7.26-2016.8.15	USD33,000/JPY3,529,440
Buy USD call options	USD/JPY	2016.7.26-2016.8.15	USD11,000/JPY1,176,480
<u>December 31, 2015</u>			
Sell EUR call options	EUR/USD	2016.1.5-2016.4.21	EUR83,400/USD92,995
Buy EUR put options	EUR/USD	2016.1.5-2016.4.21	EUR27,800/USD30,998
Sell USD put options	USD/JPY	2016.1.27-2016.4.28	USD104,100/JPY12,406,731
Buy USD call options	USD/JPY	2016.1.27-2016.4.28	USD34,700/JPY4,135,577
<u>June 30, 2015</u>			
Sell EUR call options	EUR/USD	2015.7.10-2015.11.12	EUR48,150/USD54,298
Buy EUR put options	EUR/USD	2015.7.10-2015.11.12	EUR16,050/USD18,099
Buy EUR call options	EUR/USD	2015.7.1-2015.12.15	EUR2,300/USD2,438
Sell EUR put options	EUR/USD	2015.7.1-2015.12.15	EUR9,200/USD9,754
Sell USD put options	USD/JPY	2015.8.6-2015.11.12	USD94,950/JPY11,356,926
Buy USD call options	USD/JPY	2015.8.6-2015.11.12	USD31,650/JPY3,785,642

f. Cross-currency swap contracts

The Group entered into cross-currency swap contracts for the six months ended June 30, 2016 to hedge against the exchange risks on foreign currency assets or liabilities.

As of June 30, 2016 and December 31, 2015, the Group had outstanding cross-currency swap contracts, as follows:

Currency	Range of Interest Rates	Maturity Date	Contract Amount (Thousands)
<u>June 30, 2016</u>			
USD/RMB	3.48%-4.00%	2016.11.24-2016.12.30	USD75,843/RMB500,000
<u>December 31, 2015</u>			
USD/RMB	3.55%-3.70%	2016.11.24-2016.11.29	USD26,004/RMB170,000

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Equity investments</u>			
Marketable equity securities	\$ 4,135,550	\$ 4,433,684	\$ 4,721,263
Open-end mutual funds - beneficial certificates	-	-	62,250
Oversea mutual funds - beneficial certificates	602,553	665,295	440,556
Oversea securities	<u>96,261</u>	<u>115,317</u>	<u>114,575</u>
Available-for-sale financial assets	<u>\$ 4,834,364</u>	<u>\$ 5,214,296</u>	<u>\$ 5,338,644</u>
Current	\$ 660,609	\$ 727,557	\$ 600,696
Non-current	<u>4,173,755</u>	<u>4,486,739</u>	<u>4,737,948</u>
	<u>\$ 4,834,364</u>	<u>\$ 5,214,296</u>	<u>\$ 5,338,644</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Derivative financial assets under hedge accounting</u>			
Cash flow hedges - forward exchange contracts	\$ 263	\$ 3,790	\$ -
Cash flow hedges - foreign exchange swap contracts	4,888	2,225	1,180
Cash flow hedges - cross-currency swap contracts	<u>-</u>	<u>-</u>	<u>50</u>
	<u>\$ 5,151</u>	<u>\$ 6,015</u>	<u>\$ 1,230</u>
Current	<u>\$ 5,151</u>	<u>\$ 6,015</u>	<u>\$ 1,230</u>

(Continued)

	June 30, 2016	December 31, 2015	June 30, 2015
Derivative financial liabilities under hedge accounting			
Cash flow hedges - forward exchange contracts	\$ 19,155	\$ 3,916	\$ -
Cash flow hedges - foreign exchange swap contracts	-	5,325	200
Cash flow hedges - cross-currency swap contracts	-	1,775	-
Cash flow hedges - interest rate swaps	<u>332,701</u>	<u>338,020</u>	<u>416,069</u>
	<u>\$ 351,856</u>	<u>\$ 349,036</u>	<u>\$ 416,269</u>
Current	\$ 19,155	\$ 11,016	\$ 200
Non-current	<u>332,701</u>	<u>338,020</u>	<u>416,069</u>
	<u>\$ 351,856</u>	<u>\$ 349,036</u>	<u>\$ 416,269</u> (Concluded)

Cash Flow Hedges

The Group used forward exchange contracts, foreign exchange swap contracts, and cross-currency swap contracts to hedge against adverse cash flow fluctuations on its foreign currency-denominated assets. These contracts were negotiated in accordance with the contracts on the hedged items. The outstanding forward exchange contracts, foreign exchange swap contracts, and cross-currency swap contracts at the end of the reporting period were as follows:

June 30, 2016

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2016.7.25-2017.4.25	EUR31,500
Foreign exchange swap contracts	USD/NTD	2016.7.15-2016.9.30	USD20,000

December 31, 2015

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2016.1.25-2016.6.27	EUR18,500
Foreign exchange swap contracts	USD/NTD	2016.1.15-2016.2.26	USD20,000
Cross-currency swaps contracts	USD/NTD	2016.1.15	USD5,000

June 30, 2015

	Currency	Maturity Date	Contract Amount (Thousands)
Foreign exchange swap contracts	USD/NTD	2015.7.13-2015.7.17	USD15,000
Cross-currency swaps contracts	USD/NTD	2015.7.31	USD5,000

The Group invested in overseas mutual funds and used the cross-currency swaps contracts and foreign exchange swaps contracts to hedge against adverse cash flow fluctuations, and the cross-currency swaps contracts and foreign exchange agreements were designated as cash flow hedge. The Group also used forward exchange contracts to hedge against fluctuations of exchange rates for expected future purchases, and the forward exchange swap contracts were designated as cash flow hedge. The expected cash flows will occur when the hedge target is sold or expected future purchase transactions take place, and will be reclassified from equity to profit or loss.

Gains and losses of hedging instruments reclassified from equity to profit or loss in the consolidated comprehensive statements of income for the three months and six months ended June 30, 2016 and 2015 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Net gain (loss) on sales of securities	\$ 4,452	\$ -	\$ (5,566)	\$ -

The Group entered into interest rate swaps contracts to mitigate the risk of adverse in interest rates on the cash flow exposure related to outstanding variable rate debt. The outstanding interest rate swaps contracts at the end of the reporting period were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
NTD1,815,830	2021.2.10	0%-4.8%	90d CP+1.10% (Note)
NTD3,294,000	2025.11.10	0%-4.8%	0.60%-4.90%

Note: The reference interest rate is based on Taiwan's second market 90 days, commercial paper fixing rate on page 6165 of Telerate interest rate index at 11:00 am.

All interest rate swaps contracts, which involved the exchange of floating interest amounts for fixed interest amounts, were designated as cash flow hedges to reduce the Group's cash flow exposure to adverse changes in interest rates on borrowings. The interest rate swaps and the interest payments on the loan were transacted simultaneously, and the amount accumulated in equity was reclassified to profit or loss over the period that the floating interest payments on debts affected profit or loss.

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Interest expense debits	\$ 7,734	\$ 42,864	\$ 17,159	\$ 89,617

10. FINANCIAL ASSETS MEASURED AT COST

	June 30, 2016	December 31, 2015	June 30, 2015
Domestic unlisted common shares	\$ 883,451	\$ 884,478	\$ 885,506
Overseas unlisted common shares	252,742	254,148	176,077
Convertible bonds-conversion rights (Note 11)	<u>-</u>	<u>-</u>	<u>5,764</u>
	<u>\$ 1,136,193</u>	<u>\$ 1,138,626</u>	<u>\$ 1,067,347</u>
Non-current	<u>\$ 1,136,193</u>	<u>\$ 1,138,626</u>	<u>\$ 1,067,347</u>
<u>Distinguish from the type of measure</u>			
Available-for-sale	<u>\$ 1,136,193</u>	<u>\$ 1,138,626</u>	<u>\$ 1,067,347</u>

The Group's management believed that the above unlisted equity investments and convertible bonds-conversion rights held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore, they were measured at cost less impairment at the end of reporting period.

11. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	June 30, 2016	December 31, 2015	June 30, 2015
Bond investments - Bockhold N.V.	\$ -	\$ -	\$ 164,040
Time deposits with original maturities of more than 3 months	<u>2,907,121</u>	<u>3,350,990</u>	<u>3,702,122</u>
	<u>\$ 2,907,121</u>	<u>\$ 3,350,990</u>	<u>\$ 3,866,162</u>
Current	\$ 2,907,121	\$ 3,350,990	\$ 3,702,122
Non-current	<u>-</u>	<u>-</u>	<u>164,040</u>
	<u>\$ 2,907,121</u>	<u>\$ 3,350,990</u>	<u>\$ 3,866,162</u>

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Corporation bought convertible bonds amounting to EUR6,670 thousand and issued by Bockhold N.V. The maturity date of the bond is February 26, 2014. The 7.5% interest on these three-year convertible bonds is payable semiannually, and the bonds can be converted proportionally to a total of 933 common shares of Bockhold N.V. The amount of the host debt contract was recognized as a bond investment with no active market and the amount of conversion rights of convertible bonds was recognized as financial assets carried at cost (Note 10). On January 13, 2014, Yuan Tong Investment Corporation renegotiated with Bockhold N.V. for repayment with an amortization schedule and an extension of the bond maturity to March 14, 2019. As of September 30, 2015, all of investment amount had been redeemed.

The market interest rates of the time deposits with original maturity more than 3 months were 0.35%-1.40%, 0.34%-1.425% and 0.185%-3.30% per annum respectively as of June 30, 2016, December 31, 2015 and June 30, 2015.

12. NOTES AND ACCOUNTS RECEIVABLE

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 25,299,272	\$ 24,623,020	\$ 28,573,083
Less: Allowance for doubtful accounts	<u>(1,256,389)</u>	<u>(1,252,514)</u>	<u>(1,266,292)</u>
	<u>\$ 24,042,883</u>	<u>\$ 23,370,506</u>	<u>\$ 27,306,791</u>

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

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

The aging of receivables was as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
1-90 days	\$ 21,832,687	\$ 20,836,205	\$ 24,296,451
91-180 days	1,687,433	2,175,993	2,046,020
181-365 days	167,343	233,885	871,674
More than 365 days	<u>355,420</u>	<u>124,423</u>	<u>92,646</u>
	<u>\$ 24,042,883</u>	<u>\$ 23,370,506</u>	<u>\$ 27,306,791</u>

The above aging schedule was based on the invoice date.

Movements of allowance for doubtful accounts were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2016	\$ 11,546	\$ 1,240,968	\$ 1,252,514
Add: Accounts recovered during the period	-	108,348	108,348
Add: Impairment losses recognized on receivables	59,740	209,103	268,843
Deduct: Amounts written off during the period as uncollectible	(5,845)	(365,891)	(371,736)
Effect of exchange rate differences	<u>-</u>	<u>(1,580)</u>	<u>(1,580)</u>
Balance at June 30, 2016	<u>\$ 65,441</u>	<u>\$ 1,190,948</u>	<u>\$ 1,256,389</u>

(Continued)

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	\$ 17,341	\$ 1,229,007	\$ 1,246,348
Add: Accounts recovered during the period	-	141,350	141,350
Add: Impairment losses (reversed) recognized on receivables	(3,944)	163,991	160,047
Deduct: Amounts written off during the period as uncollectible	(3,313)	(276,831)	(280,144)
Effect of exchange rate differences	<u>-</u>	<u>(1,309)</u>	<u>(1,309)</u>
Balance at June 30, 2015	<u>\$ 10,084</u>	<u>\$ 1,256,208</u>	<u>\$ 1,266,292</u> (Concluded)

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

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Amount due from customers for construction contracts</u>			
Construction costs incurred plus recognized profits less recognized losses to date	\$ 10,836,007	\$ 9,249,482	\$ 10,186,773
Less: Progress billings	<u>9,552,273</u>	<u>8,275,594</u>	<u>8,904,488</u>
	<u>\$ 1,283,734</u>	<u>\$ 973,888</u>	<u>\$ 1,282,285</u>
<u>Amounts due to customers for construction contracts</u>			
Progress billings	\$ 5,190,452	\$ 4,713,550	\$ 2,763,843
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>5,078,555</u>	<u>4,592,854</u>	<u>2,680,697</u>
	<u>\$ 111,897</u>	<u>\$ 120,696</u>	<u>\$ 83,146</u>
Retentions receivable	<u>\$ 228,861</u>	<u>\$ 135,724</u>	<u>\$ 135,724</u>
Retentions payable	<u>\$ 478,169</u>	<u>\$ 417,017</u>	<u>\$ 279,050</u>

Certain amounts due from (to) customers for construction contracts are accounted for as retentions receivable (payable) on construction contracts. Retentions receivable (payable) on construction contracts bear no interest and are expected to remain as receivables until the satisfaction of conditions specified in each contract. The retention periods, which are within the Group's normal operating cycle of usually more than 12 months after the reporting period.

14. INVENTORIES

	June 30, 2016	December 31, 2015	June 30, 2015
Merchandise inventories	\$ 3,104,293	\$ 5,546,239	\$ 4,162,673
Finished goods	5,355,295	5,072,879	5,449,526
Work in progress	3,160,666	2,864,209	3,369,474
Raw materials	5,271,486	5,504,795	6,608,289
Supplies	689,460	850,393	713,725
Available-for-sale - buildings and land	3,854,196	4,019,173	4,461,255
Available-for-construction - land	<u>700,887</u>	<u>700,887</u>	<u>700,887</u>
	<u>\$ 22,136,283</u>	<u>\$ 24,558,575</u>	<u>\$ 25,465,829</u>

Costs of goods sold were NT\$32,587,107 thousand, NT\$33,086,601 thousand, NT\$63,362,134 thousand and NT\$65,862,519 thousand, respectively, for the three months and six months ended June 30, 2016 and 2015. The costs of inventories recognized as cost of goods sold, which included inventory reversal of (write-down) for the three months and six months ended June 30, 2016 and 2015, were NT\$41,305 thousand, NT\$(58,918) thousand, NT\$190,652 thousand and NT\$319,780 thousand, respectively. The reversal gain on inventory replacement value was due from the rising selling price in specific market.

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2016	December 31, 2015	June 30, 2015
Far Eastern New Century Corporation	Far EasTone Telecommunications Corporation (Note 1)	Telecommunications	38.29	38.29	38.29
	Yuan Ding Investment Corporation	Investment	99.70	99.70	99.70
	Far Eastern Resources Development Corporation	Real estate leasing and development service	100.00	100.00	100.00
	Yuan Tong Investment Corporation	Investment	100.00	100.00	100.00
	Far Eastern Polychem Industries Corporation (FEPI)	Investment	100.00	100.00	100.00
	Oriental Petrochemical (Taiwan) Corporation	Petrochemical materials production	80.76	80.76	80.76
	Far Eastern Investment (Holding) Corporation	Investment	100.00	100.00	100.00
	PET Far Eastern (Holding) Corporation (PETH)	Investment	100.00	100.00	100.00
	Kai Yuan International Investment Corporation	Investment	100.00	100.00	100.00
	Far Eastern Polytex (Holding) Corporation	Investment	100.00	100.00	100.00
	Yuan Ding Corporation	Real estate leasing	49.99	49.99	49.99
	Far Eastern Construction Corporation	Real estate construction and selling	65.11	65.11	65.11
	Ding Yuan International Investment Corporation	Investment	100.00	100.00	100.00
	An Ho Garment Corporation	Investment	100.00	100.00	100.00
	FEDP (Holding) Corporation (FEDP)	Investment	100.00	100.00	100.00
	Fu Kwok Garment Manufacturing Corporation	Garment production	99.99	99.99	99.99
	Far Eastern Textile Corporation	Textile production	100.00	100.00	100.00
	Far Eastern Electronic Toll Collection Corporation	Electronic toll collection service	66.33	66.33	66.33
	Yuan Hsin Digital Payment Corporation	Other financing and supporting services	65.01	65.01	65.01
	Malaysia Garment Manufactures Pte. Corporation (Note 5)	Clothing production and investment	50.92	50.92	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2016	December 31, 2015	June 30, 2015
Yuan Ding Investment Corporation	Oriental Textile (Holding) Corporation (OTTI)	Investment	100.00	100.00	100.00
	Far Eastern Apparel (Holding) Corporation (FEAH)	Sale of textile, garments, and clothing	100.00	100.00	100.00
	Far Eastern Fibertech Corporation	Nylon production	100.00	100.00	100.00
	Far Eastern Apparel Corporation	Sale of textile, garments, and clothing	100.00	100.00	100.00
	Oriental Resources Development Corporation	Waste recycling and processing	70.00	70.00	70.00
Far Eastern Investment (Holding) Corporation (FEIH)	Yuan Faun Corporation	Consulting	100.00	100.00	100.00
	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00
	PET Far Eastern (M) Sdn. Bhd. (Note 9)	Bottle production	100.00	100.00	50.00
	Far Eastern Apparel (Vietnam) Corporation	Clothing production	100.00	100.00	100.00
	Worldwide Polychem (HK) Corporation (WWPI)	Petrochemical, PET and apparel productions foreign trade	100.00	100.00	100.00
	Far Eastern Polytex (Vietnam) Corporation (Note 3)	Chemical fiber and textile production	100.00	100.00	-
	Far Eastern New Apparel (Vietnam) Corporation (Note 4)	Clothing production	100.00	100.00	-
	Magna View Sdn. Bhd. (Note 9)	Investment	100.00	100.00	-
	Far Eastern Industries (Shanghai) Corporation	Chemical fiber production	100.00	100.00	100.00
	Far Eastern Industries (Yangzhou) Corporation	PA and its by-product production	100.00	100.00	100.00
Far Eastern Polychem Industries Corporation (FEPI)	Far Eastern Ishizuka Green Pet Corporation (FIGP)	PET production and sale	90.00	85.15	85.15
	Far Eastern General Contractor Corporation	Construction	99.95	99.95	99.95
Far Eastern Construction Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Dyeing and finishing	100.00	100.00	100.00
Far Eastern Apparel (Holding) Corporation (FEAH)	Waldorf Services B.V.	Investment	100.00	100.00	100.00
FETG Investment Antilles N.V.	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19	55.19
Yuan Faun Corporation	Sino Belgium (Holding) Corporation	Investment	90.88	90.88	93.72
Yuan Tong Investment Corporation	An Ho Garment (Suzhou) Corporation	Garment production	100.00	100.00	100.00
Far Eastern Apparel (Suzhou) Corporation	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35	61.35
PET Far Eastern (Holding) Corporation (PETH)	Far Eastern Industries (Wuxi) Corporation	Fiber and textile production	100.00	100.00	100.00
Oriental Textile (Holding) Corporation (OTTI)	Oriental Industries (Suzhou) Corporation	Production and sales of polyester resins and industrial fabrics	100.00	100.00	100.00
FEDP (Holding) Corporation (FEDP)	Far Eastern Industries (Suzhou) Corporation	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) Corporation	Garment production	100.00	100.00	100.00
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	Far Eastern New Century (China) Investment Corporation	Investment	100.00	100.00	100.00
	Shanghai Yuan Zi Information Technology Corporation	Software development, equipment maintenance and consulting	100.00	100.00	100.00
Far Eastern New Century (China) Investment Corporation	Yuan Ding Enterprise (Shanghai) Corporation	Real estate leasing	100.00	100.00	100.00
	Sino Belgium Beer (Suzhou) Corporation	Brewer	100.00	100.00	100.00
	Martens Beers Trading (Shanghai) Corporation	Beer sale	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00	100.00
Yuan Ding Corporation	Ding Hotel Corporation	Hotel	80.99	80.99	80.99
	YDT Technology International Corporation	Electronic materials and by-product sale	100.00	100.00	100.00
	Far Eastern Technical Consultants Corporation	Real estate development business consulting and management	100.00	100.00	100.00
	FET Consulting Engineers Corporation	Investment	100.00	100.00	100.00
	Ding Integrated Marketing Services Corporation	Market research and general advertisement	80.00	80.00	80.00
	Far Eastern Electronic Commerce Corporation	Electronic information providing services	73.42	73.42	73.42

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2016	December 31, 2015	June 30, 2015
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	Investment	100.00	100.00	100.00
YDT Technology International Corporation	YDC (Virgin Islands) Corporation	Investment	100.00	100.00	100.00
YDC (Virgin Islands) Corporation	Speedy (Shanghai) Digital Tech. Corporation	Intelligent control equipment and security monitoring products	100.00	100.00	100.00
DDIM (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan (Note 5)	Clothing Production	99.00	99.00	
Far EasTone Telecommunications Corporation	New Century InfoComm Tech Corporation	Type I, II telecommunications services	100.00	100.00	100.00
	ARCOA Communication Corporation	Sales of communications products and office equipment	61.63	61.63	61.63
	KGEx.com Corporation	Type II telecommunications services	99.99	99.99	99.99
	Yuan Cing Corporation	Call center services	99.99	99.99	99.99
	E. World (Holdings) Corporation (Note 6)	Investment	-	-	85.92
	Far EasTron Holding Corporation (Note 7)	Investment	-	-	100.00
	Far Eastern Info Service Holding Corporation	Investment	100.00	100.00	100.00
	O-music Corporation	Electronic information providing services	50.00	50.00	50.00
	Q-Ware Communication Corporation	Type II telecommunications services	81.46	81.46	81.46
	Hiiir Corporation	Electronic information providing services	89.54	89.54	89.54
ARCOA Communication Corporation	DataExpress Infotech Corporation	Sale of communications products	70.00	70.00	70.00
New Century InfoComm Tech Corporation	New Diligent Corporation	Investment	100.00	100.00	100.00
	Information Security Service Digital United Corporation	Security and monitoring service via Internet	100.00	100.00	100.00
	Digital United (Cayman) Corporation	Investment	100.00	100.00	100.00
	Simple InfoComm Corporation (Note 8)	Electronic information providing services	-	-	100.00
Digital United (Cayman) Corporation	Digital United Information Technology (Shanghai) Corporation	Design, research, installment and maintenance of computer software and system	100.00	100.00	100.00
New Diligent Corporation	Sino Lead Enterprise Corporation	Telecommunications services	100.00	100.00	100.00
	Far Eastern New Diligent Corporation	Investment	100.00	100.00	100.00
	New Diligent (Hong Kong) Corporation (Note 2)	Investment	-	-	-
Far Eastern New Diligent Corporation	Far Eastern Tech-info Corporation (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	Far Eastern New Century Information Technology (Beijing) Corporation	Electronic information providing services	79.04	79.04	79.04
DataExpress Infotech Corporation	Linkwell Tech. Corporation	Sale of communications products	100.00	100.00	100.00
	Home Master Technology Corporation	Sale of communications products	100.00	100.00	100.00

(Concluded)

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

Note 2: A subsidiary was established completed on December 4, 2014, but the investment amount had not been remitted to the investee as of June 30, 2016.

Note 3: As of June 30, 2016, the Group remitted US\$15,000 thousand as its direct investment.

Note 4: As of June 30, 2016, the Group remitted US\$9,000 thousand as its direct investment.

Note 5: The Group acquired control of it on September 30, 2015 (Note 16).

Note 6: A subsidiary was liquidated and dissolved on November 4, 2015.

Note 7: A subsidiary was liquidated and dissolved on November 6, 2015.

Note 8: A subsidiary was dissolved on December 19, 2015 and liquidated on April 6, 2016.

Note 9: On December 30, 2015, the Group acquired 100% equity interest in Magna View Sdn. Bhd., and indirectly acquired 50% equity interest in PET Far Eastern (M) Sdn. Bhd.

Except for the financial statements as of and for the six months ended June 30, 2016 and 2015 of the Company, Yuan Ding Investment Corporation, Far Eastern Construction Corporation, Far Eastern General Contractor Corporation, Oriental Industries (Suzhou) Corporation, Far EasTone Telecommunications Corporation (Far EasTone), New Century InfoComm Tech Corporation (NCIC) and ARCOA Communication Corporation (ARCOA), all the other financial statements of nonsignificant subsidiaries were unreviewed.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Profit Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended		For the Six Months Ended		June 30,	December 31,	June 30,
	June 30		June 30		2016	2015	2015
	2016	2015	2016	2015			
Far EasTone	<u>\$ 1,861,788</u>	<u>\$ 1,959,242</u>	<u>\$ 3,723,284</u>	<u>\$ 3,823,305</u>	<u>\$ 41,190,557</u>	<u>\$ 45,125,949</u>	<u>\$ 41,911,066</u>

Far EasTone and Far EasTone's subsidiaries:

	June 30, 2016	December 31, 2015	June 30, 2015
Current assets	\$ 34,671,487	\$ 34,299,373	\$ 33,229,466
Non-current assets	109,576,448	102,581,798	103,171,637
Current liabilities	(34,980,383)	(21,683,305)	(32,105,751)
Non-current liabilities	<u>(42,945,246)</u>	<u>(42,538,970)</u>	<u>(36,846,354)</u>
Equity	<u>\$ 66,322,306</u>	<u>\$ 72,658,896</u>	<u>\$ 67,448,998</u>
Equity attributable to:			
Owners of the Group	\$ 25,131,749	\$ 27,532,947	\$ 25,537,932
Non-controlling interests of Far EasTone	40,503,531	44,373,418	41,158,156
Non-controlling interests of Far EasTone's subsidiaries	<u>687,026</u>	<u>752,531</u>	<u>752,910</u>
	<u>\$ 66,322,306</u>	<u>\$ 72,658,896</u>	<u>\$ 67,448,998</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Revenue	<u>\$ 23,067,175</u>	<u>\$ 23,636,523</u>	<u>\$ 46,886,631</u>	<u>\$ 48,421,021</u>
Profit for the period	\$ 3,012,352	\$ 3,168,299	\$ 6,022,608	\$ 6,175,236
Other comprehensive income for the period	<u>7,078</u>	<u>(3,476)</u>	<u>(56,298)</u>	<u>25,246</u>
Total comprehensive income for the period	<u>\$ 3,019,430</u>	<u>\$ 3,164,823</u>	<u>\$ 5,966,310</u>	<u>\$ 6,200,482</u>
Profit attributable to:				
Owners of the Group	\$ 1,150,564	\$ 1,209,057	\$ 2,299,324	\$ 2,351,931
Non-controlling interests of Far EasTone	1,854,303	1,948,575	3,705,701	3,790,486
Non-controlling interests of Far EasTone's subsidiaries	<u>7,485</u>	<u>10,667</u>	<u>17,583</u>	<u>32,819</u>
	<u>\$ 3,012,352</u>	<u>\$ 3,168,299</u>	<u>\$ 6,022,608</u>	<u>\$ 6,175,236</u>
Total comprehensive income attributable to:				
Owners of the Group	\$ 1,153,144	\$ 1,207,758	\$ 2,277,601	\$ 2,361,657
Non-controlling interests of Far EasTone	1,858,464	1,946,482	3,670,692	3,806,159
Non-controlling interests of Far EasTone's subsidiaries	<u>7,822</u>	<u>10,583</u>	<u>18,017</u>	<u>32,666</u>
	<u>\$ 3,019,430</u>	<u>\$ 3,164,823</u>	<u>\$ 5,966,310</u>	<u>\$ 6,200,482</u>
			For the Six Months Ended June 30	
			2016	2015
Net cash inflow from:				
Operating activities			\$ 15,765,954	\$ 9,862,552
Investing activities			(12,552,087)	(6,840,141)
Financing activities			198,041	9,644,969
Effect of exchange rate changes			<u>1,233</u>	<u>(2,044)</u>
Net cash inflow			<u>\$ 3,413,141</u>	<u>\$ 12,665,336</u>

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	June 30, 2016		December 31, 2015		June 30, 2015	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Associate that are individually material						
Listed companies						
Asia Cement Corporation	\$ 19,215,890	26	\$ 22,549,382	26	\$ 23,435,529	25
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Corporation	6,936,967	23	7,162,285	23	7,271,250	23
Oriental Union Chemical Corporation	6,046,615	32	6,449,105	33	6,689,715	32
Everest Textile Corporation	1,101,078	26	1,173,346	26	1,117,597	26
	<u>14,084,660</u>		<u>14,784,736</u>		<u>15,078,562</u>	
Unlisted companies						
Oriental Securities Corporation	4,641,446	46	4,715,965	46	4,821,065	46
Pacific Liu Tong Investment Corporation	4,097,785	40	4,044,553	40	3,977,883	40
Yu Yuan Investment Corporation	2,135,497	44	2,049,057	44	2,664,524	44
Far Eastern International Leasing Corporation	1,851,471	34	2,293,687	34	2,359,332	34
Far Easter Union Petrochemical (Yangzhou) Corporation	1,559,872	50	1,728,099	50	1,910,892	50
Liquid Air Far East Corporation	1,584,508	35	1,874,991	35	1,495,545	35
Da Ju Fiber Corporation	1,512,295	42	1,490,394	42	1,236,948	42
Tong Da Air Industry (Yangzhou) Corporation	999,096	50	1,043,410	50	1,020,522	50
Yu Ding Industry Corporation	616,398	31	604,941	31	634,420	31
Kowloon Cement Corporation	496,443	49	482,746	49	468,713	49
Yuan Ding Leasing Corporation	385,689	46	416,261	46	427,959	46
Freudenberg Far Eastern Spunweb Corporation	254,573	30	355,253	30	267,585	30
FEDS Asia Pacific Development Corporation	133,488	5	130,303	5	125,445	5
Malaysia Garment Manufactures Pte. Corporation	-	-	-	-	78,030	38
Yue Ming Corporation	73,461	47	63,480	47	72,781	47
Alliance Digital Technology Corporation	11,081	13	16,008	13	18,675	13
iScreen Corporation	-	-	-	-	16,916	40
Com 2B Corporation	13,733	20	13,975	20	14,086	20
Opas Fund Segregated Portfolio Company	1,694	34	1,710	34	1,607	34
	<u>20,368,530</u>		<u>21,324,833</u>		<u>21,612,928</u>	
	<u>\$ 53,669,080</u>		<u>\$ 58,658,951</u>		<u>\$ 60,127,019</u>	

Material associates were as follow:

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2016	December 31, 2015	June 30, 2015
Asia Cement Corporation	Cement production	Taiwan	25.58%	25.52%	25.38%

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	December 31,		
	June 30, 2016	2015	June 30, 2015
Asia Cement Corporation	<u>\$ 23,996,049</u>	<u>\$ 23,510,215</u>	<u>\$ 31,133,591</u>

On September 30, 2015, the Group acquired a 13% equity interest in Malaysia Garment Manufactures Pte. Corporation (MG) for NT\$171,115 thousand for organizational realignment, after that the Group totally held 50.92%. And the Group thus included MG in its consolidated financial statements since the day.

As of June 30, 2016, December 31, 2015 and June 30, 2015, investments in FEDS Asia Pacific Development Corporation, Com2B Corporation and Alliance Digital Technology Corporation were accounted for the equity-method since the Group exercised significant influence on them even though the Group owned less than 20% of each investee's voting stock.

The financial statements used as basis for the calculation of the gains (losses) and other comprehensive income from the equity-method investments for the three months and the six months ended June 30, 2016 and 2015 had been unreviewed, except those of Asia Cement Corporation (ACC), Far Eastern Department Stores Corporation, Oriental Union Chemical Corporation, Everest Textile Corporation, Pacific Liu Tong Investment Corporation and Oriental Securities Corporation. The independent auditors expressed a qualified reviewed report on the financial statements of these six associates because the financial statements of some of the investees of these associates had not been reviewed.

17. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	June 30, 2016	December 31, 2015	June 30, 2015
Total property, plant and equipment	\$ 149,149,971	\$ 148,141,804	\$ 141,712,900
Prepayments for equipment	<u>2,129,862</u>	<u>2,280,180</u>	<u>4,791,062</u>
	<u>\$ 151,279,833</u>	<u>\$ 150,421,984</u>	<u>\$ 146,503,962</u>

	Land	Buildings	Machinery and Equipment	Telecommu- nications Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in- progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 2016	\$ 18,464,710	\$ 31,111,961	\$ 120,064,405	\$ 130,687,381	\$ 14,974,029	\$ 4,760,258	\$ 19,901,501	\$ 29,934,984	\$ 369,899,229
Additions	3,036	19,367	215,813	46,812	8,392	17,858	99,246	9,203,868	9,614,392
Disposals	-	(30,552)	(719,305)	(1,297,793)	(59,643)	(25,980)	(126,762)	(9,133)	(2,269,168)
Adjustments and reclassification	(95)	517,827	1,295,288	4,138,340	332,624	106,366	420,287	(6,911,228)	(100,591)
Effect of exchange rate difference	33,265	(131,988)	(1,079,203)	(2)	(425)	(22)	(72,480)	(221,478)	(1,472,333)
Balance at June 30, 2016	<u>\$ 18,500,916</u>	<u>\$ 31,486,615</u>	<u>\$ 119,776,998</u>	<u>\$ 133,574,738</u>	<u>\$ 15,254,977</u>	<u>\$ 4,858,480</u>	<u>\$ 20,221,792</u>	<u>\$ 31,997,013</u>	<u>\$ 375,671,529</u>
Accumulated depreciation and impairment									
Balance at January 1, 2016	\$ (96,557)	\$ (13,669,523)	\$ (81,147,180)	\$ (94,832,452)	\$ (12,028,807)	\$ (3,469,410)	\$ (14,233,316)	\$ -	\$ (219,477,245)
Disposals	-	27,580	706,481	967,904	59,448	22,199	121,274	-	1,904,886
Impairment loss	-	-	(50,000)	-	-	-	-	-	(50,000)
Depreciation expense	-	(410,510)	(1,962,508)	(3,584,044)	(613,859)	(203,366)	(710,390)	-	(7,484,677)
Adjustments and reclassification	-	-	24,423	(111)	(7,792)	-	225	-	16,745
Effect of exchange rate differences	-	72,224	574,374	1	283	18	51,695	-	698,595
Balance at June 30, 2016	<u>\$ (96,557)</u>	<u>\$ (13,980,229)</u>	<u>\$ (81,854,410)</u>	<u>\$ (97,448,702)</u>	<u>\$ (12,590,727)</u>	<u>\$ (3,650,559)</u>	<u>\$ (14,770,512)</u>	<u>\$ -</u>	<u>\$ (224,391,696)</u>
Cost									
Balance at January 1, 2015	\$ 17,327,539	\$ 29,327,112	\$ 116,998,189	\$ 141,788,190	\$ 14,008,541	\$ 4,957,919	\$ 18,898,657	\$ 30,945,222	\$ 374,251,369
Additions	15,079	34,935	157,240	36,799	16,007	21,192	169,086	10,958,333	11,408,671
Disposals	-	(173,556)	(738,038)	(12,022,156)	(271,787)	(127,941)	(180,204)	(15,960)	(13,529,642)
Adjustments and reclassification	6,900	580,365	2,307,422	7,257,462	735,978	150,587	741,131	(12,514,264)	(734,419)
Effect of exchange rate difference	-	(201,505)	(1,086,153)	-	(316)	(17,429)	(48,864)	(180,082)	(1,534,349)
Balance at June 30, 2015	<u>\$ 17,349,518</u>	<u>\$ 29,567,351</u>	<u>\$ 117,638,660</u>	<u>\$ 137,060,295</u>	<u>\$ 14,488,423</u>	<u>\$ 4,984,328</u>	<u>\$ 19,579,806</u>	<u>\$ 29,193,249</u>	<u>\$ 369,861,630</u>
Accumulated depreciation and impairment									
Balance at January 1, 2015	\$ (96,557)	\$ (13,088,831)	\$ (79,700,476)	\$ (109,278,453)	\$ (11,286,648)	\$ (3,446,256)	\$ (13,383,320)	\$ -	\$ (230,280,541)
Disposals	-	173,384	737,712	11,573,525	270,941	100,522	177,065	-	13,033,149
Impairment loss	-	-	(70,000)	-	-	-	-	-	(70,000)
Depreciation expense	-	(364,313)	(1,914,501)	(3,177,932)	(562,003)	(207,947)	(627,958)	-	(6,854,654)
Adjustments and reclassification	-	-	149,534	-	-	-	37,348	-	186,882
Effect of exchange rate differences	-	100,705	526,030	-	148	8	605	-	627,496
Balance at June 30, 2015	<u>\$ (96,557)</u>	<u>\$ (13,179,055)</u>	<u>\$ (80,271,701)</u>	<u>\$ (100,882,860)</u>	<u>\$ (11,577,562)</u>	<u>\$ (3,553,673)</u>	<u>\$ (13,796,260)</u>	<u>\$ -</u>	<u>\$ (223,357,668)</u>

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

Building	3-60 years
Telecommunications equipment	2-25 years
Computer equipment	3-10 years
Machinery and equipment	3-20 years
Leasehold improvements and operating and miscellaneous equipment	3-15 years

As of June 30, 2016, December 31, 2015 and June 30, 2015, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,212 thousand, 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.

18. 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, 2016	\$ 124,190,706
Additions	1,077
Disposals	(25,201)
Reclassification	4,070
Recognized in profit (gain arising from the change in fair value of investment property)	1,131,101
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(14,558)</u>
Balance at June 30, 2016	<u>\$ 125,287,195</u>
Balance at January 1, 2015	\$ 119,663,209
Additions	441,540
Disposals	(1,998,238)
Reclassification	1,692,627
Recognized in profit (gain arising from the change in fair value of investment property)	3,211,804
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(12,965)</u>
Balance at June 30, 2015	<u>\$ 122,997,977</u>

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

The construction of a building (Bangiao Zhong Ben) located in the Bangiao Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Corporation (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Bangiao Zhong Ben commercial building (Mega Tower) was completed in the three months ended March 31, 2015 and recognized as inventories (available for sale - land and building). A portion of floors has been rent out was reclassified from inventories to investment properties in an amount of NT\$1,084,023 thousand by its fair value and recognized valuation gain on investment properties NT\$585,006 thousand (recognized as gain on change in fair value of investment properties).

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

The fair values of investment properties were as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Independent valuation	<u>\$ 125,287,195</u>	<u>\$ 124,190,706</u>	<u>\$ 122,997,977</u>

The fair values of the investment properties as of December 31, 2015 and January 1, 2015 were based on the valuations carried out at these dates by an independent qualified professional valuator, Mr. Tsai, Chia-ho, Ms. Hu, Chun-Chun and Mr. Li, Ken-Yuan, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisals. In consultation with the appraisers, except for some investment properties were adjusted in accordance with fair value movement, the Group determined that the fair values reported as of December 31, 2015 and January 1, 2015 were still valid as of June 30, 2016 and 2015.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Expected future cash inflows	\$ 59,817,126	\$ 59,373,009	\$ 60,401,963
Expected future cash outflows	<u>(2,231,756)</u>	<u>(2,035,051)</u>	<u>(2,032,285)</u>
Excepted future cash inflows, net	<u>\$ 57,585,370</u>	<u>\$ 57,337,958</u>	<u>\$ 58,369,678</u>
Discount rate	1.915%-2.28%	1.985%-2.31%	2.125%-2.32%

The estimated amount from Banqiao which has been disclosed in the future cash flow above is the sum of amount from partial investment properties. It is calculated from different categories which is divided based on the purpose of usage. The total fair value of investment properties in Banqiao is calculated by extrapolating the fair value from its estimation of future cash flow in each category.

Some floors of the investment properties had been leased out under operating leases. The rental incomes generated from these floors for the three months ended June 30, 2016, for the three months ended June 30, 2015, for the six months ended June 30, 2016 and for the six months ended June 30, 2015, were NT\$248,295 thousand, NT\$262,712 thousand, NT\$504,802 thousand and NT\$538,948 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, 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 Corporation plus 0.75%.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Estimated total sale price	<u>\$ 27,309,915</u>	<u>\$ 27,309,915</u>	<u>\$ 27,051,660</u>
Rate of return	15%	15%	15%-18%
Overall capital interest rate	1.21%-1.52%	1.21%-1.52%	1.36%-1.56%

The estimated amount from Chung Li, Taoyuan which has been disclosed in the total sale price above is the sum of amount from partial investment properties in Chung Li, Taoyuan. It is calculated by reference to any existing lease, local rents, or market rents for similar comparable subjects. The total fair value of investment properties in Chung Li, Taoyuan is calculated by extrapolating the fair value from its estimation of sale price of partial investment properties in Chung Li, Taoyuan.

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

19. GOODWILL

	For the Six Months Ended June 30	
	2016	2015
<u>Cost</u>		
Beginning balance	\$ 11,865,515	\$ 11,930,443
Impairment loss	-	(43,535)
Effect of exchange rate differences, net	-	(4,119)
Ending balance	<u>\$ 11,865,515</u>	<u>\$ 11,882,789</u>

If an investment acquisition cost exceeds the fair value of identifiable net assets acquired, and the source of this excess cannot be identified, this excess should be recorded as goodwill. Goodwill mainly resulted from the mergers and acquisitions of Far EasTone, which obtained a large percentage of companies with which it had merged.

Refer to Note 20 of the consolidated financial statement for the year ended December 31, 2015 for the related information of goodwill.

20. CONCESSION AND OTHER INTANGIBLE ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015	
<u>Carrying amounts</u>				
Concession	\$ 42,949,485	\$ 35,151,640	\$ 36,275,522	
Other intangible assets				
Computer software	2,895,208	2,811,278	2,634,332	
Others	545,919	654,267	926,560	
	<u>3,441,127</u>	<u>3,465,545</u>	<u>3,560,892</u>	
	<u>\$ 46,390,612</u>	<u>\$ 38,617,185</u>	<u>\$ 39,836,414</u>	
	Concession	Computer Software	Others	Total
Balance at January 1, 2016	\$ 35,151,640	\$ 2,811,278	\$ 654,267	\$ 38,617,185
Additions	9,184,918	423,141	23,553	9,631,612
Amortization	(1,390,897)	(399,097)	(149,109)	(1,939,103)
Disposals	(223)	-	-	(223)
Adjustments and reclassifications	4,047	60,336	19,440	83,823
Effect of exchange rate differences	<u>-</u>	<u>(450)</u>	<u>(2,232)</u>	<u>(2,682)</u>
Balance at June 30, 2016	<u>\$ 42,949,485</u>	<u>\$ 2,895,208</u>	<u>\$ 545,919</u>	<u>\$ 46,390,612</u>
Balance at January 1, 2015	\$ 37,314,277	\$ 2,602,855	\$ 1,169,584	\$ 41,086,716
Additions	105,859	429,910	55,755	591,524
Amortization	(1,107,925)	(411,353)	(299,378)	(1,818,656)
Disposals	(518)	-	(477)	(995)
Adjustments and reclassifications	(36,171)	14,530	196	(21,445)
Effect of exchange rate differences	<u>-</u>	<u>(1,610)</u>	<u>880</u>	<u>(730)</u>
Balance at June 30, 2015	<u>\$ 36,275,522</u>	<u>\$ 2,634,332</u>	<u>\$ 926,560</u>	<u>\$ 39,836,414</u>

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

Concession	17.75 years
Computer software	10 years
Others	16 years

21. BORROWINGS

a. Short-term borrowings

	June 30, 2016	December 31, 2015	June 30, 2015
Credit loans	\$ 22,726,004	\$ 20,648,775	\$ 25,233,865
Secured and pledged borrowings	664,192	446,000	-
Loans from related parties	<u>3,525,741</u>	<u>3,592,852</u>	<u>3,562,722</u>
	<u>\$ 26,915,937</u>	<u>\$ 24,687,627</u>	<u>\$ 28,796,587</u>

- 1) The interest rates for bank loans were 0.48%-4.95%, 0.67%-5.75% and 0.63%-5.10% as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of June 30, 2016, December 31, 2015 and June 30, 2015.

b. Short-term bills payable

	June 30, 2016	December 31, 2015	June 30, 2015
Commercial paper	\$ 5,493,000	\$ 6,604,000	\$ 6,545,000
Less: Unamortized discount on bills payable	<u>2,880</u>	<u>6,237</u>	<u>3,810</u>
	<u>\$ 5,490,120</u>	<u>\$ 6,597,763</u>	<u>\$ 6,541,190</u>

The short-term bills payable outstanding were issued at interest rates of 0.52%-1.36%, 0.59%-1.44% and 0.63%-1.49%, as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

c. Long-term borrowings

	June 30, 2016	December 31, 2015	June 30, 2015
Bank loans	\$ 60,941,919	\$ 58,652,344	\$ 64,489,687
Long-term commercial paper	18,183,000	19,500,000	7,435,000
Less: Unamortized discount on commercial paper	<u>60,025</u>	<u>56,573</u>	<u>56,550</u>
	<u>18,122,975</u>	<u>19,443,427</u>	<u>7,378,450</u>
	79,064,894	78,095,771	71,868,137
Less: Current portion	<u>622,126</u>	<u>1,090,879</u>	<u>1,731,549</u>
	<u>\$ 78,442,768</u>	<u>\$ 77,004,892</u>	<u>\$ 70,136,588</u>

The foregoing loans are repayable through a lump sum payment on maturity in New Taiwan dollars, Japanese yen, EUR dollars and U.S. dollars. Except for these non-revolving credit loans, the Group had been allowed to make loans within the credit line limit until maturity. The maturity dates and bank interest rates of the Group's revolving loans were as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Maturity	July 2017 - April 2031	April 2017 - April 2031	July 2016 - April 2031
Bank interest rates	0.44%-2.55%	0.58%-2.09%	0.68%-1.92%

On March 22, 2011, a company subsidiary, FECC entered into a credit agreement with Hua Nan Bank and update the credit agreement into NT\$7,400,000 thousand on February 2, 2016. FECC pledged its land and construction pertaining to the Zhong Ben and Zhong Ben 2 (Mega Tower) project (Ban Qiao - New Section No. 8) and amounting to NT\$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were as follows:

	Credit Line	Maturity Period	Interest Rate	Repayment
A	NT\$ 2,000,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.4% then over 0.946%	No revolving credit but batch employed available within 5 years; No repayment in the first 5 years; quarterly repayments of NT\$30,000 thousand quarterly from the sixth year and redemption of rest on maturity.
B	NT\$ 1,400,000 thousand	5 years after approve of the credit (Note 2)	Reference interest rate plus 0.69544% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity.
C	NT\$ 1,000,000 thousand	5 years after approve of the credit (Note 3)	Reference interest rate plus 0.6295% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity.
D	NT\$ 3,000,000 thousand	7 years after appropriation of each loan (Note 3)	Reference interest rate plus 0.804% (negotiated by each loan, but no less than 1.5%)	No revolving credit but be partly appropriation available within 3 years; credit will be paid every 6 months from 3 years after each appropriation date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan.
	<u>NT\$ 7,400,000</u> <u>thousand</u>			

Note 1: The reference interest rate is based on The Taipei Inter-bank 90 days' Offered Rate (TAIBOR).

Note 2: On February 2, 2016, FECC updated the content of contract to extend credit line B's maturity date.

Note 3: On March 20, 2015, FECC updated the content of contract to enter into credit line C and D.

In 2012, a FENC subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), got a five-year and seven-year syndicated loan in a total amount of NT\$11,000,000 thousand from Mega International Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should put the liability ratio back within the required range by the end of November of next year. Otherwise, OPTC should pay fees monthly at 0.125% per day of the outstanding amounts during the period between the maturity date and the day before the liability ratio has met the range requirement. OPTC was in compliance with the liability ratio requirement.

On April 23, 2012, in order to construct a freeway taximeter system infrastructure, a FENC subsidiary, Far Eastern Electronic Toll Collection Corporation (FETC), entered into a syndicated loan agreement amounting to NT\$6,420,000 thousand with Cathay United bank and three other financial institutions. The agreement terms are as follows:

The syndicated loan, which consisted of three different loans with different terms and lines of credit (A, B and C), was obtained to meet FETC's capital needs for operating and maintain the infrastructure for the electronic toll collection project ("ETC project"). Its amount, date, and are expected to move aside as the repayment period:

Project	Credit	Fixed dial Date	Expected Repayment Period
Syndicated loan borrowings			
A	NT\$2,906,000 thousand	2012.05.10	2014.11-2021.02
B	3,294,000 thousand	2012.05.10	2019.08-2025.11
C	220,000 thousand	2012.05.10	The first use to build the operating contract by the borrower to complete the transfer of assets after 6 months

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathay United Bank were accounted for under other financial assets - noncurrent (Note 35). The terms of loan A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathay United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral.

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

22. BONDS PAYABLE

	June 30, 2016	December 31, 2015	June 30, 2015
Nonconvertible domestic bonds	\$ 85,800,000	\$ 84,381,500	\$ 79,973,500
Discount of nonconvertible domestic bonds	<u>(100,026)</u>	<u>(96,980)</u>	<u>(90,844)</u>
	85,699,974	84,284,520	79,882,656
Less: Current portion	<u>18,142,305</u>	<u>20,921,484</u>	<u>18,963,486</u>
	<u>\$ 67,557,669</u>	<u>\$ 63,363,036</u>	<u>\$ 60,919,170</u>

Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
				June 30, 2016	December 31, 2015	June 30, 2015	
<u>Parent company</u>							
Unsecured bonds							
99-1	2010.05.27-2015.05.27	1.68	\$ 5,500,000	\$ -	\$ -	\$ -	(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	1,900,000	(Note 1)
100-2	2011.09.29-2016.09.29	1.55	2,200,000	1,100,000	1,100,000	2,200,000	(Note 1)
100-3	2012.02.15-2017.02.15	1.36	6,000,000	3,000,000	6,000,000	6,000,000	(Note 1)
101-1	2012.06.07-2017.06.07	1.35	3,200,000	1,600,000	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	4,200,000	(Note 1)
102-1-A	2013.05.16-2016.05.16	2.95	RMB 500,000	-	2,507,000	2,500,500	(Note 2)
102-1-B	2013.05.16-2016.05.16	Benchmark rate (Libor)+1.10%	JPY 5,000,000	-	1,374,500	1,273,000	(Note 2)
102-2	2013.08.28-2017.02.28	1.39	3,000,000	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	2,800,000	(Note 2)
103-1	2014.08.21-2019.08.21	1.47	3,200,000	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	2,200,000	(Note 1)
103-3	2015.02.06-2020.02.06	1.38	2,600,000	2,600,000	2,600,000	2,600,000	(Note 1)
104-1	2015.05.25-2020.05.25	1.39	8,000,000	8,000,000	8,000,000	8,000,000	(Note 1)
104-2	2015.10.02-2020.10.02	1.28	5,200,000	5,200,000	5,200,000	-	(Note 1)
104-3	2015.11.16-2020.11.16	1.25	2,800,000	2,800,000	2,800,000	-	(Note 2)
105-1-A	2016.04.29-2021.04.29	0.88	6,000,000	6,000,000	-	-	(Note 1)
105-1-B	2016.04.29-2021.04.29	-	2,000,000	2,000,000	-	-	(Note 5)
<u>Subsidiary Yuan Ding Investment</u>							
Unsecured bonds							
99-1	2010.07.19-2015.07.19	1.62	2,000,000	-	-	800,000	(Note 3)
100-1	2011.07.20-2016.07.20	1.50	3,000,000	1,200,000	1,200,000	2,100,000	(Note 3)
100-2	2011.12.15-2016.12.15	1.45	2,000,000	1,000,000	1,000,000	2,000,000	(Note 1)
101-1-A	2012.08.06-2015.08.06	1.25	1,900,000	-	-	1,900,000	(Note 2)
101-1-B	2012.08.06-2017.08.06	1.40	1,100,000	1,100,000	1,100,000	1,100,000	(Note 1)
102-1	2013.11.25-2016.11.25	1.35	3,000,000	3,000,000	3,000,000	3,000,000	(Note 2)
103-1	2014.05.26-2019.05.26	1.35	3,000,000	3,000,000	3,000,000	3,000,000	(Note 1)
104-1	2015.07.10-2020.07.10	1.43	3,000,000	3,000,000	3,000,000	-	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	2,000,000	2,000,000	-	(Note 1)
105-1	2016.05.30-2021.05.30	0.90	3,800,000	3,800,000	-	-	(Note 1)
<u>Subsidiary Far EasTone</u>							
Unsecured bonds							
102-4	2013.06.27-2020.06.27	1.33	5,000,000	5,000,000	5,000,000	5,000,000	(Note 4)
102-5-A	2013.10.15-2017.10.15	1.46	1,000,000	1,000,000	1,000,000	1,000,000	(Note 2)
102-5-B	2013.10.15-2018.10.15	1.58	4,000,000	4,000,000	4,000,000	4,000,000	(Note 2)
102-6-A	2013.12.24-2016.12.24	1.17	1,600,000	1,600,000	1,600,000	1,600,000	(Note 2)
102-6-B	2013.12.24-2017.12.24	1.27	5,200,000	5,200,000	5,200,000	5,200,000	(Note 2)
102-6-C	2013.12.24-2019.12.24	1.58	3,200,000	<u>3,200,000</u>	<u>3,200,000</u>	<u>3,200,000</u>	(Note 2)
Total outstanding balance				<u>\$ 85,800,000</u>	<u>\$ 84,381,500</u>	<u>\$ 79,973,500</u>	

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 are repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 3: These bonds are repayable at 30%, 30% and 40% of the total amount at the end of the third, fourth and fifth years, respectively, 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 4: These bonds are repayable at 50% and 50% of the total amount at the end of fifth and seventh years, respectively. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 5: This bond is repayable in lump sum at the 104.8411% of total amount on maturity.

23. PROVISIONS

	June 30, 2016	December 31, 2015	June 30, 2015
Dismantling obligation	\$ 961,386	\$ 926,125	\$ 891,913
Warranties	150,016	142,146	137,697
Onerous contracts	<u>-</u>	<u>1,461</u>	<u>-</u>
	<u>\$ 1,111,402</u>	<u>\$ 1,069,732</u>	<u>\$ 1,029,610</u>
Current	\$ 267,628	\$ 258,638	\$ 249,885
Noncurrent	<u>843,774</u>	<u>811,094</u>	<u>779,725</u>
	<u>\$ 1,111,402</u>	<u>\$ 1,069,732</u>	<u>\$ 1,029,610</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2016	\$ 926,125	\$ 142,146	\$ 1,461	\$ 1,069,732
Additional provisions recognized	46,665	29,276	-	75,941
Reductions arising from payments	<u>(11,404)</u>	<u>(21,406)</u>	<u>(1,461)</u>	<u>(34,271)</u>
Balance at June 30, 2016	<u>\$ 961,386</u>	<u>\$ 150,016</u>	<u>\$ -</u>	<u>\$ 1,111,402</u>
Balance at January 1, 2015	\$ 870,515	\$ 124,565	\$ 8,340	\$ 1,003,420
Additional provisions recognized	33,085	38,720	-	71,805
Reductions arising from payments	<u>(11,687)</u>	<u>(25,588)</u>	<u>(8,340)</u>	<u>(45,615)</u>
Balance at June 30, 2015	<u>\$ 891,913</u>	<u>\$ 137,697</u>	<u>\$ -</u>	<u>\$ 1,029,610</u>

24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and six months ended June 30, 2016 and 2015 were calculated as NT\$40,807 thousand, NT\$39,956 thousand, NT\$94,227 thousand and NT\$81,142 thousand by the actuarially determined pension cost discount rate as of December 31, 2015 and 2014. The Group transferred defined benefit costs NT\$203 thousand and NT\$368 thousand to related parties for the three months and six months ended June 30, 2016, respectively.

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of Far Eastern Construction Corporation (FECC), Far Eastern General Contractor Corporation (FEGC) are classified as current or noncurrent depending on the operating cycle. Amounts expected to be received or paid within one year or over one year were as follows:

	June 30, 2016		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 319,223	\$ 334,528	\$ 653,751
Inventories - construction and real estate	3,854,196	700,887	4,555,083
Amounts due from customers for construction contracts	194,536	1,089,198	1,283,734
Other financial assets - current	77,670	1,088,526	1,166,196
Refundable deposits - current	3	9,450	9,453
<u>Liabilities</u>			
Notes and accounts payable	1,239,672	478,169	1,717,841
Notes and accounts payable to related parties	187,227	-	187,227
Amounts due to customers for construction contracts	-	111,897	111,897
Advance real estate receipts	160,007	-	160,007
Provisions - current	-	53,616	53,616
	December 31, 2015		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 431,941	\$ 285,370	\$ 717,311
Inventories - construction and real estate	4,019,173	700,887	4,720,060
Amounts due from customers for construction contracts	90,542	883,346	973,888
Other financial assets - current	80,249	1,546,727	1,626,976
Refundable deposits - current	25,003	9,180	34,183
<u>Liabilities</u>			
Notes and accounts payable	1,919,971	407,525	2,327,496
Notes and accounts payable to related parties	97,249	-	97,249
Amounts due to customers for construction contracts	2,133	118,563	120,696
Advance real estate receipts	4,308	-	4,308
Provisions - current	-	53,620	53,620

	June 30, 2015		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 572,604	\$ 135,322	\$ 707,926
Inventories - construction and real estate	4,461,255	700,887	5,162,142
Amounts due from customers for construction contracts	46,403	1,235,882	1,282,285
Other financial assets - current	485,606	888,137	1,373,743
Refundable deposits - current	35,002	7,283	42,285
<u>Liabilities</u>			
Notes and accounts payable	1,311,274	465,582	1,776,856
Notes and accounts payable to related parties	69,227	-	69,227
Amounts due to customers for construction contracts	11,334	71,812	83,146
Advance real estate receipts	42,350	-	42,350
Provisions - current	-	53,144	53,144

26. EQUITY

a. Share capital

1) Common shares

	June 30, 2016	December 31, 2015	June 30, 2015
Number of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Amount of shares authorized	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>	<u>5,247,917</u>
Shares issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>	<u>\$ 52,479,168</u>

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

2) Global depositary receipt

The Company issued global depositary receipts (GDRs) since 1999, one GDRs unit represents 10 common shares of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of June 30, 2016, there are 33 thousand units outstanding, which were equal to 331 thousand common shares of the Company.

b. Capital surplus

	June 30, 2016	December 31, 2015	June 30, 2015
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932	\$ 2,587,241
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	154,258	107,081	4,183
Treasury shares transaction	11,729	11,729	11,729
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>34,319</u>	<u>33,941</u>	<u>15,128</u>
	<u>\$ 2,855,238</u>	<u>\$ 2,807,683</u>	<u>\$ 2,618,281</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 transferred to share capital.
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary or equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

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 shareholders held their regular meeting on June 23, 2016 and, in that meeting, had resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly by all of the shares. When capital increase, the amount of dividend for new shares of that year would be according to resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, please refer to Note 27.c. employee benefits expense.

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.

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

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.

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

The appropriations from the 2015 and 2014 earnings were approved in the stockholders' meetings on June 23, 2016 and June 26, 2015, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2015	For Year 2014	For Year 2015	For Year 2014
Legal reserve	\$ 803,469	\$ 1,103,342		
Special reserve	2,165,513	4,348,583		
Cash dividends	<u>5,352,875</u>	<u>6,297,500</u>	\$ 1.0	\$ 1.2
	<u>\$ 8,321,857</u>	<u>\$ 11,749,425</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 with NT\$0.2 per share, from the capital surplus in the stockholders' meeting on June 26, 2015.

d. Special reserves

The Group'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 Six Months Ended June 30	
	2016	2015
Balance at January 1	\$ 21,860,117	\$ 22,275,153
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(2,291)	-
Disposal of investment properties	<u>(7,763)</u>	<u>(415,036)</u>
Balance at June 30	<u>\$ 21,850,063</u>	<u>\$ 21,860,117</u>

On the initial application of fair value model to investment properties, the Group 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 Six Months Ended June 30	
	2016	2015
Balance at January 1	\$ 83,686,899	\$ 80,462,245
Appropriation in respect of:		
Application of the fair value method for investment properties	2,165,513	4,348,583
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(1,465)	-
Disposal of investment properties	<u>(21,534)</u>	<u>(1,100,153)</u>
Balance at June 30	<u>\$ 85,829,413</u>	<u>\$ 83,710,675</u>

e. Other equity items

The changes in other equity items were as follow:

	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Gains on Property Revaluation	Total
Balance at January 1, 2016	\$ 2,274,683	\$ 1,119,927	\$ (95,944)	\$ 702,030	\$ 4,000,696
Exchange differences on translating foreign operations	(1,091,210)	-	-	-	(1,091,210)
Unrealized loss on available-for-sale financial assets	-	(305,654)	-	-	(305,654)
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	3,173	-	3,173
Share of the other comprehensive income (loss) of associates	<u>(452,984)</u>	<u>(2,284,257)</u>	<u>5</u>	<u>-</u>	<u>(2,737,236)</u>
Balance at June 30, 2016	<u>\$ 730,489</u>	<u>\$ (1,469,984)</u>	<u>\$ (92,766)</u>	<u>\$ 702,030</u>	<u>\$ (130,231)</u>
Balance at January 1, 2015	\$ 2,871,860	\$ 3,629,652	\$ (173,051)	\$ 512,607	\$ 6,841,068
Exchange differences on translating foreign operations	(1,006,634)	-	-	-	(1,006,634)
Unrealized gain on available-for-sale financial assets	-	110,781	-	-	110,781
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	47,035	-	47,035
Share of the other comprehensive income (loss) of associates	<u>(426,504)</u>	<u>579,955</u>	<u>2,164</u>	<u>-</u>	<u>155,615</u>
Balance at June 30, 2015	<u>\$ 1,438,722</u>	<u>\$ 4,320,388</u>	<u>\$ (123,852)</u>	<u>\$ 512,607</u>	<u>\$ 6,147,865</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2016	2015
Beginning balance	\$ 63,145,438	\$ 63,818,325
Attributable to noncontrolling interests:		
Net income	3,518,535	3,886,653
Cash dividends distributed by subsidiaries	(7,710,107)	(7,933,930)
Exchange differences on translating foreign operations	(99,019)	(140,985)
Unrealized loss on available-for-sale financial assets	(40,232)	(28,272)
Gains on hedging instruments in cash flow hedges arising from fair value changes	4,134	87,842
Share of other comprehensive (loss) income of associates	(27,880)	3,132
Changes in unappropriated earnings of associates	(2)	4
Non-controlling interests arising from the new capital stock issued by subsidiaries	44,665	490,917
Acquisition of partial interests of subsidiaries	6,411	7,762
Capital reduction of subsidiaries	(15)	-
Ending balance	<u>\$ 58,841,928</u>	<u>\$ 60,191,448</u>

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>June 30, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,705</u>
<u>December 31, 2015</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 20,069</u>
<u>June 30, 2015</u>			
Yuan Ding	764	<u>\$ 25,063</u>	<u>\$ 24,069</u>

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

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

27 NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Capitalized interests on properties	\$ 74,679	\$ 58,971	\$ 145,077	\$ 121,505
Capitalization rates	1.02%-1.52%	1.14%-1.56%	1.02%-1.52%	1.14%-1.56%

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Property, plant and equipment	\$ 3,765,701	\$ 3,510,937	\$ 7,484,677	\$ 6,854,654
Intangible assets	1,011,472	999,448	1,939,103	1,818,656
Long-term prepayments for lease	<u>49,019</u>	<u>51,046</u>	<u>99,399</u>	<u>100,060</u>
	<u>\$ 4,826,192</u>	<u>\$ 4,561,431</u>	<u>\$ 9,523,179</u>	<u>\$ 8,773,370</u>
An analysis of deprecation by function				
Operating costs	\$ 3,313,615	\$ 3,028,811	\$ 6,561,675	\$ 5,909,321
Operating expenses	439,407	451,680	875,773	886,768
Other expense	<u>12,679</u>	<u>30,446</u>	<u>47,229</u>	<u>58,565</u>
	<u>\$ 3,765,701</u>	<u>\$ 3,510,937</u>	<u>\$ 7,484,677</u>	<u>\$ 6,854,654</u>
An analysis of amortization by function				
Operating costs	\$ 865,773	\$ 831,515	\$ 1,622,671	\$ 1,447,111
Operating expenses	<u>194,718</u>	<u>218,979</u>	<u>415,831</u>	<u>471,605</u>
	<u>\$ 1,060,491</u>	<u>\$ 1,050,494</u>	<u>\$ 2,038,502</u>	<u>\$ 1,918,716</u>

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Post-employment benefits				
Defined contribution plans	\$ 215,970	\$ 217,755	\$ 433,726	\$ 420,710
Defined benefit plans	40,604	39,956	93,859	81,142
Other employee benefits	<u>4,803,644</u>	<u>4,747,773</u>	<u>9,285,270</u>	<u>9,407,546</u>
Total employee benefit expense	<u>\$ 5,060,218</u>	<u>\$ 5,005,484</u>	<u>\$ 9,812,855</u>	<u>\$ 9,909,398</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Analysis of employee benefit expense by function				
Operating costs	\$ 2,684,442	\$ 2,401,460	\$ 4,888,383	\$ 4,639,182
Operating expenses	<u>2,375,776</u>	<u>2,604,024</u>	<u>4,924,472</u>	<u>5,270,216</u>
	<u>\$ 5,060,218</u>	<u>\$ 5,005,484</u>	<u>\$ 9,812,855</u>	<u>\$ 9,909,398</u>
				(Concluded)

In compliance with the Company Act as amended in May 2015 and the amended Articles resolved by the stockholder's meeting in June 2016, the amendments stipulate distribution of employees' compensation and remuneration to directors at the rates of 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 six months ended June 30, 2016, the employees' compensation and the remuneration to directors represented 2.87% and 2.39%, respectively, of the net profit before income tax, employees' compensation and remuneration to directors.

The Articles before the amendment, 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 Group would retain a certain amount for expansion plans and then make the following appropriations:

	%
Dividends	60
Bonus for stockholders	33
Bonus for employees	4
Remuneration for directors and supervisors	3

For the three months and six months ended June 30, 2015, the Company accrued bonuses to employees and remuneration to directors according to the Articles before the amendment.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Employees' compensation/ bonuses	\$ 43,607	\$ 74,825	\$ 71,408	\$ 189,941
Remuneration to directors	39,592	56,119	59,450	142,456

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of employees' compensation and remuneration to directors for 2015 resolved by the board of directors on March 25, 2016, the appropriations of bonus to employees and remuneration to directors and supervisors for 2014 approved in the shareholders' meetings on June 26, 2015 are disclosed on the table below. After the amendments to Company's Articles had been resolved in the stockholders' meeting held on June 23, 2016, the appropriations of the employees' compensation and remuneration to directors for 2015 were reported in the stockholders' meeting.

	For the Years Ended December 31			
	2015		2014	
	Cash	Share	Cash Bonus	Share Bonus
Employees' compensation/ bonuses	\$ 230,231	\$ -	\$ 270,860	\$ -
Remuneration to directors and supervisors	152,659	-	203,145	-

There was no difference between the amounts of the employees' compensation and the remuneration to directors resolved by the board of directors on March 25, 2016 and the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on June 26, 2015, and the respective amounts recognized in the consolidated financial statements for the years ended December 31, 2015 and 2014, respectively.

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

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Current tax	\$ 760,501	\$ 632,011	\$ 1,428,125	\$ 1,554,901
Deferred tax	(47,832)	165,100	282,239	1,593,812
Adjustments for prior periods	<u>1,435</u>	<u>14,317</u>	<u>1,435</u>	<u>14,317</u>
Income tax recognized in profit or loss	<u>\$ 714,104</u>	<u>\$ 811,428</u>	<u>\$ 1,711,799</u>	<u>\$ 3,163,030</u>

b. Integrated income tax

	June 30, 2016	December 31, 2015	June 30, 2015
Unappropriated earnings Generated before January 1, 1998	<u>\$ 72,226</u>	<u>\$ 78,778</u>	<u>\$ 98,793</u>
Imputation credits accounts	<u>\$ 790,422</u>	<u>\$ 785,895</u>	<u>\$ 922,151</u>

	<u>For the Year Ended December 31</u>	
	2015 (Actual)	2014 (Actual)
Creditable ratio for distribution of earning	12.17%	9.85%
c. Income tax assessments		
	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>	
Far Eastern New Century Corporation		2010
Far Eastern Resources Development Corporation		2010
Oriental Petrochemical (Taiwan) Corporation		2013
Fu Kwok Garment Manufacturing Corporation		2013
Yuan Tong Investment Corporation		2013
Kai Yuan International Investment Corporation		2014
Ding Yuan International Investment Corporation		2014
An Ho Garment Corporation		2014
Far Eastern Textile Corporation		2014
Far Eastern Construction Corporation		2014
Far Eastern General Contractor Corporation		2013
Yuan Ding Investment Corporation		2013
Far Eastern Fibertech Corporation		2013
Oriental Resources Development Corporation		2013
Far Eastern Apparel Corporation		2013
Yuan Faun Corporation		2014
Yuan Cheng Human Resources Consultant Corporation		2013
Yuan Ding Corporation		2014
FET Consulting Engineers Corporation		2014
YDT Technology International Corporation		2014
Far Eastern Technical Consultants Corporation		2014
Ding Ding Integrated Marketing Service Corporation		2014
Far Eastern Electronic Commerce Corporation		2013
Ding Ding Hotel Corporation		2013
Far Eastern Electronic Toll Collection Corporation		2013
Yuan Hsin Digital Payment Corporation		2014
Far EasTone Telecommunications Corporation		2013
New Century InfoComm Tech Corporation		2013
Arcoa Communication Corporation		2013
Simple InfoComm Corporation		2014
Q-Ware Communication Corporation		2013
Information Security Service Digital United Corporation		2014
Linkwell Tech. Corporation		2013
Data Express Infotech Corporation		2013
Yuan Cing Corporation		2014
O-music Corporation		2013
New Diligent Corporation		2014
KGEx.com Corporation		2014
Homet Master Technology Corporation		2014
Hiiir Corporation		2014

KG Telcom (merged with Far EasTone on January 1, 2010)

Income tax returns through 2010 of KG Telecom had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2000 and 2004 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Basic earnings per share	\$ 0.34	\$ 0.73	\$ 0.51	\$ 1.26
Diluted earnings per share	\$ 0.34	\$ 0.73	\$ 0.51	\$ 1.26

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 Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Net income for the period attributable to owners of the Company	\$ 1,724,667	\$ 3,670,643	\$ 2,559,613	\$ 6,305,932

Weighted Average Number of Common Shares Outstanding

Unit: In Thousand Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Weighted average number of common shares used in the calculation of basic earnings per share	4,999,773	5,002,574	5,000,002	5,002,575
Effect of potentially dilutive common stock:				
Employees' compensation/ bonuses	3,104	15,234	7,499	15,234
Weighted average number of common shares used in the calculation of diluted earnings per share	5,002,877	5,017,808	5,007,501	5,017,809

In calculating the weighted average number of share outstanding for consolidated 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 offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share, if the effect was dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the three months and six months ended June 30, 2016, the Company's EPS were NT\$0.32 and NT\$0.48. The Company calculated basic EPS with the weighted average number of actual outstanding shares and retrospectively adjusted for the effects of adjustments resulting from stock dividends from capital surplus in the prior period. Based on the calculation, for the three months and the six months ended June 30, 2015, the Company's EPS were NT\$0.69 and NT\$1.18.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the six months ended June 30, 2016

On March 31, 2016, the Group subscribed for additional new shares of Far Eastern Ishizuka Green Pet Corporation at a percentage different from its existing ownership percentage, increasing its continuing interest from 85.15% to 97.95%.

	Far Eastern Ishizuka Green Pet Corporation
Cash consideration paid	\$ (287,044)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>280,628</u>
Differences arising from equity transactions	<u>\$ (6,416)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earning	<u>\$ (6,416)</u>

On June 30, 2016, the Group subscribed for additional new shares of Far Eastern Ishizuka Green Pet Corporation at a percentage different from its existing ownership percentage, reducing its continuing interest from 97.95% to 90.00%.

	Far Eastern Ishizuka Green Pet Corporation
Cash consideration paid	\$ (498,611)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>545,788</u>
Differences arising from equity transactions	<u>\$ 47,177</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - arising from changes in percentage of ownership interest in subsidiaries	<u>\$ 47,177</u>

For the six months ended June 30, 2015

The Group acquired an additional equity interest in Far Eastern Ishizuka Green Pet Corporation and Sino Belgium (Holding) Corporation.

	Far Eastern Ishizuka Green Pet Corporation	Sino Belgium (Holding) Corporation
Cash consideration paid	\$ (59,701)	\$ (63,550)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>55,952</u>	<u>59,537</u>
Differences arising from equity transactions	<u>\$ (3,749)</u>	<u>\$ (4,013)</u>
<u>Line items adjusted for equity transactions</u>		
Unappropriated earning	<u>\$ (3,749)</u>	<u>\$ (4,013)</u>

31. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

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

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

	June 30, 2016	December 31, 2015	June 30, 2015
Not later than 1 year	\$ 3,606,114	\$ 3,684,769	\$ 3,461,603
Later than 1 year and not later than 5 years	6,221,603	6,968,830	6,464,308
Later than 5 years	<u>1,075,483</u>	<u>1,149,250</u>	<u>1,138,610</u>
	<u>\$ 10,903,200</u>	<u>\$ 11,802,849</u>	<u>\$ 11,064,521</u>

b. The Group as lessor

The operating lease were main related to lease of investment properties owned by the Group.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Not later than 1 year	\$ 696,233	\$ 913,081	\$ 801,040
Later than 1 year and not later than 5 years	2,225,546	2,827,551	2,645,629
Later than 5 years	<u>1,199,874</u>	<u>1,348,977</u>	<u>1,418,745</u>
	<u>\$ 4,121,653</u>	<u>\$ 5,089,609</u>	<u>\$ 4,865,414</u>

32. CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENTS

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

- 1) Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

	<u>June 30, 2016</u>		<u>December 31, 2015</u>		<u>June 30, 2015</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>						
Financial liabilities measured at amortized cost						
Bonds payable	\$ 85,699,974	\$ 86,513,525	\$ 84,284,520	\$ 84,706,177	\$ 79,882,656	\$ 80,188,894

- 2) Fair value hierarchy

June 30, 2016

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 86,513,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,513,525</u>

December 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 84,706,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,706,177</u>

June 30, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 80,188,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,188,894</u>

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

1) Fair value hierarchy

June 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 3,190,428	\$ -	\$ -	\$ 3,190,428
Marketable equity securities	83,458	-	-	83,458
Guarantee deposits - cotton futures contracts	-	-	42,353	42,353
Guarantee deposits - PTA futures contracts	-	-	13,009	13,009
Cross-currency swap contracts	-	-	6,331	6,331
Forward exchange contracts	-	-	191	191
	<u>\$ 3,273,886</u>	<u>\$ -</u>	<u>\$ 61,884</u>	<u>\$ 3,335,770</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,135,550	\$ -	\$ -	\$ 4,135,550
Mutual funds - beneficial certificates	-	602,553	-	602,553
Oversea equity securities	<u>96,261</u>	<u>-</u>	<u>-</u>	<u>96,261</u>
	<u>\$ 4,231,811</u>	<u>\$ 602,553</u>	<u>\$ -</u>	<u>\$ 4,834,364</u>
Hedging derivative financial assets				
Forward exchange contracts	\$ -	\$ -	\$ 263	\$ 263
Foreign exchange swap contracts	-	-	4,888	4,888
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151</u>	<u>\$ 5,151</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 7,981	\$ 7,981
Option contracts	-	-	189	189
Combined exchange options	-	-	31,007	31,007
Cross-currency swap contracts	-	-	26,115	26,115
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,292</u>	<u>\$ 65,292</u>
Hedging derivative financial liabilities				
Forward exchange contracts	\$ -	\$ -	\$ 19,155	\$ 19,155
Interest rate swaps	-	-	332,701	332,701
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,856</u>	<u>\$ 351,856</u>

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 3,333,494	\$ -	\$ -	\$ 3,333,494
Marketable equity securities	543,829	-	-	543,829
Guarantee deposits - cotton futures contracts	-	-	43,073	43,073
Guarantee deposits - PTA futures contracts	-	-	6,012	6,012
Cross-currency swap contracts	-	-	2,195	2,195
Combined exchange options	-	-	1,009	1,009
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>68,283</u>	<u>68,283</u>
	<u>\$ 3,877,323</u>	<u>\$ -</u>	<u>\$ 120,572</u>	<u>\$ 3,997,895</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,433,684	\$ -	\$ -	\$ 4,433,684
Mutual funds - beneficial certificates	-	665,295	-	665,295
Oversea equity securities	<u>115,317</u>	<u>-</u>	<u>-</u>	<u>115,317</u>
	<u>\$ 4,549,001</u>	<u>\$ 665,295</u>	<u>\$ -</u>	<u>\$ 5,214,296</u>
Hedging derivative financial assets				
Forward exchange contracts	\$ -	\$ -	\$ 3,790	\$ 3,790
Foreign exchange swap contracts	<u>-</u>	<u>-</u>	<u>2,225</u>	<u>2,225</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,015</u>	<u>\$ 6,015</u>
Hedging derivative financial liabilities				
Forward exchange contracts	\$ -	\$ -	\$ 3,916	\$ 3,916
Cross-currency swap contracts	-	-	1,775	1,775
Foreign exchange swap contracts	-	-	5,325	5,325
Interest rate swaps	<u>-</u>	<u>-</u>	<u>338,020</u>	<u>338,020</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,036</u>	<u>\$ 349,036</u>

June 30, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 1,047,927	\$ -	\$ -	\$ 1,047,927
Marketable equity securities	474,269	-	-	474,269
Guarantee deposits - cotton futures contracts	-	-	40,484	40,484
Guarantee deposits - PTA futures contracts	-	-	13,368	13,368
Combined exchange options	-	-	645	645
Forward exchange contracts	-	-	7,326	7,326
	<u>\$ 1,522,196</u>	<u>\$ -</u>	<u>\$ 61,823</u>	<u>\$ 1,584,019</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,721,263	\$ -	\$ -	\$ 4,721,263
Mutual funds - beneficial certificates	62,250	440,556	-	502,806
Oversea equity securities	114,575	-	-	114,575
	<u>\$ 4,898,088</u>	<u>\$ 440,556</u>	<u>\$ -</u>	<u>\$ 5,338,644</u>
Hedging derivative financial assets				
Cross-currency swap contracts	\$ -	\$ -	\$ 50	\$ 50
Foreign exchange swap contracts	-	-	1,180	1,180
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,230</u>	<u>\$ 1,230</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 13,283	\$ 13,283
Combined exchange options	-	-	3,648	3,648
Option contracts	-	-	2,391	2,391
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,322</u>	<u>\$ 19,322</u>
Hedging derivative financial liabilities				
Foreign exchange swap contracts	\$ -	\$ -	\$ 200	\$ 200
Interest rate swaps	-	-	416,069	416,069
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,269</u>	<u>\$ 416,269</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2016 and 2015.

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

For the six months ended June 30, 2016

	Financial Instruments at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2016	\$ 120,572	\$ (343,021)	\$ (222,449)
Recognized in profit or loss			
Realized	(234,012)	(22,725)	(256,737)
Unrealized	(3,408)	-	(3,408)
Recognized in other comprehensive income	-	7,307	7,307
Settlements	<u>113,440</u>	<u>11,734</u>	<u>125,174</u>
Balance at June 30, 2016	<u>\$ (3,408)</u>	<u>\$ (346,705)</u>	<u>\$ (350,113)</u>

For the six months ended June 30, 2015

	Financial Instruments at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2015	\$ 118,175	\$ (550,787)	\$ (432,612)
Recognized in profit or loss			
Realized	75,894	(89,617)	(13,723)
Unrealized	42,501	-	42,501
Recognized in other comprehensive income	-	134,877	134,877
Settlements	<u>(194,069)</u>	<u>90,488</u>	<u>(103,581)</u>
Balance at June 30, 2015	<u>\$ 42,501</u>	<u>\$ (415,039)</u>	<u>\$ (372,538)</u>

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

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

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Future contract	Future contract pricing model. 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.
Forward exchange contracts, option contracts, combined exchange options, cross-currency swap contracts and interest rate swaps	Discounted cash flow. Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates.

c. Categories of financial instruments

	June 30, 2016	December 31, 2015	June 30, 2015
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 3,335,770	\$ 3,997,895	\$ 1,584,019
Derivative instruments in designated hedge accounting relationships	5,151	6,015	1,230
Loans and receivables (Note 1)	89,324,718	83,170,332	91,728,332
Available-for-sale financial assets (Note 2)	5,970,557	6,352,922	6,405,991
<u>Financial liabilities</u>			
FVTPL			
Held for trading	65,292	-	19,322
Derivative instruments in designated hedge accounting relationships	351,856	349,036	416,269
Amortized cost (Note 3)	246,077,229	229,139,543	236,523,965

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

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

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

d. Financial risk management objectives and policies

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

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

The Corporate Treasury function is reviewed by the Group's board of directors in accordance with related rules and internal control system. The Group should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authority carry out their duties.

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Group's significant foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were as Note 38.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollars.

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

	June 30, 2016	December 31, 2015	June 30, 2015
5% change in profit or loss			
USD	\$ 15,991	\$ (589,910)	\$ 368,705

b) Interest rate risk

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

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

	June 30, 2016	December 31, 2015	June 30, 2015
Fair value interest rate risk			
Financial assets	\$ 38,848,192	\$ 33,333,704	\$ 28,435,437
Financial liabilities	157,678,487	150,927,513	146,310,432
Cash flow interest rate risk			
Financial assets	10,621,881	12,913,827	18,135,134
Financial liabilities	39,825,139	43,087,204	41,194,407

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Group's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 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.

As of June 30, 2016, December 31, 2015 and June 30, 2015, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased/increased by NT\$96,878 thousand, NT\$83,126 thousand and NT\$70,911 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decreased by NT\$26,555 thousand, NT\$32,285 thousand and NT\$45,338 thousand, respectively.

As of June 30, 2016, December 31, 2015 and June 30, 2015, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased/increased by NT\$393,213 thousand, NT\$376,378 thousand and NT\$364,864 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by NT\$99,563 thousand, NT\$107,718 thousand and NT\$102,986 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of June 30, 2016, December 31 and June 30, 2015 would have decreased by NT\$405,413 thousand, NT\$454,581 thousand and NT\$343,043 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counter-parties will default on its contractual obligations, resulting in a financial loss to the Group. As of the end of a reporting period, the Group's maximum exposure to credit risk that will cause the Group a financial loss due to failure of counterparties to discharge on obligations and financial guarantees provided by the Group could arise from:

- a) The carrying amounts of the recognized financial assets as stated in the balance sheets; and
- b) The amounts of contingent liabilities in relation to financial guarantees issued by the Group.

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

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

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

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>June 30, 2016</u>				
Long-term borrowings	\$ 50,286,371	\$ 9,023,993	\$ 19,132,404	\$ 78,442,768
Bonds payable	<u>12,850,000</u>	<u>16,300,000</u>	<u>38,500,000</u>	<u>67,650,000</u>
	<u>\$ 63,136,371</u>	<u>\$ 25,323,993</u>	<u>\$ 57,632,404</u>	<u>\$ 146,092,768</u>
<u>December 31, 2015</u>				
Long-term borrowings	\$ 48,596,038	\$ 12,013,572	\$ 16,395,282	\$ 77,004,892
Bonds payable	<u>16,450,000</u>	<u>13,500,000</u>	<u>33,500,000</u>	<u>63,450,000</u>
	<u>\$ 65,046,038</u>	<u>\$ 25,513,572</u>	<u>\$ 49,895,282</u>	<u>\$ 140,454,892</u>
<u>June 30, 2015</u>				
Long-term borrowings	\$ 25,092,537	\$ 29,363,303	\$ 15,680,748	\$ 70,136,588
Bonds payable	<u>18,150,000</u>	<u>12,850,000</u>	<u>30,000,000</u>	<u>61,000,000</u>
	<u>\$ 43,242,537</u>	<u>\$ 42,213,303</u>	<u>\$ 45,680,748</u>	<u>\$ 131,136,588</u>

34. TRANSACTIONS WITH RELATED PARTIES

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the three months and six months ended June 30, 2016 and 2015 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2 and 3.

35. 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, short-term bills payable, tariff duties, and long-term borrowings; as construction warranties; as guarantees for related parties; litigation; and as administrative tax remedies for meeting requirements for certain projects.

	June 30, 2016	December 31, 2015	June 30, 2015
Other financial assets - current	\$ 2,910,805	\$ 3,106,606	\$ 1,764,744
Inventories - available for construction - land	693,157	693,157	693,157
Inventories - available for sale - land and building	1,401,999	1,401,999	1,805,965
Property, plant and equipment, net	14,152,108	13,599,735	13,014,636
Investment properties	36,938,965	36,689,061	39,733,745
Available-for-sale financial assets - current and noncurrent	137,100	146,850	162,750
Investment accounted for using the equity method	3,145,290	2,975,552	3,300,631
Concession - cost	2,857,000	2,857,000	2,504,000
Other financial assets - noncurrent	<u>2,043,449</u>	<u>2,697,969</u>	<u>2,451,662</u>
	<u>\$ 64,279,873</u>	<u>\$ 64,167,929</u>	<u>\$ 65,431,290</u>

As of June 30, 2016, December 31, 2015 and June 30, 2015, FENC and some of its subsidiaries had provided 122,094 thousand shares, 122,094 thousand shares and 123,794 thousand shares, respectively, of the common shares of Far EasTone Telecommunications Corporation and 16,500 thousand common shares of Yuan Ding Corporation, as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2016, December 31, 2015 and June 30, 2015 were as follows:

- a. The Group issued but unused letters of credit aggregated approximately NT\$1,047,781 thousand, NT\$1,022,874 thousand and NT\$1,014,039 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

- b. The Group (except for Far EasTone and its subsidiaries) unpaid building construction and equipment installation contracts amounting to approximately NT\$6,208,812 thousand, NT\$7,764,224 thousand and NT\$7,602,166 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

In addition, Far EasTone and its subsidiaries unpaid properties and cellular phone equipment were as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Acquisition of property, plant and equipment under contracts	\$ 6,147,974	\$ 6,668,933	\$ 5,465,599
Less: Payments for acquisition of property, plant and equipment	<u>1,822,176</u>	<u>1,716,273</u>	<u>1,980,651</u>
	<u>\$ 4,325,798</u>	<u>\$ 4,952,660</u>	<u>\$ 3,484,948</u>
Acquisition of cellular phone equipment under contract	\$ 7,689,192	\$ 13,372,760	\$ 10,955,161
Less: Payments for acquisition of cellular phone equipment	<u>4,776,632</u>	<u>8,264,134</u>	<u>7,590,557</u>
	<u>\$ 2,912,560</u>	<u>\$ 5,108,626</u>	<u>\$ 3,364,604</u>

- c. There were undelivered cotton contracts amounting to NT\$162,914 thousand, NT\$222,091 thousand and NT\$266,777 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.
- d. Project contracts cost already signed by Far Eastern General Contractor Corporation (FEGC) amounted to NT\$26,729,421 thousand, NT\$26,466,265 thousand and NT\$29,847,020 as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.
- e. Far Eastern Electronic Toll Collection Corporation (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT\$3,648,379 thousand, NT\$3,598,241 thousand and NT\$3,750,401 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.
- f. Endorsements and guarantees provided to the related parties are shown in Table 5 (attached).
- g. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Corporation or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of August 11, 2016, the lawsuit was pending before the Taipei High Court.

- h. A subsidiary of FENC, Far Eastern General Contractor Corporation (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of August 11, 2016, the result of the lawsuit was still being awaited.

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

- i. A company subsidiary, FECC, and Far Eastern Department Store Corporation (FEDS) had jointly developed Ban Ciao Zhong Ben (Construction License Number: Year 2010 Letter Chang No. 00135) in line with the Directions for the Urban Land Development Application (the “Directions”). Under the Directions, for the joint developers to be entitled to larger floor area and have a building occupancy permit, they should complete the construction within four years after passing an urban design review. If this deadline is unmet the joint developers should either donate the building or remit a certain amount to the New Taipei City Government (NTCG). Later, the NTCG claimed the construction was not completed on time, but the joint developers disagreed with the NTCG’s claim. Thus, a dispute on this issue arose. Steps have been taken to settle this dispute, and while the settlement is being negotiated, FECC had placed in the Far Eastern International Bank a negotiable certificate of deposit amounting to NT\$109,995 thousand as a pledge based on the NTCG’s requirement. The Ministry of the Interior had dismissed the administrative appeal. FECC disagree the administrative appeal decision, and thus filed an administrative litigation with Taipei High Administrative Court. As of August 11, 2016, the lawsuit was pending before the Taipei High Administrative Court.
- j. A Company subsidiary, Far Eastern Electronic Toll Collection Corporation (FETC), has cooperated with government authorities to establish an electronic toll collection system based on the “Establishment and Operating Contract” with Taiwan Area National Freeway Bureau (TANFB). However, on the basis of the system usage rate and the manner of system implementation, TANFB claimed it had the right to penalize FETC for the latter’s failing to achieve the requirements for the electronic toll collection (ETC) system stated in the contract. However, FETC disagreed with the bureau’s interpretation of the contract terms and filed for arbitration with the Negotiation Committee. Nevertheless, both the FETC and TANFB did not agree with the Negotiation Committee’s arbitration. FETC filed a lawsuit against TANFB. The contract terms were as follow:

1) Usage rate

TANFB claimed that FETC had failed to reach the 45% designated ETC usage rate in the third year stated in the contract, thus violating the terms of the contract. TANFB and FETC reached a consensus that FETC proposed an improvement plan, which TANFB accepted, and set six inspection points to be used in determining if FETC’s improvement plan was effective. FETC successfully met the inspection requirements, as shown by TANFB’s confirmation of the plan results. Thus, FETC believed that its successful implementation of its improvement plan should be considered by TANFB as the FETC’s added investment in the ETC plan as well as the equivalent of FETC’s paying a penalty for not meeting the ETC usage rate requirement. Thus, FETC claimed TANFB should not impose a penalty on FETC anymore.

TANFB commented that FETC failed to reach the 70% designated usage rate of ETC in the sixth year of the contract and thus violated the contract, for which FETC was liable for a penalty amounting to NT\$427,500 thousand. Nevertheless, TANFB and ETC have reached a consensus to consider the implementation of the above improvement plan as making up for FETC’s not meeting the 70% usage rate requirement; there was no reason for TANFB to penalize FETC. In addition, FETC exceeded the 65% usage rate stated in the “Establishment and Operating Contract” for the taximeter phase, and the operation of the taximeter system infrastructure (TSI) was also on track. Thus, there was actually no physical evidence of FETC’s violating the contract. For these reasons, FETC said TANFB should not accuse FETC of breach of contract. To settle this matter, FETC

applied for a conciliation with TANFB through the Negotiation Committee. The Negotiation Committee suggested TANFB decrease its penalty on FETC because (a) FETC could enter into the taximeter phase since the 65% ETC usage rate had been reached even though this rate was lower than the 70% usage rate stated in the contract; (b) the impact of usage rate to the interest of highway users was markedly diminished (c) the amounts FETC invested in the improvement plan were more than the penalty TANFB claimed.

FETC, however, could not accept the negotiation result. In September 2013, FETC filed a lawsuit against TANFB, claiming it was not liable for the penalty imposed by TANFB. This case was pending before the Taipei District Court.

2) Taximeter system infrastructure

TANFB stated FETC breached the contract when FETC was unable to complete the ETC driveway infrastructure by September 21, 2012 as required in the contract. But after FETC negotiated with TANFB through the Negotiation Committee, both the FETC and TANFB agreed to extend the construction period by four months until January 21, 2013. Thus, TANFB should reset the contract expiry date according to the agreement. However, TANFB has not reset the expiry date and set the date FETC had been informed of violation of contract on February 3, 2013 and obligated FETC to complete the ETC driveway infrastructure and taximeter system infrastructure by April 21, 2013. After FETC's conciliation with TANFB through the Negotiation Committee in July 2013, the Negotiation Committee suggested that TANFB recheck the construction results and determine if after four months after the original contract expiry date of September 21, 2012, FETC violated the contract. Nevertheless, TANFB did not agree with the Negotiation Committee's decision and filed a lawsuit against FETC and imposed a penalty of NT\$142,500 thousand on FETC. May 20, 2016, The Taiwan Taipei District Court made a judgement that FETC should compensate TANFB a penalty of NT\$71,250 thousand. FETC appealed against this judgement to The Taipei High Court on May 31, 2016. As of August 11, 2016, the lawsuit was still on going.

FETC had recognized the possible loss which was likely to be imposed.

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

On July 28, 2015, Far EasTone filed a civil litigation against TWM, asking TWM to escheat the C4 spectrum immediately and declared that TWM should refrain from using the C1 spectrum even before escheating the C4 spectrum. At the same time, Far EasTone demanded a compensation of \$1,005,800 thousand from TWM.

On April 28, 2016, the Taipei District Court ruled that after Far EasTone lodges the security of \$143,050 thousand or a Far Eastern International Bank bearer Negotiable Certificate of Deposit ("NCD") in the same amount, TWM has to return the C4 spectrum to NCC and is prohibited from any use of the spectrum. The provisional injunction order ruling can be waived or revoked if TWM provides a counter-security of \$547,119 thousand or a Bank of Taiwan bearer NCD in the same amount.

The Taipei District Court pronounced the judgement on May 23, 2016 that TWM has to return the C4 spectrum immediately and is prohibited from any use of the spectrum. Far EasTone can lodge the security of \$320,630 thousand for the provisional execution of the judgment. The provisional execution can be waived if TWM provide the security of \$961,913 thousand.

On June 16, 2016, Far EasTone appealed against the above judgment and demanded a compensation of \$1,005,800 thousand from TWM. Meanwhile, Far EasTone lodged the security and requested the provisional execution of the return of spectrum from TWM. TWM also appealed against the judgment in terms of the unfavorable part and provided the security to waive the provisional execution.

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

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

37. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On August 11, 2016, the board of directors of the Company decided to issue unsecured bonds. The bonds, with a term of less than 10 years, will have an aggregate face value not more than NT\$8,000,000 thousand and a par value of NT\$1,000 thousand.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 352,227	32.275 (USD:NTD)	\$ 11,368,126
USD	169,400	6.662 (USD:RMB)	5,467,385
USD	39,816	7.800 (USD:HKD)	1,285,061
USD	3,327	4.210 (USD:MYR)	<u>107,379</u>
			<u>\$ 18,227,951</u>
			(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 194,842	32.275 (USD:NTD)	\$ 6,288,526
USD	269,478	6.662 (USD:RMB)	8,697,402
USD	106,084	7.800 (USD:HKD)	3,423,861
USD	4,275	4.210 (USD:MYR)	<u>137,976</u>
			<u>\$ 18,547,765</u> (Concluded)

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 549,405	32.880 (USD:NTD)	\$ 18,064,436
USD	112,975	6.589 (USD:RMB)	3,714,618
USD	51,429	7.800 (USD:HKD)	1,690,986
USD	3,746	4.478 (USD:MYR)	<u>123,168</u>
			<u>\$ 23,593,208</u>

Financial liabilities

Monetary items			
USD	157,132	32.880 (USD:NTD)	\$ 5,166,500
USD	191,217	6.589 (USD:RMB)	6,287,215
USD	7,630	7.800 (USD:HKD)	250,874
USD	2,750	4.478 (USD:MYR)	<u>90,420</u>
			<u>\$ 11,795,009</u>

June 30, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 448,759	30.91 (USD:NTD)	\$ 13,871,141
USD	164,805	6.210 (USD:RMB)	5,094,123
USD	154,546	7.800 (USD:HKD)	4,777,017
USD	7,252	3.936 (USD:MYR)	<u>224,159</u>
			<u>\$ 23,966,440</u> (Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 386,247	30.91 (USD:NTD)	\$ 11,938,895
USD	567,352	6.210 (USD:RMB)	17,536,850
USD	49,915	7.800 (USD:HKD)	1,542,873
USD	10,415	3.936 (USD:MYR)	<u>321,928</u>
			<u>\$ 31,340,546</u> (Concluded)

For the three months and six months ended June 30, 2016 and 2015, (realized and unrealized) net foreign exchange losses were NT\$208,191 thousand, NT\$12,630 thousand, NT\$648,219 thousand and NT\$181,131 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the functional currencies of the Group entities.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 4 (attached)
- 2) Endorsement/guarantee provided: Table 5 (attached)
- 3) Marketable securities held: Table 6 (attached)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 7 (attached)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 8 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 9 (attached)
- 9) Trading in derivative instruments: Notes 7 and 10.
- 10) Intercompany relationships and significant intercompany transactions: Table 10 (attached)
- 11) Information on investees: Table 11 (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: Table 12 and 12-1 (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: Table 12 (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

40. SEGMENT INFORMATION

Industry Information

The information provided to the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance focuses on types of goods delivered or services provided. The Group defined its operating segments as follows: Petrochemical business, chemical fiber business, textile business, mobile services business, real estate business, investment and other business.

Segment operating income is the profit generated by each operating segment, which excludes interest revenue, revaluation gain on investment properties, gain or loss on disposal of property, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance.

a. Segment revenues and results

The analysis of the Group's revenues and operating results by operating segment is as follows:

	Segments Revenue		Segments Profit	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Petrochemical business			\$ (514,510)	\$ (520,375)
Revenues generated from external customers	\$ 8,341,167	\$ 9,136,843		
Intersegment revenues	<u>7,766,112</u>	<u>6,816,549</u>		
	<u>16,107,279</u>	<u>15,953,392</u>		
Chemical fiber business			632,511	832,832
Revenues generated from external customers	29,792,743	30,503,425		
Intersegment revenues	<u>390,447</u>	<u>332,903</u>		
	<u>30,183,190</u>	<u>30,836,328</u>		
Textile business			562,849	499,288
Revenues generated from external customers	16,376,648	15,491,473		
Intersegment revenues	<u>60,099</u>	<u>56,770</u>		
	<u>16,436,747</u>	<u>15,548,243</u>		
Mobile services business			7,775,836	8,203,100
Revenues generated from external customers	46,714,324	48,331,934		
Intersegment revenues	<u>172,307</u>	<u>89,087</u>		
	<u>46,886,631</u>	<u>48,421,021</u>		
Real estate development			257,777	305,663
Revenues generated from external customers	2,827,886	2,720,125		
Intersegment revenues	<u>358,377</u>	<u>111,043</u>		
	<u>3,186,263</u>	<u>2,831,168</u>		
Investment and other			147,677	724,991
Revenues generated from external customers	3,294,410	4,776,674		
Intersegment revenues	<u>142,135</u>	<u>162,286</u>		
	<u>3,436,545</u>	<u>4,938,960</u>		
Adjustment and elimination	<u>(8,836,720)</u>	<u>(7,781,710)</u>	<u>59,819</u>	<u>(27,466)</u>
Total	<u>\$ 107,399,935</u>	<u>\$ 110,747,402</u>	<u>8,921,959</u>	<u>10,018,033</u>
Interest revenue			197,272	259,798
Exchange loss			(648,219)	(181,131)
Interest expense			(1,223,634)	(1,213,084)
Other revenue and income			<u>542,569</u>	<u>4,471,999</u>
Profit before tax			<u>\$ 7,789,947</u>	<u>\$ 13,355,615</u>

Note: For the six months ended June 30, 2016, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$651,040 thousand and dividend income from associates NT\$185,315 thousand, respectively. For the six months ended June 30, 2015, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$1,567,886 thousand and dividend income from associates NT\$204,400 thousand, respectively.

b. Segment total assets and liabilities

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

TABLE 1

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
JUNE 30, 2016

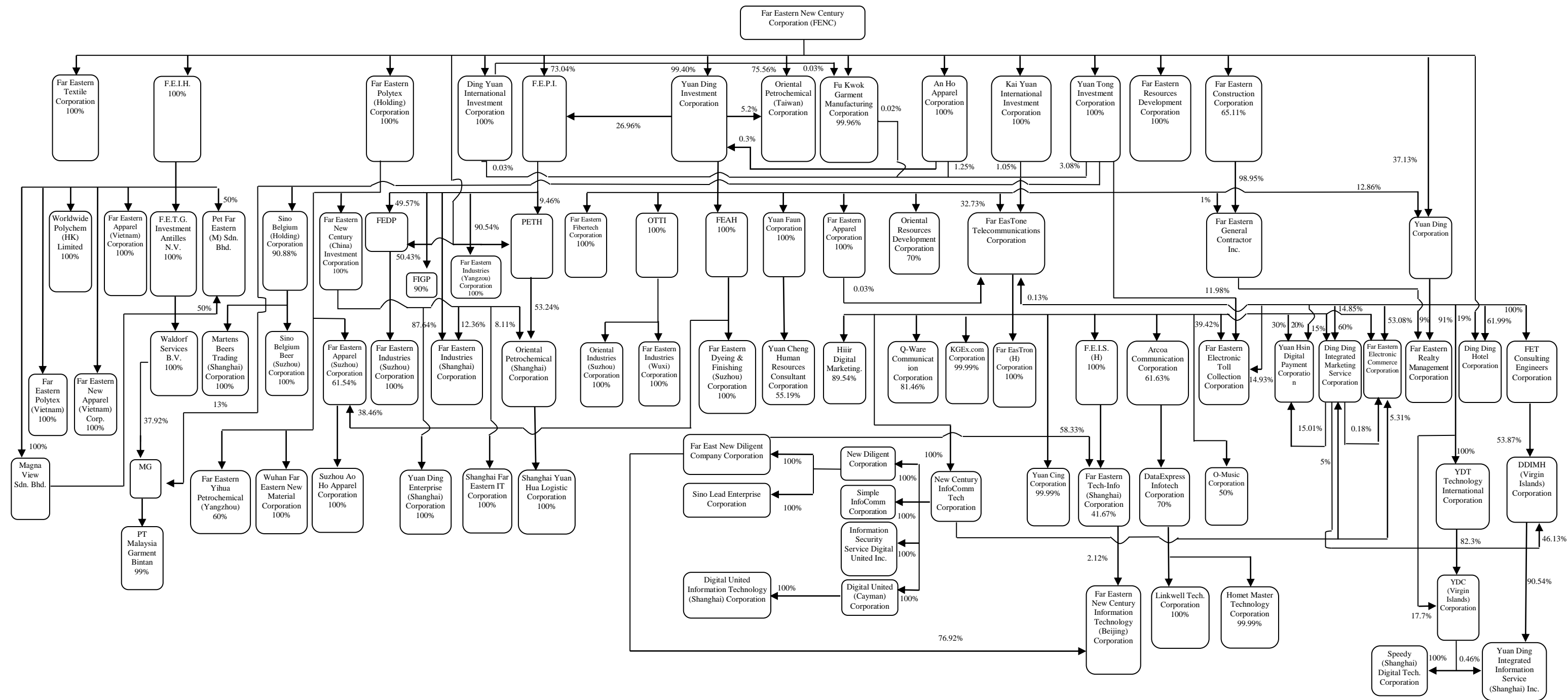


TABLE 2**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****(In Thousands of New Taiwan Dollars)**

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Sales				
Associates	\$ 380,016	\$ 258,100	\$ 666,346	\$ 652,722
Others	<u>232,816</u>	<u>205,794</u>	<u>468,774</u>	<u>450,634</u>
	<u>\$ 612,832</u>	<u>\$ 463,894</u>	<u>\$ 1,135,120</u>	<u>\$ 1,103,356</u>
Operating cost				
Associates	\$ 588,236	\$ 511,145	\$ 1,046,707	\$ 811,012
Others	<u>205,975</u>	<u>313,368</u>	<u>327,237</u>	<u>450,799</u>
	<u>\$ 794,211</u>	<u>\$ 824,513</u>	<u>\$ 1,373,944</u>	<u>\$ 1,261,811</u>
Operating expense				
Associates	\$ 9,968	\$ 12,124	\$ 21,924	\$ 24,392
Others	<u>74,261</u>	<u>95,006</u>	<u>162,077</u>	<u>177,397</u>
	<u>\$ 84,229</u>	<u>\$ 107,130</u>	<u>\$ 184,001</u>	<u>\$ 201,789</u>
Rental revenue (recognized as operating revenue)				
Associates	\$ 58,522	\$ 52,947	\$ 117,002	\$ 105,894
Others	<u>104,692</u>	<u>93,206</u>	<u>188,091</u>	<u>178,528</u>
	<u>\$ 163,214</u>	<u>\$ 146,153</u>	<u>\$ 305,093</u>	<u>\$ 284,422</u>
Rental expense (recognized as operating cost and expense)				
Associates	\$ 23,737	\$ 26,548	\$ 46,591	\$ 58,675
Others	<u>44,975</u>	<u>11,644</u>	<u>91,876</u>	<u>73,404</u>
	<u>\$ 68,712</u>	<u>\$ 38,192</u>	<u>\$ 138,467</u>	<u>\$ 132,079</u>

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Group had donated NT\$4,000 thousand and NT\$14,487 thousand to other related parties for the six months ended June 30, 2016 and 2015.

(Continued)

- c. The Group had purchased the software equipment, construction contracts, machinery and equipment, and securities from the other related parties amounted to NT\$480 thousand for the three months ended June 30, 2016 and NT\$11,894 thousand for the six months ended June 30, 2016. The Group had purchased the software equipments, machinery and equipment and construction contracts amounted to NT\$19,321 thousand for the three months ended June 30, 2015 and NT\$26,530 thousand for the six months ended June 30, 2015.
- d. The Group had sold other assets amounting to NT\$479 thousand to the associates and recognized the gain on disposal as of NT\$0 thousand (recognized as other income) for the three months ended June 30, 2015. The Group had sold other assets amounting to NT\$199,703 thousand to the associates and recognized the gain on disposal as of NT\$34,275 thousand (recognized as other income) for the six months ended June 30, 2015.
- e. The Group had sold investment properties - land to other related parties amounting to NT\$1,878,322 thousand and recognized the gain on disposal of NT\$815,643 thousand for the six months ended June 30, 2015. The disposal proceeds amounting to NT\$78,322 thousand have been received in cash and the rest of proceeds amounting to NT\$1,800,000 thousand will be received in the next several years and recognized as other receivables from related parties NT\$180,000 thousand and other receivables from related parties - noncurrent NT\$1,620,000 thousand, respectively as of June 30, 2016, December 31, 2015 and June 30, 2015.
- f. The Group had exchanged its investment properties - land with fair value NT\$1,115,520 thousand and paid an extra NT\$776,850 thousand for lands with fair value NT\$1,892,370 thousand with other related parties, and recognized the gain on disposal of NT\$167,986 thousand. In addition, based on the exchange contract the Group paid NT\$158,255 thousand for related transaction cost for this exchange. The Group recognized the exchanging lands as inventories - available for sale - land and building amounting to \$1,551,327 thousand, \$1,665,015 thousand and \$1,665,015 thousand as of June 30, 2016, December 31 and June 30, 2015; investment properties - land amounting to \$385,610 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.
- g. The fund transaction between the Group and Opas Fund Segregated Portfolio Company (“Opas Company”), was carrying out investment to acquisition and disposal the overseas fund including Opas Fund Segregated Portfolio Tranche “B” and “D”, through the trading platform of Opas Company. The decisions on overseas mutual funds with different tranches were made by the investment committee which is formed with the Group and other investors. During the six months ended June 30, 2015, the Group disposed of funds with carrying amounts of \$222,750 thousand. The disposal proceed was \$250,463 thousand, and the gains on fund disposal was \$27,713 thousand.
- h. The rental expense incurred for rental agreements on factories in Hukou, Hsinchu, hotel, office and equipment rooms in Tainan, base stations and departments around Taiwan. The term of the rental agreements was from January 2009 to January 2029. The revenue generated from renting out some of the floors of the Taipei Metro Tower building and buildings in Chen-Chung Section in Taipei City, Hsin-ban Section in New Taipei City and Xinhua development zone in Shanghai City; the related lease term was from November 2006 to January 2035. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.
- i. Compensation of key management personnel:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Short-term benefits	\$ 87,201	\$ 103,642	\$ 167,717	\$ 248,196
Post-employment benefits	<u>660</u>	<u>775</u>	<u>1,308</u>	<u>1,541</u>
	<u>\$ 87,861</u>	<u>\$ 104,417</u>	<u>\$ 169,025</u>	<u>\$ 249,737</u>
				(Concluded)

TABLE 3**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF JUNE 30, 2016 AND 2015****(In Thousands of New Taiwan Dollars)**

	June 30, 2016	December 31, 2015	June 30, 2015
Notes and accounts receivable from related parties			
Associates	\$ 463,794	\$ 562,937	\$ 329,799
Others	<u>565,539</u>	<u>582,024</u>	<u>522,832</u>
	<u>\$ 1,029,333</u>	<u>\$ 1,144,961</u>	<u>\$ 852,631</u>
Notes and accounts payable from related parties			
Associates	\$ 275,300	\$ 71,596	\$ 182,345
Others	<u>297,268</u>	<u>309,787</u>	<u>153,036</u>
	<u>\$ 572,568</u>	<u>\$ 381,383</u>	<u>\$ 335,381</u>
Progress billings			
Associates	\$ 11,633	\$ -	\$ 1,685,880
Others	<u>707,564</u>	<u>707,564</u>	<u>707,564</u>
	<u>\$ 719,197</u>	<u>\$ 707,564</u>	<u>\$ 2,393,444</u>
Guarantee deposits received			
Associates	\$ 10,889	\$ 10,899	\$ 18,899
Others	<u>189,761</u>	<u>177,306</u>	<u>197,555</u>
	<u>\$ 200,650</u>	<u>\$ 188,205</u>	<u>\$ 216,454</u>
Deferred credit - gains on inter - related parties accounts			
Associates	\$ 139,458	\$ 139,736	\$ 140,229
Others	<u>9,338</u>	<u>9,338</u>	<u>9,122</u>
	<u>\$ 148,796</u>	<u>\$ 149,074</u>	<u>\$ 149,351</u>

Financing to related parties

Loans to related parties (recognized as other receivables)

	June 30, 2016	December 31, 2015	June 30, 2015
Associates	<u>\$ 4,478,550</u>	<u>\$ 4,186,100</u>	<u>\$ 940,000</u>

(Continued)

The interests income from loans to related parties were NT\$22,250 thousand and NT\$3,765 thousand for the three months ended June 30, 2016 and 2015; NT\$43,073 thousand and NT\$7,293 thousand for the six months ended June 30, 2016 and 2015.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Others	<u>\$ 3,525,741</u>	<u>\$ 3,592,852</u>	<u>\$ 3,562,722</u>

Deposits, debt investments with no active market and other financial assets

	June 30, 2016	December 31, 2015	June 30, 2015
Others	<u>\$ 8,957,705</u>	<u>\$ 18,869,669</u>	<u>\$ 13,941,220</u>

The Group had bank deposits and time deposits (recognized as cash, cash equivalents and debt investments with no active market) in related parties. In addition, the deposits included the proceeds of Far EasTone's sale of prepaid cards, NCIC's sale of international calling cards and highway toll fees, which were consigned to related parties as trust fund, which were recognized as other financial assets. The interests income were NT\$25,671 thousand and NT\$37,621 thousand for the three months ended June 30, 2016 and 2015; NT\$52,155 thousand and NT\$60,687 thousand for the six months ended June 30, 2016 and 2015.

Financial assets (liabilities) at fair value through profit or loss - current

	June 30, 2016	December 31, 2015	June 30, 2015
Others	<u>\$ (14,226)</u>	<u>\$ (2,930)</u>	<u>\$ (3,612)</u>

The Group signed forward exchange contracts, option contracts, combined exchange options and cross-currency swap contracts with related parties. The gain or (loss) of financial assets (liabilities) at fair value through profit or loss were NT\$12,413 thousand and NT\$(6,201) thousand for the three months ended June 30, 2016 and 2015; NT\$(654) thousand and NT\$20,061 thousand for the six months ended June 30, 2016 and 2015.

Derivative financial assets (liabilities) for hedging - current

	June 30, 2016	December 31, 2015	June 30, 2015
Others	<u>\$ 4,888</u>	<u>\$ (3,100)</u>	<u>\$ (200)</u>

The Group signed foreign exchange swap contracts with related parties and recognized as derivative financial assets (liabilities) for hedging. Notional amount were US\$20,000 thousand, US\$20,000 thousand and US\$5,000 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

Note:

- The terms of sales to and purchases from other related parties were based on the agreements.
- The rent receivables from renting out the factories to other related parties (recognized as other receivables) were NT\$311,512 thousand, NT\$258,524 thousand and NT\$211,607 thousand as of June 30, 2016, December 31, 2015 and June 30, 2015, respectively.

(Concluded)

TABLE 4

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(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 Corporation PET Far Eastern (Holding) Corporation	Yes	Receivables from related parties	\$ 2,047,090	\$ -	\$ -	1.5118-3.35	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,518,419	\$ 95,184,190	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C)
			Yes	Receivables from related parties	1,983,150	-	-	3.35	2	-	For revolving fund	-	Promissory note	-	9,518,419	95,184,190	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C)
1	Yuan Ding Investment Corporation	Far Eastern Apparel Corporation	Yes	Receivables from related parties	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Oriental Resources Development Corporation	Yes	Receivables from related parties	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Ding Yuan International Investment Corporation	Yes	Receivables from related parties	400,000	400,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Far Eastern Resources Development Corporation.	Yes	Receivables from related parties	1,000,000	1,000,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Oriental Petrochemical (Taiwan) Corporation	Yes	Receivables from related parties	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		An Ho Garment Corporation	Yes	Receivables from related parties	400,000	400,000	400,000	1.64-1.68	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Yuan Tong Investment Corporation	Yes	Receivables from related parties	750,000	750,000	458,000	1.64-1.68	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Kai Yuan International Investment Corporation	Yes	Receivables from related parties	800,000	800,000	672,000	1.64-1.68	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Yu Ding Industry Corporation	Yes	Receivables from related parties	680,000	680,000	680,000	1.64-1.68	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
		Da Ju Fiber Corporation	Yes	Receivables from related parties	940,000	940,000	940,000	1.64-1.68	2	-	For revolving fund	-	Promissory note	-	3,865,444	19,327,218	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
2	Yuan Tong Investment Corporation	Far Eastern Resources Development Corporation	Yes	Receivables from related parties	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	825,216	4,126,079	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
3	Kai Yuan International Investment Corporation	Da Ju Fiber Corporation	Yes	Receivables from related parties	100,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	527,493	2,637,463	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		Yu Ding Industry Corporation	Yes	Receivables from related parties	150,000	-	-	1.76-1.82	2	-	For revolving fund	-	Promissory note	-	527,493	2,637,463	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
4	An Ho Garment Corporation	Far Eastern Apparel Corporation	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	200,851	1,004,256	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
5	Far EasTone Telecommunications Corporation	Q-ware Communications Corporation	Yes	Receivables from related parties	250,000	-	-	1.45-1.53	2	-	For revolving fund	-	-	-	6,563,528	32,817,640	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note S)
6	New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	Yes	Receivables from related parties	4,000,000	4,000,000	-	0.93-1.00	1	4,672,248	-	-	-	-	4,672,248	11,667,055	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note S)
		Far EasTone Telecommunications Corporation	Yes	Receivables from related parties	4,500,000	4,200,000	-	0.93-1.00	2	-	For revolving fund	-	-	-	4,666,822	11,667,055	Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note S)
		Q-ware Communications Corporation	Yes	Receivables from related parties	250,000	250,000	190,000	1.43	2	-	For revolving fund	-	-	-	4,666,822	11,667,055	Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note S)

(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			
7	Yuan Ding Corporation	Far Eastern Technical Consultants Corporation	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 G); maximum amounts allowed for the period (Note I)
		Ding Ding Integrated Marketing Services Corporation	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 G); maximum amounts allowed for the period (Note I)
		Ding Ding Hotel Corporation	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 G); maximum amounts allowed for the period (Note I)
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Yes	Receivables from related parties	334,500	-	-	1.50	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
		Far Eastern Electronic Commerce Corporation	Yes	Receivables from related parties	250,000	250,000	100,000	1.1077-1.2694	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
8	YDT Technology International Corporation	Yuan Ding Corporation	Yes	Receivables from related parties	200,000	130,000	100,000	1.1077-1.2694	2	-	For revolving fund	-	Promissory note	-	137,840	172,300	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note I)
9	FET Consulting Engineers Corporation	Yuan Ding Corporation	Yes	Receivables from related parties	200,000	200,000	-	1.1077-1.2694	2	-	For revolving fund	-	Promissory note	-	208,920	261,150	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note I)
10	Ding Ding Integrated Marketing Services Corporation	Yuan Ding Integrated Information Service (Shanghai) Inc.	Yes	Receivables from related parties	66,900	64,550	16,138	1.60	2	-	For revolving fund	-	Promissory note	-	152,750	190,937	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note I)
11	Far Eastern Investment (Holding) Corporation	FEDP (Holding) Corporation	Yes	Receivables from affiliates	322,750	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Holding) Corporation	Yes	Receivables from affiliates	968,250	645,500	-	-	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Worldwide Polychem (HK) Corporation	Yes	Receivables from affiliates	322,750	322,750	67,778	-	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern New Apparel (Vietnam) Corporation	Yes	Receivables from affiliates	968,250	968,250	112,963	-	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Sino Belgium (Holding) Corporation	Yes	Receivables from affiliates	484,125	484,125	151,693	1.84615	2	-	For revolving fund	-	Promissory note	-	3,748,324	3,748,324	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Pet Far Eastern (M) Sdn. Bhd.	Yes	Receivables from affiliates	322,750	322,750	225,096	1.84615	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Vietnam) Corporation	Yes	Receivables from affiliates	968,250	968,250	290,475	-	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		PET Far Eastern (Holding) Corporation	Yes	Receivables from affiliates	2,582,000	2,582,000	761,690	1.84615	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Corporation	Yes	Receivables from affiliates	969,000	969,000	969,000	-	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Polytex (Holding) Corporation	Yes	Receivables from affiliates	2,582,000	1,613,750	1,000,525	1.84615	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Polychem Industries Corporation	Yes	Receivables from affiliates	1,291,000	1,291,000	1,100,578	1.84615	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Oriental Textile (Holding) Corporation	Yes	Receivables from affiliates	3,227,500	2,582,000	1,713,803	1.84615	2	-	For revolving fund	-	Promissory note	-	4,685,405	14,056,215	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
12	Far Eastern Apparel (Holding) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Yes	Receivables from affiliates	645,500	-	-	-	1	2,321,888	-	-	Promissory note	-	1,826,808	1,826,808	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
		Far Eastern Apparel (Suzhou) Corporation	Yes	Receivables from affiliates	968,250	968,250	193,650	-	2	-	For revolving fund	-	Promissory note	-	1,304,863	3,914,588	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Investment (Holding) Corporation	Yes	Receivables from affiliates	968,250	968,250	445,395	1.84615	2	-	For revolving fund	-	Promissory note	-	1,304,863	3,914,588	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	Yes	Receivables from affiliates	1,291,000	1,291,000	645,500	-	2	-	For revolving fund	-	Promissory note	-	1,304,863	3,914,588	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
13	Oriental Textile (Holding) Corporation	Oriental Industries (Suzhou) Corporation	Yes	Receivables from affiliates	\$ 1,549,200	\$ -	\$ -	-	1	\$ 3,111,388	-	\$ -	Promissory note	\$ -	\$ 3,111,388	\$ 5,577,066	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note J)
		Sino Belgium Beer (Suzhou) Corporation	Yes	Receivables from affiliates	193,650	193,650	-	-	2	-	For revolving fund	-	Promissory note	-	3,983,619	11,950,856	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Sino Belgium (Holding) Corporation	Yes	Receivables from affiliates	322,750	322,750	-	-	2	-	For revolving fund	-	Promissory note	-	3,186,895	3,186,895	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Far Eastern Industries (WuXi) Corporation	Yes	Receivables from affiliates	2,094,648	2,065,600	-	-	2	-	For revolving fund	-	Promissory note	-	3,983,619	11,950,856	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Corporation	Yes	Receivables from affiliates	3,873,000	3,873,000	477,565	-	2	-	For revolving fund	-	Promissory note	-	3,983,619	11,950,856	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Corporation	Yes	Receivables from affiliates	1,889,550	1,889,550	1,405,050	1.26500	2	-	For revolving fund	-	Promissory note	-	3,983,619	11,950,856	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
14	Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	Yes	Receivables from affiliates	2,130,150	-	-	-	1	7,352,113	-	-	Promissory note	-	7,352,113	7,397,890	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note J)
		Sino Belgium Beer (Suzhou) Corporation	Yes	Receivables from affiliates	322,750	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,284,207	15,852,621	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Investment (Holding) Corporation	Yes	Receivables from affiliates	968,250	968,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,284,207	15,852,621	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Industries (Suzhou) Corporation	Yes	Receivables from affiliates	1,516,925	1,516,925	15,715	-	2	-	For revolving fund	-	Promissory note	-	5,284,207	15,852,621	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Ishizuka Green Pet Corporation	Yes	Receivables from affiliates	785,750	785,750	74,233	1.11929-1.84615	2	-	For revolving fund	-	Promissory note	-	4,227,366	4,227,366	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Far Eastern Industries (Shanghai) Corporation	Yes	Receivables from affiliates	3,808,450	3,808,450	96,825	-	2	-	For revolving fund	-	Promissory note	-	5,284,207	15,852,621	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Corporation	Yes	Receivables from affiliates	2,858,550	2,858,550	1,453,500	1.26500	2	-	For revolving fund	-	Promissory note	-	5,284,207	15,852,621	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
15	PET Far Eastern (Holding) Corporation	Far Eastern Investment (Holding) Corporation	Yes	Receivables from affiliates	1,291,000	968,250	-	-	2	-	For revolving fund	-	Promissory note	-	3,016,659	9,049,976	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from affiliates	1,129,625	1,129,625	-	-	2	-	For revolving fund	-	Promissory note	-	2,413,327	2,413,327	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Oriental Petrochemical (Shanghai) Corporation	Yes	Receivables from affiliates	1,226,450	1,226,450	258,200	-	2	-	For revolving fund	-	Promissory note	-	2,413,327	2,413,327	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Far Eastern New Century (China) Investment Corporation	Yes	Receivables from affiliates	2,034,900	2,034,900	1,501,950	1.26500	2	-	For revolving fund	-	Promissory note	-	3,016,659	9,049,976	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
16	FEDP (Holding) Corporation	Far Eastern Industries (Suzhou) Corporation	Yes	Receivables from affiliates	290,475	-	-	-	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Investment (Holding) Corporation	Yes	Receivables from affiliates	193,650	193,650	35,503	1.84615	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Polychem Industries Corporation	Yes	Receivables from affiliates	193,650	193,650	193,650	1.84615	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
17	Waldorf Services B.V.	Oriental Textile (Holding) Corporation	Yes	Receivables from affiliates	484,125	484,125	342,115	1.84615	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Polychem Industries Corporation	Yes	Receivables from affiliates	484,125	484,125	351,798	1.84615	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern Investment (Holding) Corporation	Yes	Receivables from affiliates	484,125	484,125	484,125	1.84615	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
18	Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	Yes	Receivables from affiliates	129,100	129,100	-	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Corporation	Yes	Receivables from affiliates	2,130,150	1,065,075	1,034,275	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)

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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			
19	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	\$ 484,500	\$ 484,500	\$ 268,185	2.34676-2.75000	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,068,754	\$ 4,597,230	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
20	Far Eastern Apparel (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	969,000	969,000	-	2.61000	2	-	For revolving fund	-	Promissory note	-	1,193,518	2,652,263	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
		Oriental Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	969,000	969,000	742,230	1.72610-2.75000	2	-	For revolving fund	-	Promissory note	-	1,193,518	2,652,263	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
21	Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	145,350	145,350	-	1.70326-1.77359	2	-	For revolving fund	-	Promissory note	-	203,867	453,038	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
22	Oriental Industries (Suzhou) Corporation	Far Eastern Apparel (Suzhou) Corporation	Yes	Other receivables - loans to related parties	484,500	484,500	-	2.91159	2	-	For revolving fund	-	Promissory note	-	4,908,058	10,906,796	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	Yes	Other receivables - loans to related parties	484,500	484,500	-	2.91159-2.97773	2	-	For revolving fund	-	Promissory note	-	4,908,058	10,906,796	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (WuXi) Corporation	Yes	Other receivables - loans to related parties	969,000	969,000	8,503	2.91159-2.96203	2	-	For revolving fund	-	Promissory note	-	4,908,058	10,906,796	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Other receivables - loans to related parties	339,150	339,150	339,150	2.00-2.50	2	-	For revolving fund	-	Promissory note	-	2,181,359	2,181,359	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Corporation	Yes	Other receivables - loans to related parties	1,623,075	1,623,075	701,934	2.61000-2.97773	2	-	For revolving fund	-	Promissory note	-	4,908,058	10,906,796	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	1,453,500	1,453,500	811,586	2.91159-2.97773	2	-	For revolving fund	-	Promissory note	-	4,908,058	10,906,796	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
23	Far Eastern Industries (WuXi) Corporation	Oriental Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	969,000	969,000	-	1.70326-2.75000	2	-	For revolving fund	-	Promissory note	-	2,788,517	6,196,705	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
24	Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	Yes	Other receivables - loans to related parties	72,675	-	-	5.90	2	-	For revolving fund	-	Promissory note	-	309,594	928,781	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F)
		Far Eastern New Century (China) Investment Corporation	Yes	Other receivables - loans to related parties	242,250	242,250	-	1.26500	2	-	For revolving fund	-	Promissory note	-	309,594	928,781	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F)
25	Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century (China) Investment Corporation	Yes	Other receivables - loans to related parties	726,750	726,750	-	1.26500	2	-	For revolving fund	-	Promissory note	-	4,374,023	7,873,242	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Everest Textile (Shanghai) Corporation	Yes	Other receivables - loans to related parties	242,250	242,250	145,350	4.20	2	-	For revolving fund	-	Promissory note	-	3,499,219	3,499,219	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Oriental Petrochemical (Shanghai) Corporation	Yes	Other receivables - loans to related parties	484,500	484,500	484,500	2.00	2	-	For revolving fund	-	Promissory note	-	3,499,219	3,499,219	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Other receivables - loans to related parties	1,792,650	1,792,650	1,792,650	2.00-3.00	2	-	For revolving fund	-	Promissory note	-	3,499,219	3,499,219	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
26	Wuhan Far Eastern New Material Corporation	Far Eastern New Century (China) Investment Corporation	Yes	Other receivables - loans to related parties	96,900	96,900	-	1.26500	2	-	For revolving fund	-	Promissory note	-	501,533	902,760	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			
27	Far Eastern New Century (China) Investment Corporation	Oriental Textile (Holding) Corporation	Yes	Other receivables - loans to related parties	\$ 96,900	\$ 96,900	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,037,932	\$ 7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Far Eastern Polychem Industries Corporation	Yes	Other receivables - loans to related parties	96,900	96,900	-	-	2	-	For revolving fund	-	Promissory note	-	5,037,932	7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		PET Far Eastern (Holding) Corporation	Yes	Other receivables - loans to related parties	96,900	96,900	-	-	2	-	For revolving fund	-	Promissory note	-	5,037,932	7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Yes	Other receivables - loans to related parties	58,140	58,140	29,211	1.26500	2	-	For revolving fund	-	Promissory note	-	5,037,932	7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Wuhan Far Eastern New Material Corporation	Yes	Other receivables - loans to related parties	96,900	96,900	96,134	1.26500	2	-	For revolving fund	-	Promissory note	-	5,037,932	7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Oriental Petrochemical (Shanghai) Corporation	Yes	Other receivables - loans to related parties	872,100	499,035	496,453	1.26500-3.00	2	-	For revolving fund	-	Promissory note	-	806,069	806,069	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Oriental Industries (Suzhou) Corporation	Yes	Other receivables - loans to related parties	726,750	726,750	677,622	1.26500	2	-	For revolving fund	-	Promissory note	-	5,037,932	7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Far Eastern Industries (Shanghai) Corporation	Yes	Other receivables - loans to related parties	5,620,200	4,941,900	3,365,293	1.26500	2	-	For revolving fund	-	Promissory note	-	5,037,932	7,053,105	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
28	Far Eastern Industries (Yangzhou) Corporation	Far Eastern Industries (Shanghai) Corporation	Yes	Other receivables - loans to related parties	242,250	242,250	242,250	3.00	2	-	For revolving fund	-	Promissory note	-	1,359,405	3,020,900	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Other receivables - loans to related parties	581,400	581,400	581,400	2.50-3.00	2	-	For revolving fund	-	Promissory note	-	604,180	604,180	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)

- 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 FENC’s net value of the current reviewed financial statements as of June 30, 2016.

C. The limit is equal to 50% of the FENC’s net value of the current reviewed financial statements as of June 30, 2016.

D. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

E. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

F. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

G. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

H. The limit is equal to 40% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

I. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

J. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

K. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

L. The limit is equal to 150% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

M. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

N. The limit is equal to 250% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

O. The limit is equal to 350% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

(Continued)

- P. The limit is equal to business transaction amount.
- Q. The limit is equal to 10% of the net value of the financier (based on reviewed financial statements) as of June 30, 2016.
- R. The limit is equal to 20% of the net value of the financier (based on reviewed financial statements) as of June 30, 2016.
- S. The limit is equal to 50% of the net value of the financier (based on reviewed financial statements) as of June 30, 2016.

(Concluded)

TABLE 5

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on behalf of Subsidiaries (Note N)	Endorsement/ Guarantee Given by Subsidiaries on behalf of Parent (Note N)	Endorsement/ Guarantee Given on behalf of Companies in Mainland China (Note N)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Corporation	(Note A)	\$ 95,184,190	\$ 2,301,750	\$ 1,984,125	\$ -	\$ -	1.04	\$ 190,368,379	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
1	Far EasTone Telecommunications Corporation	KGEx.com Corporation	(Note A)	32,817,640	45,000	-	-	-	-	65,635,280	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
2	Yuan Ding Investment Corporation	Far Eastern Apparel Corporation	(Note A)	19,327,218	130,000	130,000	70,000	-	0.34	38,654,436	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Oriental Resources Development Corporation	(Note A)	19,327,218	250,000	250,000	-	-	0.65	38,654,436	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Da Ju Fiber Corporation	(Note B)	19,327,218	360,000	340,000	87,000	-	0.88	38,654,436	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		PET Far Eastern (Holding) Corporation	(Note C)	19,036,838	669,000	645,500	640,994	-	1.67	19,036,838	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Polychem Industries Corporation	(Note C)	19,036,838	1,338,000	968,250	956,862	-	2.50	19,036,838	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Apparel (Holding) Corporation	(Note A)	19,327,218	1,003,500	968,250	568,040	-	2.50	38,654,436	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Oriental Textile (Holding) Corporation	(Note A)	19,327,218	1,572,150	1,516,925	628,545	-	3.92	38,654,436	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Far Eastern New Century Corporation	(Note D)	19,327,218	300,000	300,000	-	-	0.78	38,654,436	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Oriental Industries (Suzhou) Corporation	(Note A)	19,327,218	1,672,500	-	-	-	-	38,654,436	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
3	Far Eastern Resources Development Corporation	Far Eastern New Century Corporation	(Note D)	13,789,999	5,696,448	5,696,448	2,640,000	5,696,448	2.99	27,579,998	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
4	Yuan Ding Corporation	Ding Hotel Corporation	(Note A)	3,783,128	1,503,000	1,503,000	1,110,000	200,000	0.79	7,566,256	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	3,783,128	129,100	129,100	48,413	-	0.07	7,566,256	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on behalf of Subsidiaries (Note N)	Endorsement/ Guarantee Given by Subsidiaries on behalf of Parent (Note N)	Endorsement/ Guarantee Given on behalf of Companies in Mainland China (Note N)	Note
		Name	Relationship											
5	Far Eastern Construction Corporation	Far Eastern General Contractor Corporation	(Note A)	\$ 37,956,879	\$ 504,300	\$ 154,300	\$ 154,300	\$ -	1.22	\$ 37,956,879	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note J).
6	PET Far Eastern (Holding) Corporation	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	95,184,190	2,487,113	1,323,613	1,292,308	-	0.70	190,368,379	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note H); maximum amounts allowed for the period (Note G).
7	Oriental Industries (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	95,184,190	1,326,250	984,650	395,498	-	2.55	190,368,379	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note H); maximum amounts allowed for the period (Note G).

- Notes:
- A. Parent company's direct or indirect subsidiary.
 - B. Equity-method investee.
 - C. The guarantee provider and counter-party have the same ultimate parent company.
 - D. Parent company of the investee.
 - E. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor, based on latest audited/reviewed financial statements.
 - F. The amount of the collateral/guarantee is equal to the net value of the guarantor, based on latest audited/reviewed financial statements.
 - G. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company, based on latest audited/reviewed financial statements.
 - H. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company, based on latest audited/reviewed financial statements.
 - 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/reviewed financial statements as of June 30, 2016) and 50% of the net value of Yuan Ding Investment Corporation (based on audited/reviewed 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/reviewed financial statements.
 - K. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited/reviewed financial statements as of June 30, 2016) and the net value of Yuan Ding Investment Corporation (based on audited/reviewed financial statements as of December 31, 2015.)
 - L. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.
 - M. 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) Corporation: RMB364 thousand (NT\$1,764 thousand), the actual remittance was this same amount. (2) Far Eastern Apparel (Suzhou) Corporation: RMB700 thousand (NT\$3,392 thousand), the actual remittance was this same amount.
 - N. There will be a "Yes" if the situation meets any with endorsement/guarantee given by ultimate parent company on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of ultimate parent company and endorsement/guarantee given on behalf of companies in Mainland China.

(Concluded)

TABLE 6

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

JUNE 30, 2016

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 15,606,740	22.33	\$ 20,939,266	19,900 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	241,770	4,564,267	17.06	4,194,704	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,262,279	9.17	1,587,773	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	129	1,467	0.03	1,996	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	1,916,805	19.65	-	
	Pacific Liu Tong Investment Corporation (Note E)	(Note A)	Investments accounted for using the equity method	135,000	1,799,995	16.83	-	
	Yuan Ding Investment Corporation	(Note A)	Investments accounted for using the equity method	1,822,822	38,092,189	99.40	-	
	Far Eastern Resources Development Corporation	(Note A)	Investments accounted for using the equity method	557,354	98,639,906	100.00	-	
	Far Eastern Polytex (Holding) Corporation	(Note A)	Investments accounted for using the equity method	124	7,753,093	100.00	-	
	Far Eastern Polychem Industries Corporation	(Note A)	Investments accounted for using the equity method	830,815	7,497,578	73.04	-	
	Yuan Tong Investment Corporation	(Note A)	Investments accounted for using the equity method	705,147	7,773,987	100.00	-	
	Kai Yuan International Investment Corporation	(Note A)	Investments accounted for using the equity method	302,843	4,850,898	100.00	-	
	Far Eastern Investment (Holding) Corporation	(Note A)	Investments accounted for using the equity method	1,700	9,393,506	100.00	-	
	PET Far Eastern (Holding) Corporation	(Note A)	Investments accounted for using the equity method	333	4,997,595	90.54	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,183,311	7,433,564	75.56	-	
	Far Eastern Construction Corporation	(Note A)	Investments accounted for using the equity method	198,791	7,879,101	65.11	-	
	Yuan Ding Corporation	(Note A)	Investments accounted for using the equity method	186,929	3,210,692	37.13	-	
	An Ho Garment Corporation	(Note A)	Investments accounted for using the equity method	66,346	1,828,345	100.00	-	
	Ding Yuan International Investment Corporation	(Note A)	Investments accounted for using the equity method	205,000	2,561,101	100.00	-	
	FEDP (Holding) Corporation	(Note A)	Investments accounted for using the equity method	244	204,216	50.43	-	
	Fu Kwok Garment Manufacturing Corporation	(Note A)	Investments accounted for using the equity method	3,998	243,896	99.96	-	
	Ding Hotel Corporation	(Note A)	Investments accounted for using the equity method	19,772	21,941	19.00	-	
	Far Eastern Textile Corporation	(Note A)	Investments accounted for using the equity method	100	1,400	100.00	-	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	79,778	729,171	2.63	729,171	
Yuan Ding Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,876	555,746	0.53	498,727	43,145 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,431	1,469,979	9.19	1,591,970	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	20,465	421,814	1.44	355,067	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	118,869	1,077,400	25.23	1,836,530	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	1,066,658	21,420,038	32.73	83,092,628	
	Far Eastern Polychem Industries Corporation	(Note A)	Investments accounted for using the equity method	306,644	2,767,450	26.96	-	78,125 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Apparel (Holding) Corporation	(Note A)	Investments accounted for using the equity method	111	2,839,199	100.00	-	
	Da Ju Fiber Corporation	(Note A)	Investments accounted for using the equity method	27,305	1,512,295	41.86	-	
	Far Eastern Apparel Corporation	(Note A)	Investments accounted for using the equity method	24,736	261,929	100.00	-	
	Yuan Faun Corporation	(Note A)	Investments accounted for using the equity method	5,000	117,330	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	3,729	72,670	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	385,689	46.20	-	
	Far Eastern Fibertech Corporation	(Note A)	Investments accounted for using the equity method	91,000	1,118,727	100.00	-	
	Oriental Resources Development Corporation	(Note A)	Investments accounted for using the equity method	34,242	318,773	70.00	-	
	Liquid Air Far East Corporation	(Note A)	Investments accounted for using the equity method	86,615	1,584,485	35.00	-	
	Freudenberg Far Eastern Spunweb Corporation	(Note A)	Investments accounted for using the equity method	13,052	254,544	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,637,841	25.96	-	
	Yuan Ding Corporation	(Note A)	Investments accounted for using the equity method	64,759	1,140,044	12.86	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Far Eastern Investment (Holding) Corporation	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	\$ 925,209	16.87	\$ -	
	Oriental Textile (Holding) Corporation	(Note A)	Investments accounted for using the equity method	110	8,106,396	100.00	-	
	Pacific Liu Tong Investment Corporation (Note E)	(Note A)	Investments accounted for using the equity method	119,653	1,509,079	14.92	-	
	Yu Yuan Investment Corporation	(Note A)	Investments accounted for using the equity method	98,198	551,215	18.96	-	
	Far Eastern General Contractor Corporation	(Note A)	Investments accounted for using the equity method	1,490	21,672	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	81,374	518,668	5.20	-	
	Chung Nan Textile Corporation	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Overseas Investment and Development Corporation	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	Universal Venture Capital Investment Corporation	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	China Investment and Development Corporation	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Taiwan Stock Exchange Corporation	-	Financial assets carried at cost - non-current	1,029	22,493	0.16	-	
	Oriental Securities Investment Consultant Corporation	-	Financial assets carried at cost - non-current	1	10	-	-	
	Dah Chung Bills Finance Corporation	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	8,859	220,146	1.05	220,146	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	108,534	992,005	3.58	992,005	
	Financial assets under asset management contracts (Note F)							
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	250	16,363	-	16,363	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	100	7,780	-	7,780	
	Tong Yang Industry Corporation	-	Financial assets at fair value through profit or loss - current	60	2,868	-	2,868	
	Chicony Electronics Corporation	-	Financial assets at fair value through profit or loss - current	20	1,450	-	1,450	
	E.Sun FHC	-	Financial assets at fair value through profit or loss - current	400	7,600	-	7,600	
	FETG Investment Autilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,575,649	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	226,687	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	13,733	20.00	-	
	Far Eastern Apparel (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	506,130	100.00	-	
	Worldwide Polychem (HK) Corporation	(Note A)	Investments accounted for using the equity method	2,700	73,337	100.00	-	
	Opas Fund Segregated Portfolio Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,694	34.00	-	
	Far Eastern Polytex (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	468,141	100.00	-	
	Far Eastern New Apparel (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	236,747	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	225,287	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	226,687	50.00	-	
Ding Yuan International Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	431,557	0.39	368,886	15,000 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	3,878	86,911	0.27	67,283	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	2,470	21,013	0.52	38,163	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,710	669,965	3.13	541,740	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	920	39,905	0.03	71,641	
	Pacific Liu Tong Investment Corporation (Note E)	(Note A)	Investments accounted for using the equity method	18,000	221,677	2.24	-	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	11,074	306,813	13.20	-	
	Fu Kwok Garment Manufacturing Corporation	(Note A)	Investments accounted for using the equity method	1	60	0.03	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	80,649	737,136	2.66	737,136	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Kai Yuan International Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	\$ 648,809	0.60	\$ 563,789	23,800 thousand shares pledged or mortgaged as collaterals for loans.
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	34,149	1,079,951	1.05	2,660,210	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	34,854	712,384	3.94	681,399	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	20,672	553,130	1.46	358,662	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	496,443	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	926,262	16.80	-	
	Pacific Liu Tong Investment Corporation (Note E)	(Note A)	Investments accounted for using the equity method	18,000	221,878	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	97,912	894,915	3.23	894,915	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	422	10,487	0.05	10,487	
Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	7,919,490	87.64	-	
	PET Far Eastern (Holding) Corporation	(Note A)	Investments accounted for using the equity method	35	527,167	9.46	-	
	FEDP (Holding) Corporation	(Note A)	Investments accounted for using the equity method	240	200,733	49.57	-	
	Far Eastern Industries (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,510,456	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	791,204	90.00	-	
	Bank of Chongqing	-	Available-for-sale financial assets - non-current	3,884	96,261	0.25	96,261	
	Nippon Parison Corporation	-	Financial assets carried at cost - non-current	4	70,459	10.00	-	
Far Eastern Construction Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	519,830	0.53	494,559	
	Far Eastern General Contractor Corporation	(Note A)	Investments accounted for using the equity method	147,413	1,967,533	98.95	-	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	39,506	0.19	39,506	
Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	547,475	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	2,432,849	100.00	-	
Far Eastern Apparel Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	14,541	0.01	13,085	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	90	6,302	-	7,011	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	7	100	0.01	-	
Far Eastern General Contractor Corporation	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	18,550	0.09	18,550	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	7,572	43,835	2.72	-	
	Ya-Li Precast Prestressed Concrete Industries Corporation	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	Far Eastern Technical Consultants Corporation	(Note A)	Investments accounted for using the equity method	450	5,222	9.00	-	
	CTBC Hwa-win Money Market Fund	(Note A)	Financial assets at fair value through profit or loss - current	3,024	50,011	-	50,011	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,573,906	100.00	-	
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Corporation	(Note A)	Investments accounted for using the equity method	30	513,473	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	(Note A)	Financial assets carried at cost - non-current	20,513	-	-	-	
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note H)	(45)	99.00	-	
An Ho Garment Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	40,818	998,539	1.25	3,179,690	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	225,413	0.18	170,014	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	258,974	1.26	219,038	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	370	10,905	0.03	6,416	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	6,005	86,800	0.84	-	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	13,146	265,881	15.66	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Yuan Faun Corporation	Pacific Liu Tong Investment Corporation (Note E)	(Note A)	Investments accounted for using the equity method	9,681	\$ 124,476	1.21	\$ -	34,100 thousand shares pledged or mortgaged as collaterals for loans.
	Yuan Ding Investment Corporation	(Note A)	Investments accounted for using the equity method	5,502	158,627	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	20,083	183,559	0.66	183,559	
	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	11,611	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	4,256	38,897	0.14	38,897	
	Yi Tong Fiber Corporation	(Note A)	Financial assets carried at cost - non-current	3,504	28,519	3.56	-	
Fu Kwok Garment Manufacturing Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	520	19,734	0.02	40,508	
Yuan Tong Investment Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	100,237	2,620,206	3.08	7,808,465	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	39,619	1,204,460	2.80	687,381	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,673,034	5.61	971,740	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,019,538	0.85	797,365	
	Pacific Liu Tong Investment Corporation (Note E)	(Note A)	Investments accounted for using the equity method	18,000	220,680	2.24	-	
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	77,257	329,443	11.98	-	
	Liquid Air Far East Corporation	(Note A)	Investments accounted for using the equity method	1	23	-	-	
	Sino Belgium (Holding) Corporation	(Note A)	Other liabilities - other	36	(56,761)	90.88	-	
	Freudenberg Far Eastern Spunweb Corporation	(Note A)	Investments accounted for using the equity method	1	29	-	-	
	Malaysia Garment Manufactures Pte. Corporation	(Note A)	Investments accounted for using the equity method	10	176,032	13.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,407	177,384	0.64	177,384	
	Ding Shen Investment Corporation	(Note A)	Financial assets carried at cost - non-current	39,600	396,000	18.00	-	
	Bockhold N.V - stock	(Note A)	Financial assets carried at cost - non-current	1	182,283	12.51	-	
	Financial assets under asset management contracts (Note F)							
	Yuanta Financial Holding Corporation	-	Financial assets at fair value through profit or loss - current	1,057	10,993	-	10,993	
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	250	16,363	-	16,363	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	80	6,224	-	6,224	
	E.Sun FHC	-	Financial assets at fair value through profit or loss - current	500	9,500	-	9,500	
	Tong Yang Industry Corporation	-	Financial assets at fair value through profit or loss - current	60	2,867	-	2,867	
	Chicony Electronics Corporation	-	Financial assets at fair value through profit or loss - current	20	1,450	-	1,450	
Far Eastern Apparel (Suzhou) Corporation	An Ho Garment (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	52,495	100.00	-	
PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	3,030,702	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,559,872	50.00	-	
	Tong Da Air Industry (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	999,096	50.00	-	
Oriental Textile (Holding) Corporation	Far Eastern Industries (WuXi) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	3,142,093	100.00	-	
	Oriental Industries (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	5,601,117	100.00	-	
FEDP (Holding) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	171,253	100.00	-	
Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,007,439	100.00	-	
	Far Eastern Apparel (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	876,017	61.54	-	
	Far Eastern New Century (China) Investment Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,554,070	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	4,260,685	60.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Far Eastern New Century (China) Investment Corporation	Far Eastern Industries (Shanghai) Corporation Shanghai Yuan Zi Information Corporation Oriental Petrochemical (Shanghai) Corporation Yuan Ding Enterprise (Shanghai) Corporation	(Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	(Note H) (Note H) (Note H) (Note H)	\$ 1,116,897 65,441 462,143 193,953	12.36 100.00 8.11 100.00	\$ - - - -	
Sino Belgium (Holding) Corporation	Sino Belgium Beer (Suzhou) Corporation Martens Beers Trading (Shanghai) Corporation	(Note A) (Note A)	Other liabilities - other Investments accounted for using the equity method	(Note H) (Note H)	(65,978) 21,854	100.00 100.00	- -	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	132,871	100.00	-	
Far Eastern Industries (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	14,837	71,887	-	71,887	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	604,235	2,927,517	-	2,927,517	
Yuan Ding Corporation	YDT Technology International Corporation Ding Integrated Marketing Services Corporation Far Eastern Technical Consultants Corporation YDC (Virgin Islands) Corporation Ding Hotel Corporation Far Eastern Electronic Commerce Corporation FET Consulting Engineers Corporation Asia Cement Corporation Far EasTone Telecommunications Corporation Yu Yuan Investment Corporation	(Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	13,992 41,633 4,550 - 64,502 23,913 85,000 5,329 4,164 129,637	281,830 211,857 53,140 8,821 71,422 (178,151) 501,664 191,546 104,437 1,623,944	100.00 60.00 91.00 17.70 61.99 53.08 100.00 0.16 0.13 25.02	- - - - - - - 148,669 324,337 -	119,000 thousand shares pledged or mortgaged as collaterals for loans
	Yue Ming Corporation Yu Ding Industry Corporation FEDS Asia Pacific Development Corporation	(Note A) (Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method Investments accounted for using the equity method	82 2,175 10,650	791 43,604 133,488	1.00 2.59 5.00	- - -	10,236 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Corporation Yuan Hsin Digital Payment Corporation Far Eastern New Century Corporation Far Eastern International Bank	(Note A) (Note A) (Note J) (Note D)	Investments accounted for using the equity method Investments accounted for using the equity method Financial assets at fair value through profit or loss - current Available-for-sale financial assets - non-current	96,312 30,000 779 7,592	405,271 191,483 18,705 69,392	14.93 20.00 - 0.25	- - 18,705 69,392	
Ding Integrated Marketing Services Corporation	Far Eastern Electronic Commerce Corporation Yuan Hsin Digital Payment Corporation DDIM (Virgin Islands) Corporation Pacific SOGO Department Stores DFE DWS Taiwan Money Market	(Note A) (Note A) (Note A) - -	Other liabilities - other Investments accounted for using the equity method Investments accounted for using the equity method Financial assets carried at cost - non-current Financial assets at fair value through profit or loss - current	79 22,515 (Note H) 1 12,192	(605) 143,705 3,675 10 141,013	0.18 15.01 46.13 - -	- - - - 141,013	
Far Eastern Technical Consultants Corporation	Cosmos Foreign Exchange Intl. Corporation	-	Financial assets carried at cost - non-current	480	4,800	4.00	-	
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	4,292	53.87	-	
YDC (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Inc. Speedy (Shanghai) Digital Tech. Corporation	(Note A) (Note A)	Investments accounted for using the equity method Investments accounted for using the equity method	(Note H) (Note H)	35 48,158	0.46 100.00	- -	
DDIM (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	7,485	99.54	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
YDT Technology International Corporation	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	120	\$ 1,198	0.03	\$ 1,860	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	2,764	95,480	0.19	47,953	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,170	-	1,689	
	YDC (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	1	41,016	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,670	24,402	0.09	24,402	
	Oriental Securities Investment Consultant Corporation	-	Financial assets carried at cost - non-current	1	10	-	-	
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	(Note A)	Investments accounted for using the equity method	2,100,000	26,057,674	100.00	-	
	ARCOA Communication Corporation	(Note A)	Investments accounted for using the equity method	82,762	1,253,282	61.63	-	
	KGEx.com Corporation	(Note A)	Investments accounted for using the equity method	78,896	829,731	99.99	-	
	Hiiir Digital Marketing Corporation	(Note A)	Investments accounted for using the equity method	53,726	6,463	89.54	-	
	Yuan Cing Corporation	(Note A)	Investments accounted for using the equity method	19,350	143,851	99.99	-	
	Far Eastern Info Service (Holding) Corporation	(Note A)	Other liabilities - other	1	(49,771)	100.00	-	
	O-music Corporation	(Note A)	Investments accounted for using the equity method	2,500	6,039	50.00	-	
	Q-ware Communications Corporation	(Note A)	Other liabilities - other	33,983	(68,669)	81.46	-	
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	254,240	662,009	39.42	-	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	45,000	287,219	30.00	-	
	Ding Integrated Marketing Services Corporation	(Note A)	Investments accounted for using the equity method	10,408	52,893	15.00	-	
	Alliance Digital Technology Corporation	(Note A)	Investments accounted for using the equity method	3,000	11,081	13.33	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Other liabilities - other	6,691	(49,359)	14.85	-	
	App Works Fund II Corporation	-	Financial assets carried at cost - non-current	15,000	150,000	11.11	-	
ARCOA Communication Corporation	DataExpress Infotech Corporation	(Note A)	Investments accounted for using the equity method	12,866	179,420	70.00	-	
	THI consultants	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Web Point Corporation	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Century InfoComm Corporation	New Diligent Corporation	(Note A)	Investments accounted for using the equity method	106,000	797,741	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	101,666	100.00	-	
	Digital United (Cayman) Corporation	(Note A)	Investments accounted for using the equity method	4,320	25,723	100.00	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Other liabilities - other	2,392	(17,645)	5.31	-	
	Ding Integrated Marketing Services Corporation	(Note A)	Investments accounted for using the equity method	3,469	17,631	5.00	-	
	Opas Fund Segregated Portfolio Tranche A	-	Available-for-sale financial assets - current	15	449,962	-	449,962	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	4	152,591	-	152,591	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	Bank Pro E-service Technology Corporation	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
New Diligent Corporation	Sino Lead Enterprise Corporation	(Note A)	Investments accounted for using the equity method	-	84	100.00	-	
	Far Eastern New Diligent Corporation	(Note A)	Investments accounted for using the equity method	-	21,727	100.00	-	
DataExpress Infotech Corporation	Linkwell Tech. Corporation	(Note A)	Investments accounted for using the equity method	-	44,729	100.00	-	
	Home Master Technology Corporation	(Note A)	Other liabilities - other	-	(7,942)	100.00	-	
Digital United (Cayman) Corporation	Digital United Information Technologies (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	-	5,237	100.00	-	
Far Eastern Tech-info Corporation (Shanghai)	Far Eastern New Century Information Technology (Beijing) Corporation	(Note A)	Investments accounted for using the equity method	-	1,248	2.12	-	
Far Eastern New Diligent Corporation	Far Eastern New Century Information Technology (Beijing) Corporation	(Note A)	Investments accounted for using the equity method	-	45,278	76.92	-	
	Far Eastern Tech-info Corporation (Shanghai)	(Note A)	Investments accounted for using the equity method	-	60,520	58.33	-	
Far Eastern Info Service (Holding) Corporation	Far Eastern Tech-info Corporation (Shanghai)	(Note A)	Investments accounted for using the equity method	-	43,235	41.67	-	

(Continued)

- Notes:
- A. Equity-method investee.
 - B. Investor company and investee have the same chairman.
 - C. The vice chairman of investee is the chairman of FENC.
 - D. The chairman of FENC is the vice chairman of the investee company.
 - E. 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 Corporation
 - G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tong Investment Corporation
 - H. A foreign owned 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 can’t be reliably measured.
 - J. Parent company.
 - K. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer to Tables 11 and 12.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(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 General Contractor Corporation	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,595	\$ 50,000	46,460	\$ 506,000	51,055	\$ 556,124	\$ 556,000	\$ 124	\$ -	-	\$ -
Far Eastern Investment (Holding) Corporation	Far Eastern Polytex (Vietnam) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US\$ 5,219	(Note B)	US\$ 9,700	-	-	-	-	US\$ (414)	(Note B)	US\$ 14,505
Far Eastern Polychem Industries Corporation	Far Eastern Ishizuka Green Pet Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	172	HK\$ 8,754	3,406	HK\$ 189,088	-	-	-	-	HK\$ (7,603)	3,578	HK\$ 190,239
Far Eastern Yihua petrochemical (Yangzhou) Corporation	Yoshizane Money Market Fund B (Note C)	Financial assets at fair value through profit or loss - current	-	-	561,532	RMB 561,532	1,267,206	RMB 1,267,206	1,233,192	RMB 1,233,192	RMB 1,233,192	RMB -	-	604,235	RMB 604,235

Notes: A. Subsidiary.

B. A foreign owned company

C. The transaction of Yoshizane Money Market Fund B were purchased and redeemed based on one unit for RMB1, the dividend were reinvested original unit when holding period, difference of unit were the dividend reinvested.

TABLE 8

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(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 Petrochemical (Taiwan) Corporation	(Note A)	Purchase	\$ 4,116,898	20	Based on contract	\$ -	-	\$ -	-	\$ (807,605)	(24)	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	126,505	1	Based on contract	-	-	-	-	(59,515)	(2)	
	Oriental Resources Development Corporation	(Note A)	Purchase	154,249	1	Based on contract	-	-	-	-	(29,038)	(1)	
	Far Eastern Apparel (Vietnam) Corporation	(Note A)	Sale	(113,728)	(1)	Based on contract	-	-	-	-	50,204	1	
	Worldwide Polychem (HK) Corporation	(Note A)	Sale	(1,325,024)	(6)	Based on contract	-	-	-	-	768,801	11	
	Far Eastern Industries (Shanghai) Corporation	(Note A)	Sale	(572,864)	(3)	Based on contract	-	-	-	-	173,225	2	
	Oriental Union Chemical Corporation	(Note D)	Purchase	538,994	3	Based on contract	-	-	-	-	(85,476)	(3)	
	Everest Textile Corporation	(Note D)	Sale	(144,411)	(1)	Based on contract	-	-	10,524	6	1,735	-	
	Freudenberg Far Eastern Spunweb Corporation	(Note I)	Sale	(146,717)	(1)	Based on contract	-	-	-	-	56,369	1	
Far Eastern Apparel (Holding) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note A)	Purchase	2,006,116	55	Based on contract	-	-	-	-	(685,935)	(51)	
	Far Eastern Apparel (Suzhou) Corporation	(Note C)	Purchase	846,291	23	Based on contract	-	-	-	-	(324,884)	(24)	
	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Purchase	769,655	21	Based on contract	-	-	-	-	(326,576)	(24)	
	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Sale	(176,313)	(5)	Based on contract	-	-	-	-	39,036	7	
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Industries (WuXi) Corporation	(Note C)	Purchase	272,335	11	Based on contract	-	-	-	-	(44,782)	(6)	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	111,080	4	Based on contract	-	-	-	-	(30,388)	(4)	
	Far Eastern Apparel (Holding) Corporation	(Note B)	Sale	(2,006,116)	(71)	Based on contract	-	-	-	-	685,935	68	
	Far Eastern Apparel (Suzhou) Corporation	(Note C)	Sale	(139,127)	(5)	Based on contract	-	-	-	-	50,067	5	
Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	572,864	6	Based on contract	-	-	-	-	(173,225)	(6)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	2,654,029	26	Based on contract	-	-	(807,738)	(90)	(131,304)	(5)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	308,815	3	Based on contract	-	-	-	-	(204,026)	(7)	
	Far Eastern Polychem Industries Corporation	(Note B)	Sale	(3,945,381)	(36)	Based on contract	-	-	-	-	514,471	85	
	Wuhan Far Eastern New Material Corporation	(Note C)	Sale	(329,420)	(3)	Based on contract	-	-	-	-	181,924	30	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note E)	Purchase	476,737	5	Based on contract	-	-	-	-	(183,432)	(7)	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Sale	(111,080)	(1)	Based on contract	-	-	-	-	30,388	5	
Far Eastern Industries (Suzhou) Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	676,887	56	Based on contract	-	-	(238,155)	(100)	(139,440)	(54)	
	Oriental Industries (Suzhou) Corporation	(Note C)	Sale	(1,096,153)	(89)	Based on contract	-	-	159,982	100	223,570	83	
Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	(Note A)	Purchase	3,945,381	96	Based on contract	-	-	-	-	(514,471)	(61)	
	Wuhan Far Eastern New Material Corporation	(Note A)	Purchase	122,539	3	Based on contract	-	-	-	-	(48,087)	(15)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(501,244)	(12)	Based on contract	-	-	-	-	236,222	20	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(2,654,029)	(34)	Based on contract	-	-	807,738	34	131,304	48	
	Far Eastern Industries (Suzhou) Corporation	(Note C)	Sale	(676,887)	(9)	Based on contract	-	-	238,155	10	139,440	51	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(4,116,898)	(54)	Based on contract	-	-	-	-	807,605	53	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(308,815)	(4)	Based on contract	-	-	-	-	204,026	13	

(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 Industries (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation Oriental Textile (Holding) Corporation	(Note C) (Note B)	Purchase	\$ 1,096,153	36	Based on contract	\$ -	-	\$ (159,982)	(69)	\$ (223,570)	(35)	
			Sale	(1,614,494)	(46)	Based on contract	-	-	-	-	533,851	42	
Oriental Textile (Holding) Corporation	Oriental Industries (Suzhou) Corporation	(Note A)	Purchase	1,614,494	95	Based on contract	-	-	-	-	(533,851)	(94)	
Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	(769,655)	(51)	Based on contract	-	-	-	-	326,576	55	
	Far Eastern Apparel (Holding) Corporation	(Note C)	Purchase	176,313	14	Based on contract	-	-	-	-	(39,036)	(47)	
	Far Eastern New Century Corporation	(Note B)	Purchase	113,728	9	Based on contract	-	-	-	-	(50,204)	(61)	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Corporation	(Note C)	Purchase	501,244	70	Based on contract	-	-	-	-	(236,222)	(99)	
Wuhan Far Eastern New Material Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	329,420	64	Based on contract	-	-	-	-	(181,924)	(68)	
	Far Eastern Polychem Industries Corporation	(Note C)	Sale	(122,539)	(21)	Based on contract	-	-	-	-	48,087	32	
Worldwide Polychem (HK) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	1,325,024	99	Based on contract	-	-	-	-	(768,801)	(83)	
Far Eastern Industries (WuXi) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Sale	(272,335)	(20)	Based on contract	-	-	-	-	44,782	24	
Far Eastern Apparel (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	(846,291)	(65)	Based on contract	-	-	-	-	324,884	65	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Purchase	139,127	12	Based on contract	-	-	-	-	(50,067)	(7)	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(126,505)	(31)	Based on contract	-	-	-	-	59,515	97	
Oriental Resources Development Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(154,249)	(57)	Based on contract	-	-	-	-	29,038	54	
Far Eastern General Contractor Corporation	Far Eastern Department Stores Corporation	(Note D)	Lease revenue	(101,589)	(41)	Based on contract	-	-	-	-	105,654	78	
	Ya Tung Ready-mixed Concrete Corporation	(Note E)	Purchase	141,393	7	Based on contract	-	-	-	-	-	-	
	Far Eastern Department Stores Corporation	(Note D)	Construction revenue	(111,100)	5	Based on contract	-	-	-	-	94,055	17	
Far EasTone Telecommunications Corporation	ARCOA Communication Corporation	(Note A)	Cost of telecommunications services, marketing expense and purchase	7,419,046	24	Based on contract	-	-	-	-	(979,415)	(10)	
	New Century InfoComm Corporation	(Note A)	Operating revenue	(302,150)	(1)	Based on contract	-	-	-	-	3,136	-	(Note F)
			Cost of telecommunications services	2,033,974	9	Based on contract	-	-	-	-	(854,835)	(8)	
	O-music Corporation	(Note A)	Cost of telecommunications services	114,798	1	Based on contract	-	-	-	-	(40,524)	-	
	DataExpress Infotech Corporation	(Note H)	Operating revenue	(109,786)	-	Based on contract	-	-	-	-	8,045	-	
New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	(Note B)	Operating revenue	(2,033,974)	(30)	Based on contract	-	-	-	-	854,835	52	(Note G)
			Cost of telecommunications services	302,150	7	Based on contract	-	-	-	-	(3,136)	-	
ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	(Note B)	Operating revenue	(7,419,046)	(77)	Based on contract	-	-	-	-	979,415	80	
O-music Corporation	Far EasTone Telecommunications Corporation	(Note B)	Operating revenue	(114,798)	(98)	Based on contract	-	-	-	-	40,524	98	
DataExpress Infotech Corporation	Far EasTone Telecommunications Corporation	(Note B)	Operating cost and cost of sales	109,786	8	Based on contract	-	-	-	-	(8,045)	(6)	

(Continued)

- Note:
- A. Subsidiary.
 - B. Parent company.
 - C. Same ultimate parent company.
 - D. The equity-method investee.
 - E. The chairman is the chairman of the ultimate parent company.
 - F. 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.
 - G. Including the receivables collected by Far EasTone for NCIC.
 - H. Grandson company.
 - I. The equity-method investee of FENC’s subsidiary.

(Concluded)

TABLE 9**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RECEIVABLES FROM AFFILIATES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE SIX MONTHS ENDED JUNE 30, 2016****(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) Corporation	(Note B)	\$ 768,801	3.74	\$ -	-	\$ 271,523	\$ -
	Far Eastern Industries (Shanghai) Corporation	(Note B)	173,225	5.61	-	-	73,579	-
Far Eastern Polychem Industries Corporation	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	236,222	4.07	-	-	43,795	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	807,605	12.81	-	-	806,285	-
	Far Eastern Industries (Shanghai) Corporation	(Note D)	204,026	1.04	-	-	45,339	-
Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	326,576	5.41	-	-	165,939	-
Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Corporation	(Note C)	514,471	10.74	-	-	418,825	-
	Wuhan Far Eastern New Material Corporation	(Note D)	181,924	4.02	-	-	60,331	-
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	685,935	7.14	-	-	485,391	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note D)	939,042	5.52	-	-	131,304	-
	Far Eastern Industries (Suzhou) Corporation	(Note D)	377,595	3.50	-	-	91,307	-
Oriental Industries (Suzhou) Corporation	Oriental Textile (Holding) Corporation	(Note C)	533,851	6.61	-	-	256,386	-
Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	(Note D)	383,552	7.19	-	-	383,552	-
Far Eastern Apparel (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	324,884	5.68	-	-	317,313	-
Far Eastern Construction Corporation	Far Eastern Department Stores Corporation	(Note E)	105,654	(Note F)	-	-	-	-
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	(Note B)	118,269	(Note G)	-	-	97,650	-
	ARCOA Communication Corporation	(Note B)	143,630	11.20	-	-	114,565	-
New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	(Note C)	941,496	(Note H)	-	-	424,686	-
ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	(Note C)	979,415	13.73	-	-	979,415	-

(Continued)

Notes: A. This table does not include the receivables from financier. For more details, please refer to Table 4.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

E. The chairman of the Company is the chairman of FENC.

F. The turnover rate was unavailable due to the main component of receivables from related parties was rent equalization.

G. The turnover rate was unavailable due to the receivables from related parties were mainly from the advance payments made for NCIC’s daily operating expenditures, and the operating management service revenue from NCIC.

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

(Concluded)

TABLE 10

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars)**

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
0	Far Eastern New Century Corporation	Worldwide Polychem (HK) Corporation	1	Accounts receivable	\$ 768,801	Based on agreement	-
		Worldwide Polychem (HK) Corporation	1	Sales	1,325,024	Based on agreement	2
		Far Eastern Industries (Shanghai) Corporation	1	Sales	572,864	Based on agreement	1
		Far Eastern Industries (Shanghai) Corporation	1	Accounts receivable	173,225	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	1	Sales	113,728	Based on agreement	-
1	Yuan Ding Investment Corporation	Yuan Tong Investment Corporation	3	Other receivables	458,000	Based on agreement	-
		Yuan Tong Investment Corporation	3	Interest revenue	2,372	Based on agreement	-
		Kai Yuan International Investment Corporation	3	Other receivables	672,000	Based on agreement	-
		Kai Yuan International Investment Corporation	3	Interest revenue	4,137	Based on agreement	-
		An Ho Garment Corporation	3	Other receivables	400,000	Based on agreement	-
		An Ho Garment Corporation	3	Interest revenue	2,990	Based on agreement	-
2	Far Eastern Polychem Industries Corporation	Pet Far Eastern (M) Sdn. Bhd.	3	Sales	501,244	Based on agreement	1
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	236,222	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Other receivables	96,825	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	3	Other receivables	74,233	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	3	Interest revenue	2,895	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Other receivables	15,715	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	1,453,500	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	2,547	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	4,973	Based on agreement	-
3	Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	2	Accounts receivable	807,605	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	4,116,898	Based on agreement	7
		Far Eastern Industries (Shanghai) Corporation	3	Accounts receivable	204,026	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Sales	308,815	Based on agreement	1
4	Far Eastern Investment (Holding) Corporation	Far Eastern Polytex (Holding) Corporation	3	Other receivables	1,000,525	Based on agreement	-
		Far Eastern Polytex (Holding) Corporation	3	Interest receivables	6,932	Based on agreement	-
		Far Eastern Polytex (Holding) Corporation	3	Interest revenue	11,756	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Other receivables	1,713,803	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest receivables	352	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest revenue	17,411	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Other receivables	225,096	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest receivables	59,607	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest revenue	1,959	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	3	Other receivables	290,475	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
		Sino Belgium (Holding) Corporation	3	Other receivables	\$ 151,693	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Interest receivables	445	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Interest revenue	1,432	Based on agreement	-
		PET Far Eastern (Holding) Corporation	3	Other receivables	761,690	Based on agreement	-
		PET Far Eastern (Holding) Corporation	3	Interest receivables	6,049	Based on agreement	-
		PET Far Eastern (Holding) Corporation	3	Interest revenue	5,558	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	969,000	Based on agreement	-
		Far Eastern New Apparel (Vietnam) Corporation	3	Other receivables	112,963	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Other receivables	1,100,578	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	513	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest revenue	2,134	Based on agreement	-
		Worldwide Polychem (HK) Corporation	3	Other receivables	67,778	Based on agreement	-
5	PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	258,200	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	1,501,950	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	5,160	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	11,970	Based on agreement	-
6	Far Eastern Polytex (Holding) Corporation	Far Eastern New Century (China) Investment Corporation	3	Other receivables	1,034,275	Based on agreement	-
7	Yuan Ding Corporation	Far Eastern Electronic Commerce Corporation	3	Other receivables	100,000	Based on agreement	-
		Far Eastern Electronic Commerce Corporation	3	Interest receivables	96	Based on agreement	-
		Far Eastern Electronic Commerce Corporation	3	Interest revenue	500	Based on agreement	-
8	Oriental Textile (Holding) Corporation	Oriental Industries (Suzhou) Corporation	3	Other receivables	477,565	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	1,405,050	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	2,961	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	5,778	Based on agreement	-
9	Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Vietnam) Corporation	3	Sales	176,313	Based on agreement	-
		Far Eastern Apparel (Suzhou) Corporation	3	Other receivables	193,650	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Other receivables	645,500	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Other receivables	445,395	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest receivables	331	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	1,008	Based on agreement	-
10	Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	326,576	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	769,655	Based on agreement	1
11	Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Corporation	3	Accounts receivable	514,471	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Sales	3,945,381	Based on agreement	7
		Wuhan Far Eastern New Material Corporation	3	Accounts receivable	181,924	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Sales	329,420	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	484,500	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest receivables	1,628	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	1,681	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Sales	111,080	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
12	Far Eastern Industries (Yangzhou) Corporation	Far Eastern Industries (Shanghai) Corporation	3	Other receivables	\$ 242,250	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Interest receivables	6,258	Based on agreement	-
13	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	685,935	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	2,006,116	Based on agreement	4
		Oriental Industries (Suzhou) Corporation	3	Other receivables	268,185	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	1,173	Based on agreement	-
		Far Eastern Apparel (Suzhou) Corporation	3	Sales	139,127	Based on agreement	-
14	Waldorf Services B.V.	Far Eastern Investment (Holding) Corporation	3	Other receivables	484,125	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest receivables	5,409	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	4,578	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Other receivables	342,115	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest receivables	3,706	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Other receivables	351,798	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	1,683	Based on agreement	-
15	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	3	Accounts receivable	131,304	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Notes receivable	807,738	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Sales	2,654,029	Based on agreement	5
		Far Eastern Industries (Suzhou) Corporation	3	Accounts receivable	139,440	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Notes receivable	238,155	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Sales	676,887	Based on agreement	1
16	Far Eastern Industries (WuXi) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Sales	272,335	Based on agreement	-
17	Oriental Industries (Suzhou) Corporation	Oriental Textile (Holding) Corporation	3	Accounts receivable	533,851	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Sales	1,614,494	Based on agreement	3
		Far Eastern Industries (Suzhou) Corporation	3	Other receivables	811,586	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest receivables	1,818	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest revenue	8,717	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Other receivables	701,934	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Interest receivables	8,730	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Interest revenue	9,058	Based on agreement	-
		Far Eastern Industries (WuXi) Corporation	3	Other receivables	8,503	Based on agreement	-
		Far Eastern Industries (WuXi) Corporation	3	Interest receivables	111	Based on agreement	-
		Far Eastern Industries (WuXi) Corporation	3	Interest revenue	208	Based on agreement	-
18	Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	3	Accounts receivable	223,570	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Notes receivable	159,982	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Sales	1,096,153	Based on agreement	2
19	Far Eastern Apparel (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	3	Other receivables	742,230	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest receivables	7,632	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	7,879	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	324,884	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	846,291	Based on agreement	2

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
20	Far Eastern New Century (China) Investment Corporation	Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	\$ 496,453	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	1,189	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Other receivables	3,365,293	Based on agreement	1
		Far Eastern Industries (Shanghai) Corporation	3	Interest revenue	15,755	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Other receivables	677,622	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	3,846	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Other receivables	96,134	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Interest revenue	594	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Other receivables	29,211	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Interest revenue	181	Based on agreement	-
21	YDT Technology International Corporation	Yuan Ding Corporation	3	Other receivables	100,000	Based on agreement	-
		Yuan Ding Corporation	3	Interest receivables	104	Based on agreement	-
		Yuan Ding Corporation	3	Interest revenue	637	Based on agreement	-
22	Ding Integrated Marketing Services Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Other receivables	16,138	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest receivables	51	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest revenue	51	Based on agreement	-
23	FEDP (Holding) Corporation	Far Eastern Investment (Holding) Corporation	3	Other receivables	35,503	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest receivables	96	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	97	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Other receivables	193,650	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	529	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest revenue	526	Based on agreement	-
24	Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	2	Sales	126,505	Based on agreement	-
25	Oriental Resources Development Corporation	Far Eastern New Century Corporation	2	Sales	154,249	Based on agreement	-
26	Wuhan Far Eastern New Material Corporation	Far Eastern Polychem Industries Corporation	3	Sales	122,539	Based on agreement	-
27	Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	3	Operating revenue	302,150	Based on agreement	1
		New Century InfoComm Corporation	3	Other receivables - related parties	115,133	Based on agreement	-
		DataExpress Infotech Corporation	3	Operating revenue	109,786	Based on agreement	-
		ARCOA Communication Corporation	3	Accounts receivable - related parties	141,793	Based on agreement	-
28	New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	3	Operating revenue	2,033,974	Based on agreement	4
		Far EasTone Telecommunications Corporation	3	Accounts receivable	854,835	Based on agreement	-
		Q-ware Communications Corporation	3	Other receivables	190,232	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
29	ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	3	Operating revenue	\$ 7,419,046	Based on agreement	13
		Far EasTone Telecommunications Corporation	3	Accounts receivable	979,415	Based on agreement	-
30	O-music Corporation	Far EasTone Telecommunications Corporation	3	Operating revenue	114,798	Based on agreement	-

Note A: The intercompany transactions between each companies are identified and numbered as follow:

- 1. Parent company: 0.
- 2. Subsidiaries are started from 1 consecutively.

Note B: The types of transactions between related - parties are as follow:

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

Note C: The percentage to total asset or sales is the ratio of ending balance to consolidated asset or cumulative income amount to consolidated revenue.

(Concluded)

TABLE 11

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEs ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2016	December 31, 2015	Shares (Note F)	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	\$ 15,606,741	\$ 1,401,252	\$ 184,007	Gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,564,267	407,958	69,598	(Note A)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,262,279	(338,394)	(31,031)	(Notes A)
	Everest Textile Corporation	Taipei, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,467	201,614	60	(Note A)
	Oriental Securities Corporation	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	1,916,805	(169,506)	(33,308)	(Note A)
	Pacific Liu Tong Investment Corporation (Note E)	Taipei, Taiwan	Investment	810,000	810,000	135,000	16.83	1,799,995	96,432	16,229	(Note A)
	Yuan Ding Investment Corporation	Taipei, Taiwan	Investment	100,052	100,041	1,822,822	99.40	38,092,189	2,721,679	2,705,959	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$610 (Notes B and H)
	Far Eastern Resources Development Corporation	Taipei, Taiwan	Real estate construction and selling	14,931,733	14,931,733	557,354	100.00	98,639,906	453,804	460,088	Including the adjustments of the transactions between subsidiaries \$6,284 (Notes B and K)
	Far Eastern Polytex (Holding) Corporation	Bermuda	Investment	7,678,309	7,678,309	124	100.00	7,753,093	(166,392)	(166,392)	(Note B)
	Far Eastern Polychem Industries Corporation	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	7,497,578	(266,574)	(194,705)	(Note B)
	Yuan Tong Investment Corporation	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,773,987	118,350	123,303	Including the adjustments of the transactions between subsidiaries \$4,953 (Note B)
	Kai Yuan International Investment Corporation	Taipei, Taiwan	Investment	999,993	999,993	302,843	100.00	4,850,898	113,103	113,103	(Note B)
	Far Eastern Investment (Holding) Corporation	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	9,393,506	169,237	169,237	(Notes B and K)
	PET Far Eastern (Holding) Corporation	Bermuda	Investment	5,811,250	5,811,250	333	90.54	4,997,595	(475,662)	(425,801)	Including discounted amortization \$4,863 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taipei, Taiwan	Petrochemical materials production	10,919,967	10,919,967	1,183,311	75.56	7,433,564	(166,288)	(128,911)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(3,264) (Notes B and H)
	Far Eastern Construction Corporation	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	7,879,101	177,037	115,269	(Notes B and K)
	Yuan Ding Corporation	Taipei, Taiwan	Real estate construction and selling	857,511	857,511	186,929	37.13	3,210,692	107,546	43,678	Including the adjustments of the transactions between subsidiaries \$3,746 (Notes B, I and K)
	An Ho Garment Corporation	Taipei, Taiwan	Investment	1,023	1,023	66,346	100.00	1,828,345	90,257	90,308	Including the adjustments of the transactions between subsidiaries \$51 (Note B)
	Ding Yuan International Investment Corporation	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,561,101	47,003	47,042	Including the adjustments of the transactions between subsidiaries \$39 (Note B)
	FEDP (Holding) Corporation	Bermuda	Investment	676,315	676,315	244	50.43	204,216	(63,672)	(32,110)	(Note B)
	Fu Kwok Garment Manufacturing Corporation	Kaohsiung, Taiwan	Garment production	9,076	9,076	3,998	99.96	243,896	66,018	65,991	(Notes B and K)
Yuan Ding Investment Corporation	Ding Hotel Corporation	Taipei, Taiwan	Hotel	393,651	393,651	19,772	19.00	21,941	(124,455)	(23,646)	(Note B)
	Far Eastern Textile Corporation	Taipei, Taiwan	Textile production	1,000	1,000	100	100.00	1,400	28	28	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	505,048	453,350	17,876	0.53	555,746	1,401,252	-	(Note A)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,306,557	1,335,807	81,431	9.19	1,469,979	(338,394)	-	(Note A)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	422,345	408,054	20,465	1.44	421,814	407,958	-	(Note A)
	Everest Textile Corporation	Taipei, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,077,400	201,614	-	(Note A)
	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	21,420,038	6,005,025	-	(Note B)
	Far Eastern Polychem Industries Corporation	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,767,452	(266,574)	-	(Note B)
	Far Eastern Apparel (Holding) Corporation	Bermuda	Sale of textile, garments, and clothing	2,179,442	2,179,442	111	100.00	2,839,199	213,670	-	(Note B)
	Da Ju Fiber Corporation	Taipei, Taiwan	Sale of polychemical products	263,790	263,790	27,305	41.86	1,512,295	52,319	-	(Note A)
	Far Eastern Apparel Corporation	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	261,929	(19,889)	-	(Note B)
	Yuan Faun Corporation	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	117,330	1,292	-	(Note B)
	Yue Ming Corporation	Taipei, Taiwan	Trading	97,852	97,852	3,729	45.50	72,670	21,463	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2016	December 31, 2015	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Corporation	Yuan Ding Leasing Corporation	Taipei, Taiwan	Real estate construction and selling	\$ 319,380	\$ 319,380	36,706	46.20	\$ 385,689	\$ 8,509	\$ -	(Note A)
	Far Eastern Fibertech Corporation	Taipei, Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,118,727	99,742	-	(Note B)
	Oriental Resources Development Corporation	Taipei, Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	318,773	(5,434)	-	(Note B)
	Liquid Air Far East Corporation	Taipei, Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,584,485	696,000	-	(Note A)
	Freudenberg Far Eastern Spunweb Corporation	Taipei, Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	254,544	259,861	-	(Note A)
	Oriental Securities Corporation	Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,637,841	(169,506)	-	(Note A)
	Yuan Ding Corporation	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,140,044	107,546	-	(Notes B and K)
	Far Eastern International Leasing Corporation	Taipei, Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	925,209	62,276	-	(Note A)
	Oriental Textile (Holding) Corporation	Bermuda	Investment	7,142,602	7,142,602	110	100.00	8,106,396	173,187	-	(Note B)
	Pacific Liu Tong Investment Corporation (Note E)	Taipei, Taiwan	Investment	796,491	796,491	119,653	14.92	1,509,079	96,432	-	(Note A)
	Yu Yuan Investment Corporation	Taipei, Taiwan	Investment	673,704	673,704	98,198	18.96	551,215	384,097	-	(Note A)
	Far Eastern General Contractor Corporation	Taipei, Taiwan	Real estate construction	14,682	14,682	1,490	1.00	21,672	37,060	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taipei, Taiwan	Petrochemical materials production	415,679	415,679	81,374	5.20	518,668	(166,288)	-	(Note B)
	FETG Investment Antilles N.V.	Antillem	Investment	US\$ 6	US\$ 6	6	100.00	1,575,649	(12,544)	-	(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	-	50.00	226,687	70,748	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	13,733	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Corporation	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100.00	506,130	108,251	-	(Notes B and D)
	Worldwide Polychem (HK) Corporation	Hong Kong	Polyester production trading	US\$ 3,500	US\$ 3,500	2,700	100.00	73,337	(25,248)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34.00	1,694	-	-	(Notes A and D)
	Far Eastern Polytex (Vietnam) Corporation	Vietnam	Chemical fiber and textile production	US\$ 15,000	5,300	-	100.00	468,141	(13,595)	-	(Notes B and D)
	Far Eastern New Apparel (Vietnam) Corporation	Vietnam	Garment production	US\$ 9,000	4,300	-	100.00	236,747	(46,410)	-	(Notes B and D)
	Magna View Sdn. Bhd.	Malaysia	Garment production	US\$ 3,465	3,465	-	100.00	225,287	35,374	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50.00	226,687	70,748	-	(Notes B and C)
Ding Yuan International Investment Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	13,222	0.39	431,557	1,401,252	-	(Note A)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	76,748	70,995	3,878	0.27	86,911	407,958	-	(Note A)
	Everest Textile Corporation	Taipei, Taiwan	Chemical fiber production	40,372	74,932	2,470	0.52	21,013	201,614	-	(Note A)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	684,551	684,551	27,710	3.13	669,965	(338,394)	-	(Note A)
	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	39,905	6,005,025	-	(Note B)
	Pacific Liu Tong Investment Corporation (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	221,677	96,432	-	(Note A)
	Yu Ding Industry Corporation	Taipei, Taiwan	Department store operations	95,624	95,624	11,074	13.20	306,813	39,129	-	(Note A)
Kai Yuan International Investment Corporation	Fu Kwok Garment Manufacturing Corporation	Taipei, Taiwan	Garment production	50	50	1	0.03	60	66,018	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	483,448	483,448	20,207	0.60	648,809	1,401,252	-	(Note A)
	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,079,951	6,005,025	-	(Note B)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	798,886	834,820	34,854	3.94	712,384	(338,394)	-	(Note A)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	519,473	519,473	20,672	1.46	553,130	407,958	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	496,443	22,299	-	(Note A)
	Far Eastern International Leasing Corporation	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	926,262	62,276	-	(Note A)
Far Eastern Polychem Industries Corporation	Pacific Liu Tong Investment Corporation (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	221,878	96,432	-	(Note A)
	PET Far Eastern (Holding) Corporation	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	527,167	(475,662)	-	(Note B)
	FEDP (Holding) Corporation	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	200,733	(63,672)	-	(Note B)
Far Eastern Construction Corporation	Far Eastern Ishizuka Green Pet Corporation	Japan	PET Production and Sale	JPY 2,991,678	JPY 1,214,683	3,578	90.00	791,204	(106,859)	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	216,959	216,959	17,726	0.53	519,830	1,401,252	-	(Note A)
	Far Eastern General Contractor Corporation	Taipei, Taiwan	Real estate construction	271,587	271,587	147,413	98.95	1,967,533	37,060	-	(Note B)
Far Eastern Apparel Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	16,246	16,246	469	0.01	14,541	1,401,252	-	(Note A)
	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	6,353	6,353	90	-	6,302	6,005,025	-	(Note B)
	Yu Ding Industry Corporation	Taipei, Taiwan	Department store operations	29	29	7	0.01	100	65,194	-	(Note A)
Far Eastern General Contractor Corporation	Far Eastern Technical Consultants Corporation	Taipei, Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	5,222	3,201	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	1,573,906	(12,358)	-	(Note B)
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Corporation	Singapore	Garment production and investment	SGD 3,000	SGD 3,000	30	37.92	513,473	3,777	-	(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. Corporation	PT Malaysia Garment Bintan	Malaysia	Garment production	IND -	IND -	-	99.00	(45)	-	-	(Notes B and D)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2016	December 31, 2015	Shares (Note F)	Percentage of Ownership	Carrying Value			
An Ho Garment Corporation	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	\$ 748,158	\$ 748,158	40,818	1.25	\$ 998,539	\$ 6,005,025	\$ -	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	206,551	206,551	6,094	0.18	225,413	1,401,252	-	(Note A)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	258,974	(338,394)	-	(Note A)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	10,483	10,483	370	0.03	10,905	407,958	-	(Note A)
	Oriental Securities Corporation	Taipei, Taiwan	Broker	96,248	95,103	6,005	0.84	86,800	(169,506)	-	(Note A)
	Yu Ding Industry Corporation	Taipei, Taiwan	Department store operations	111,997	111,997	13,146	15.66	265,881	39,129	-	(Note A)
	Pacific Liu Tong Investment Corporation (Note E)	Taipei, Taiwan	Investment	67,285	67,285	9,681	1.21	124,476	96,432	-	(Note A)
	Yuan Ding Investment Corporation	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	158,627	2,721,679	-	(Note B)
	Yuan Faun Corporation	Taipei, Taiwan	Personnel recruitment	7,214	7,214	745	55.19	11,611	1,951	-	(Note B)
Fu Kwok Garment Manufacturing Corporation	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	19,734	6,005,025	-	(Note B)
Yuan Tong Investment Corporation	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,620,206	6,005,025	-	(Note B)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.80	1,204,460	407,958	-	(Note A)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,673,034	(338,394)	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	888,648	888,648	28,579	0.85	1,019,538	1,401,252	-	(Note A)
	Pacific Liu Tong Investment Corporation (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	220,680	96,432	-	(Note A)
	Far Eastern Electronic Toll Collection Corporation	Taipei, Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	329,443	71,201	-	(Note B)
	Liquid Air Far East Corporation	Taipei, Taiwan	Industrial gas production and selling	20	20	1	-	23	696,000	-	(Note A)
	Sino Belgium (Holding) Corporation	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(56,761)	(89,439)	-	(Note B)
	Freudenberg Far Eastern Spunweb Corporation	Taipei, Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	29	259,861	-	(Note A)
	Malaysia Garment Manufactures Pte. Corporation	Singapore	Garment production & Investment	SGD 7,354	SGD 7,354	10	13.00	176,032	3,777	-	(Note B)
Yuan Ding Corporation	YDT Technology International Corporation	Taipei, Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	281,830	17,846	-	(Note B)
	Ding Ding Integrated Marketing Services Corporation	Taipei, Taiwan	Marketing	558,000	558,000	41,633	60.00	211,857	(29,378)	-	(Note B)
	Far Eastern Technical Consultants Corporation	Taipei, Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	53,140	3,201	-	(Note B)
	YDC (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 200	US\$ 200	-	17.70	8,821	1,677	-	(Note B)
	Far Eastern Electronic Commerce Corporation	Taipei, Taiwan	Electronic information providing services	239,130	239,130	23,913	53.08	(178,151)	(109,940)	-	(Note B)
	Ding Ding Hotel Corporation	Taipei, Taiwan	Hotel	645,021	645,021	64,502	61.99	71,422	(124,455)	-	(Note B)
	FET Consulting Engineers Corporation	Taipei, Taiwan	Business consulting	822,701	822,701	85,000	100.00	501,664	(31,588)	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,037	136,037	5,329	0.16	191,546	1,401,252	-	(Note A)
	Far EasTone Telecommunications Corporation	Taipei, Taiwan	Telecommunications	100,412	100,412	4,164	0.13	104,437	6,005,025	-	(Note B)
	Yu Yuan Investment Corporation	Taipei, Taiwan	Investment	411,187	411,187	129,637	25.02	1,623,944	384,097	-	(Note A)
	Yue Ming Corporation	Taipei, Taiwan	Trading	787	787	82	1.00	791	21,463	-	(Note A)
	Yu Ding Industry Corporation	Taipei, Taiwan	Department store operations	22,676	22,676	2,175	2.59	43,604	39,129	-	(Note A)
	FEDS Asia Pacific Development Corporation	Taipei, Taiwan	Department store operations	100,000	100,000	10,650	5.00	133,488	63,714	-	(Note A)
	Far Eastern Electronic Toll Collection Corporation	Taipei, Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	405,271	71,201	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taipei, Taiwan	Other financing and supporting services	300,000	300,000	30,000	20.00	191,483	(131,216)	-	(Note B)
Ding Ding Integrated Marketing Services Corporation	Far Eastern Electronic Commerce Corporation	Taipei, Taiwan	Electronic information providing services	745	745	79	0.18	(605)	(109,940)	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taipei, Taiwan	Other financing and supporting services	225,150	225,150	22,515	15.01	143,705	(131,216)	-	(Note B)
	DDIM (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 11,000	11,000	-	46.13	3,675	(61,557)	-	(Notes B, D and H)
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	British Virgin Islands	Investment	384,970	384,970	-	53.87	4,292	(61,557)	-	(Notes B and D)
YDT Technology International Corporation	Everest Textile Corporation	Taipei, Taiwan	Chemical fiber production	10,161	10,161	120	0.03	1,198	201,614	-	(Note A)
	Far Eastern Department Stores Corporation	Taipei, Taiwan	Department store operations	51,673	51,673	2,764	0.19	95,480	407,958	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	862	862	61	-	2,170	1,401,252	-	(Note A)
	YDC (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 930	US\$ 930	1	82.30	41,016	1,677	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2016			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2016	December 31, 2015	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	Taipei, Taiwan	Type I, II telecommunications services	\$ 22,249,283	\$ 22,249,283	2,100,000	100.00	\$ 26,057,674	\$ 1,462,114	\$ -	(Note B)
	ARCOA Communication Corporation	Taipei, Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	83	61.63	1,253,282	86,203	-	(Note B)
	KGEx.com Corporation	Taipei, Taiwan	Type II telecommunications services	2,440,457	2,540,442	79	99.99	829,731	32,423	-	(Note B)
	Hiiir Digital Marketing Corporation	Taipei, Taiwan	Electronic information providing services	537,260	537,260	54	89.54	6,463	(125,325)	-	(Note B)
	Yuan Cing Corporation	Taipei, Taiwan	Call center services	101,371	101,371	19	99.99	143,851	5,900	-	(Note B)
	Far Eastern Info Service (Holding) Corporation	Bermuda	Investment	92,616	92,616	1	100.00	(49,771)	(420)	-	(Note B)
	O-music Corporation	Taipei, Taiwan	Electronic information providing services	25,000	25,000	2	50.00	6,039	4,228	-	(Note B)
	Q-ware Communications Corporation	Taipei, Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(68,669)	(7,062)	-	(Note B)
	Far Eastern Electronic Toll Collection Corporation	Taipei, Taiwan	Electronic toll collection service	2,542,396	2,542,396	254	39.42	662,009	71,201	-	(Note A)
	Yuan Hsin Digital Payment Corporation	Taipei, Taiwan	Other financing and supporting services	450,000	450,000	45	30.00	287,219	(131,216)	-	(Note A)
	Ding Ding Integrated Marketing Services Corporation	Taipei, Taiwan	Marketing	139,500	139,500	10	15.00	52,893	(29,378)	-	(Note A)
	Alliance Digital Technology Corporation	Taipei, Taiwan	Electronic information providing services	30,000	30,000	3	13.33	11,081	(35,999)	-	(Note A)
	Far Eastern Electronic Commerce Corporation	Taipei, Taiwan	Electronic information providing services	80,893	80,893	7	14.85	(49,359)	(109,940)	-	(Note B)
ARCOA Communication Corporation	DataExpress Infotech Corporation	Taipei, Taiwan	Electronic information providing services	141,750	141,750	13	70.00	179,420	17,116	-	(Note B)
New Century InfoComm Corporation	New Diligent Corporation	Taipei, Taiwan	Investment	1,060,000	800,000	106	100.00	797,741	(27,038)	-	(Note B)
	Information Security Service Digital United Inc.	Taipei, Taiwan	Security and monitoring service via internet	148,777	148,777	109	100.00	101,666	(1,032)	-	(Note B)
	Digital United (Cayman) Corporation	Cayman Islands	Investment	132,406	132,406	4	100.00	25,723	(6,037)	-	(Note B)
	Far Eastern Electronic Commerce Corporation	Taipei, Taiwan	Electronic information providing services	28,922	28,922	2	5.31	(17,645)	(109,940)	-	(Note B)
	Ding Ding Integrated Marketing Services Corporation	Taipei, Taiwan	Marketing	46,500	46,500	3	5.00	17,631	(29,378)	-	(Note A)
New Diligent Corporation	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	-	100.00	84	(16)	-	(Note B)
	Far Eastern New Diligent Company Corporation	British Virgin Islands	Investment	133,048	133,048	-	100.00	21,727	(29,734)	-	(Note B)
	New Diligent Hong Kong Corporation	Hong Kong	Investment	-	-	-	-	-	-	-	(Notes B and J)
DataExpress Infotech Corporation	Linkwell Tech. Corporation	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	44,729	1,971	-	(Note B)
	Home Master Technology Corporation	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	(7,942)	580	-	(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 Tong Investment Corporation
- F. Shares in thousands.
- G. Investment in Mainland China, please refer to Schedule J.
- H. Under the “IFRSs Questions and Answers” issued by Taiwan Stock Exchange Corporation (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 effect from the adjustment of FENC shares which held by Yuan Ding Company Corporation.
- J. New Diligent Hong Kong Corporation was established on December 4, 2014. The investment amount had not been remitted to the investee as of June 30, 2016.
- K. Adjustment in investee’s investment properties measured by market value method.

(Concluded)

TABLE 12

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
 FOR THE SIX MONTHS ENDED JUNE 30, 2016
 (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, 2016	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2016	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of June 30, 2016 (Note C)	Accumulated Repatriation of Investment Income as of June 30, 2016	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Corporation	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments.	\$ 9,110,535	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 86,605	100.00	\$ 86,605	\$ 9,036,387	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Corporation	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories.	991,176	2	1,010,901	-	-	1,010,901	51,513	100.00	51,513	1,423,492	233,172	Notes F and G
Far Eastern Industries (WuXi) Corporation	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics.	2,332,725	2	2,018,430	-	-	2,018,430	45,158	100.00	45,158	3,142,093	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products.	7,276,558	2	2,976,148	-	-	2,976,148	(543,758)	61.35	(333,596)	3,492,845	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,789,128	2	1,342,854	-	-	1,342,854	138,584	100.00	138,584	2,432,849	92,719	Notes H and S
Far Eastern Industries (Suzhou) Corporation	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments.	1,910,721	2	1,765,319	-	-	1,765,319	(57,057)	100.00	(57,057)	171,253	-	Note K
Wuhan Far Eastern New Material Corporation	Manufacture and sales of PET chips, PET performs and garments and its by-products	828,726	2	724,110	-	-	724,110	4,514	100.00	4,514	1,007,439	-	
Far Eastern Industries (Suzhou) Corporation	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	5,304,532	2	4,957,248	-	-	4,957,248	152,506	100.00	152,506	5,601,117	-	Note H

(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, 2016	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2016	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of June 30, 2016 (Note C)	Accumulated Repatriation of Investment Income as of June 30, 2016	Note
					Outflow	Inflow							
Far Eastern New Century (China) Investment Corporation	Investment	\$ 2,280,452	2	\$ 2,089,425	\$ -	\$ -	\$ 2,089,425	\$ (195,733)	100.00	\$ (195,733)	\$ 1,554,070	\$ -	
Sino Belgium Beer (Suzhou) Corporation	Brewery	1,846,711	2	1,763,952	-	-	1,763,952	(75,088)	100.00	(75,088)	(65,978)	-	Note L
Martens Beers Trading (Shanghai) Corporation	Brewery	379,878	2	231,475	-	-	231,475	(5,325)	100.00	(5,325)	21,854	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,041,487	2	4,181,323	-	-	4,181,323	15,216	60.00	9,130	4,260,685	-	
Far Eastern Industries (Yangzhou) Corporation	PA and its by-product production	1,496,632	2	1,436,190	-	-	1,436,190	6	100.00	6	1,510,456	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,954,056	2	1,962,908	-	-	1,962,908	(243,671)	50.00	(121,836)	1,559,872	-	
Shanghai Yuan Zi Information Corporation	Software development, equipment maintenance and consulting	61,580	3	-	-	-	-	200	100.00	200	65,441	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	92,055	3	-	-	-	-	3,448	100.00	3,448	132,871	-	
An Ho Garment (Suzhou) Corporation	Garment production	4,845	3	-	-	-	-	192	100.00	192	52,495	-	
Yuan Ding Enterprise (Shanghai) Corporation	Software development	513,570	3	-	-	-	-	(57,784)	100.00	(57,784)	193,953	-	
Tong Da Air Industry (Yangzhou) Corporation	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,993,592	2	1,020,489	-	-	1,020,489	(28,898)	50.00	(14,449)	999,096	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	729,891	2	598,270	-	-	598,270	(61,842)	100.00	(61,842)	7,520	-	Note M
Speedy (Shanghai) Digital Tech. Corporation	Intelligent control equipment and security monitoring products and services	31,683	2	24,220	-	-	24,220	1,990	100.00	1,990	48,158	-	Note N
Digital United Information Technologies (Shanghai) Corporation	Research and design of computer system	100,053	2	100,053	-	-	100,053	(5,422)	100.00	(5,422)	5,237	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	129,100	2	129,100	-	-	129,100	(38,647)	79.04	(30,546)	46,526	-	Note Q
Far Eastern Tech-Info Corporation (Shanghai)	Computer software, data processing and provision of network information service	193,650	2	205,579	-	-	205,579	(860)	100.00	(860)	103,755	-	Note O
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	36,374	-	-	36,374	-	-	-	-	-	Notes Q and R

(Continued)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Notes T and U)	\$ 19,134,418	\$ 25,166,755	\$ -

Notes: A. Investment types are classified as follow:

1. The investment was made directly in China.
2. The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Corporation, PET Far Eastern (Holding) Corporation, Oriental Textile (Holding) Corporation, FEDP (Holding) Corporation, Far Eastern Polytex (Holding) Corporation, Sino Belgium (Holding) Corporation, Bockhold N.V., YDC (Virgin Islands) Corporation, DDIM (Virgin Islands) Corporation, Far Eastern Info Service (Holding) Corporation, Digital United (Cayman) Corporation and Far Eastern New Diligent Company Corporation.
3. Other.

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

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

C. The ending balance of long term investment.

D. As of June 30, 2016, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the parent company and the other was from Yuan Ding Investment Corporation.

E. As of June 30, 2016, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Corporation received by FENC and Yuan Ding Investment Corporation.

F. As of June 30, 2016, 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 Corporation.

G. As of June 30, 2016, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Corporation which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Corporation and Far Eastern Apparel (Holding) Corporation.

H. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Corporation.

I. As of June 30, 2016, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Corporation which remitted through an FENC subsidiary, Oriental Textile (Holding) Corporation.

J. As of June 30, 2016, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation which remitted through FENC subsidiaries, PET Far Eastern (Holding) Corporation and Far Eastern Polytex (Holding) Corporation.

K. As of June 30, 2016, 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 Corporation and Yuan Tong Investment Corporation.

L. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, Yuan Tong Investment Corporation.

M. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by FENC subsidiaries, YDT Technology International Corporation, FET Consulting Engineers Corporation and Ding Ding Integrated Marketing Services Corporation.

N. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, YDT Technology International Corporation.

O. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, Far EasTone Telecommunications Corporation.

P. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, New Century InfoComm Tech Corporation.

Q. As of June 30, 2016, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, New Diligent Corporation.

(Continued)

- R. Company dissolution had been approved by the local government on April 13, 2010. New Diligence Corporation (Shanghai) had remitted US\$73 thousand back to Taiwan on June 27, 2012, and wrote off the amount as the investment registered with the Investment Commission of the MOEA.
- S. As of June 30, 2016, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Corporation which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Corporation.
- T. Investment amounts authorized by the Investment Commission of the MOEA include US\$778,755 thousand, and the original investment RMB6,695 thousand from Far Eastern Polytex (Holding) Corporation which approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10320431180, there is no limitation on the amount of the parent company's investment in China.

(Concluded)

TABLE 12-1

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(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) Corporation	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Corporation	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Corporation			Far Eastern Polychem Industries Corporation	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Corporation	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Corporation	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Corporation	3,879		3,879		
	Yuan Ding Investment Corporation	2004.12.29	No. 093032402	Far Eastern Polychem Industries Corporation	7,014		7,014		
	Yuan Ding Investment Corporation	2004.11.02	No. 093032239	Far Eastern Polychem Industries Corporation	15,898		15,898		
	Yuan Ding Investment Corporation	2004.12.29	No. 093032089	Far Eastern Polychem Industries Corporation	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Corporation	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Corporation	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Corporation	4,800	4,800			
					8,198				
	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Corporation	(Note E) 11,500	11,500			
Far Eastern Apparel (Suzhou) Corporation	Yuan Ding Investment Corporation	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Corporation	10,000	10,000			
	Yuan Ding Investment Corporation	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Corporation	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Corporation	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Corporation	5,000	5,000			
Far Eastern Industries (WuXi) Corporation	Yuan Ding Investment Corporation	2002.06.21	No. 091011903	Oriental Textile (Holding) Corporation	19,960	19,960			
	Yuan Ding Investment Corporation	2005.11.03	No. 094024169	Oriental Textile (Holding) Corporation	40,000	40,000			
Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Corporation	1,228				\$ 1,228
	Yuan Ding Investment Corporation	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Corporation Far Eastern Polychem Industries Corporation	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Corporation PET Far Eastern (Holding) Corporation	49,500	49,500			

(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 Dyeing & Finishing (Suzhou) Corporation	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Corporation PET Far Eastern (Holding) Corporation	\$ 4,800 2,936 (Note F)	\$ 4,800 41,171			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Corporation	41,171	41,171			
	Yuan Ding Investment Corporation	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Corporation	20,000	20,000			
	Yuan Ding Investment Corporation	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Corporation	30,000	30,000			
Far Eastern Industries (Shanghai) Corporation	Yuan Ding Investment Corporation	2002.11.26	No. 091035216	Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	713				713
	Far Eastern New Century Corporation Far Eastern New Century Corporation	2010.10.12 2006.11.01	No. 09900403430 (Note H) No. 09500287850	FEDP (Holding) Corporation Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	5,288 4,524	5,288 4,524			
Far Eastern Industries (Suzhou) Corporation	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	4,800 754 (Note G)	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Corporation	18,224	18,224			
	Yuan Ding Investment Corporation	2005.08.01	No. 094015006	Oriental Textile (Holding) Corporation	19,800	19,800			
	Yuan Ding Investment Corporation	2006.02.09	No. 094037416	Oriental Textile (Holding) Corporation	30,200	30,200			
Wuhan Far Eastern New Material Corporation	Yuan Ding Investment Corporation	2007.10.02	No. 09600280400	Oriental Textile (Holding) Corporation	23,000	23,000			
	Yuan Ding Investment Corporation	2008.09.01	No. 09700172130	Oriental Textile (Holding) Corporation	32,500	32,500			
	Yuan Ding Investment Corporation	2013.04.29	No. 10200127470	Oriental Textile (Holding) Corporation	8,000	8,000			
	Yuan Ding Investment Corporation	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Corporation	43,000	43,000			
Far Eastern New Century (China) Investment Corporation (Note A)	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Corporation	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Corporation	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Corporation	RMB 6,695				RMB 6,695
Sino Belgium Beer (Suzhou) Corporation	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Corporation	48,000	48,000			
Sino Belgium Beer (Suzhou) Corporation	Yuan Tong Investment Corporation	2007.08.02	No. 09600248620	Sino Belgium (Holding) Corporation	18,000	18,000			
	Yuan Tong Investment Corporation	2008.02.21	No. 09600451060	Sino Belgium (Holding) Corporation	12,000	12,000			
	Yuan Tong Investment Corporation	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Corporation	16,000	16,000			
	Yuan Tong Investment Corporation	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Corporation	10,000	10,000			

(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\$)
Martens Beers Trading (Shanghai) Corporation	Yuan Tong Investment Corporation Yuan Tong Investment Corporation	2008.12.10	No. 09700456110	Sino Belgium (Holding) Corporation	\$ 3,800	\$ 3,800			\$ 4,304
		2010.07.29	No. 09900284200	Bockhold N.V Martens HK Corporation	4,304				
		2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Corporation Sino Belgium (Holding) Corporation	1,500	1,500			
	Yuan Tong Investment Corporation Yuan Tong Investment Corporation	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Corporation	1,100	1,100			
		2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Corporation	1,000	1,000			
Far Eastern Tech-Info Corporation (Shanghai)	Far EasTone Telecommunications Corporation	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) Corporation	166,000	166,000			
Far Eastern Industries (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Corporation	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) Corporation	100,000	100,000			
Yuan Ding Enterprise (Shanghai) Corporation	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Corporation	1,000	1,000			
	Far Eastern New Century Corporation	2014.01.28	No. 10200399290 (Note R)	Far Eastern New Century (China) Investment Corporation					
				Far Eastern Polytex (Holding) Corporation Far Eastern New Century (China) Investment Corporation	82,340	82,340			
Tong Da Air Industry (Yangzhou) Corporation	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Corporation	33,500	33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Corporation	2011.10.19	No. 10000429550	YDC (Virgin Islands) Corporation	110	110			
	FET Consulting Engineers Corporation Ding Ding Integrated Marketing Service Corporation	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Corporation	8,100	8,100			
		2015.08.11	No. 10400179060	DDIM (Virgin Islands) Corporation	1,100	1,100			
Speedy (Shanghai) Digital Tech. Corporation	YDT Technology International Corporation	2004.02.11	No. 093003471	YDC (Virgin Islands) Corporation	300	300			
		2005.02.05	No. 094003122	YDC (Virgin Islands) Corporation	500	500			
Far Eastern Tech-Info Corporation (Shanghai)	Far EasTone Telecommunications Corporation	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Corporation	2,500	2,500			
	New Diligent Corporation	2014.01.29	No. 10300022990	Far Eastern New Diligent Company Corporation	3,500	3,500			
Digital United Information Technologies (Shanghai) Corporation	New Century InfoComm Tech Corporation	2002.10.07	No. 091041498	Digital United (Cayman) Corporation	3,100				3,100
	New Century InfoComm Tech Corporation	2013.08.09	No. 10200302730	Digital United (Cayman) Corporation	1,000	1,000			
New Diligence Corporation (Shanghai)	New Diligent Corporation	2007.08.08	No. 09600261870	New Diligent Corporation (Note P)	1,127	1,127			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Corporation	2012.11.19	No. 10100496420	Far Eastern New Diligent Company Corporation	4,000	4,000			

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- Notes: A. Far Eastern New Century (China) Investment Corporation invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Corporation and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation.
- B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Corporation increased.
- F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Corporation increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Corporation was made indirectly through Far Eastern Polytex (Holding) Corporation and FEDP (Holding) Corporation, under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Corporation under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Corporation from Yuan Tong Investment Corporation, for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Corporation, indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of June 30, 2016, 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 Corporation amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Corporation in Far Eastern Industries (Suzhou) Corporation. As of June 30, 2016, Yuan Ding Investment Corporation remitted RMB258,000 thousand to this indirect investment.
- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Corporation amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Corporation and Martens Beers Trading (Shanghai) Corporation.
- M. After obtaining MOEA approval (No. 10100115020), FENC's subsidiary, PET Far Eastern (Holding) Corporation, indirectly invest US\$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation. As of June 30, 2016, FENC remitted US\$66,000 thousand to this indirect investment.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Corporation, indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers Trading (Shanghai) Corporation. As of June 30, 2016, Yuan Tong Investment Corporation remitted US\$1,065 thousand to this indirect investment.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Corporation indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Corporation and Martens Beers Trading (Shanghai) Corporation. As of June 30, 2016, FENC remitted US\$10,950 thousand to this indirect investment.
- P. Company dissolution had been approved by the local government on April 13, 2010. New Diligence Corporation (Shanghai) had remitted US\$73 thousand back to Taiwan on June 27, 2012, and wrote off the amount as the investment registered with the Investment Commission of the MOEA.
- Q. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Corporation, indirectly in Tong Da Air Industry (Yangzhou) Corporation.
- R. After obtaining MOEA approval (No. 10200399290), FENC's subsidiaries, Far Eastern Polytex (Holding) Corporation and Far Eastern New Century (China) Investment Corporation, indirectly invest US\$82,340 thousand in Yuan Ding Enterprise (Shanghai) Corporation. As of June 30, 2016, FENC remitted US\$16,625 thousand as its indirect investment.

(Concluded)