

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2017 and 2016 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 and its subsidiaries as of March 31, 2017 and 2016 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except for the matter stated in the next paragraph, we conducted our reviews in accordance with the 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 as of March 31, 2017 and 2016 of some immaterial subsidiaries, with combined total assets that were 63.21% (NT\$316,763,834 thousand) and 60.31% (NT\$313,913,854 thousand), respectively of the consolidated total assets and with combined total liabilities that were 43.36% (NT\$107,586,041 thousand) and 38.99% (NT\$101,437,140 thousand), respectively of the consolidated total liabilities, had not been reviewed. For the three months ended in 2017 and 2016, these subsidiaries' combined total net comprehensive (loss) income were (133.05%) (NT\$(1,119,271) thousand) and 4,784.71% (NT\$(1,326,370) thousand), respectively, of the consolidated net comprehensive income (loss). In addition, as stated in Note 16 to the consolidated financial statements, the financial statements supporting certain equity-method investees, with carrying values of NT\$31,680,341 thousand and NT\$26,917,104 thousand, respectively, as of March 31, 2017 and 2016 had not been reviewed. The equity of the comprehensive (loss) income of these investees amounting to NT\$732,400 thousand and NT\$(990,049) thousand were included in the consolidated net comprehensive incomes (loss) for the three months ended March 31, 2017 and 2016, respectively, and other relevant information as disclosed in Note 39 were also based on these subsidiaries and associates' unreviewed financial statements.

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 other associates as 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 its 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 Standards 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 11, 2017

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	March 31, 2017 (Reviewed)		December 31, 2016 (Audited)		March 31, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 25,779,920	5	\$ 35,675,422	7	\$ 41,623,746	8
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	3,430,931	1	3,835,959	1	2,660,225	-
Available-for-sale financial assets - current (Notes 4, 8 and 35)	664,658	-	656,773	-	641,586	-
Derivative financial assets for hedging - current (Notes 4, 9 and 34)	9,488	-	2,073	-	34,976	-
Debt investments with no active market - current (Notes 4, 11 and 34)	1,750,463	-	1,797,697	-	2,832,772	1
Notes and accounts receivable, net (Notes 4, 12 and 34)	23,209,277	5	24,830,649	5	22,021,048	4
Amounts due from customers for construction contracts (Notes 4 and 13)	1,288,904	-	1,202,624	-	955,271	-
Other receivables (Note 34)	5,323,873	1	7,811,376	2	4,746,899	1
Current tax assets (Note 4)	71,807	-	60,895	-	59,286	-
Inventories (Notes 4, 14 and 35)	24,829,432	5	22,103,308	4	23,602,007	5
Prepayments	4,749,424	1	3,399,270	1	3,777,424	1
Other financial assets - current (Note 35)	4,232,911	1	4,402,953	1	4,060,736	1
Refundable deposits - current	38,190	-	37,643	-	42,410	-
Other current assets	2,348,807	1	1,722,674	-	2,032,594	-
Total current assets	97,728,085	20	107,539,316	21	109,090,980	21
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4, 8 and 35)	4,516,010	1	4,245,668	1	4,346,188	1
Financial assets measured at cost - non-current (Notes 4 and 10)	1,181,694	-	1,135,148	-	1,136,520	-
Investments accounted for using the equity method (Notes 4, 16 and 35)	53,332,073	11	53,421,270	11	56,610,319	11
Property, plant and equipment (Notes 4, 17 and 35)	146,628,222	29	148,316,398	29	148,734,511	29
Investment properties, net (Notes 4, 18 and 35)	124,948,093	25	124,758,539	24	125,193,886	24
Concession (Notes 20 and 35)	40,616,085	8	41,422,996	8	43,668,048	8
Goodwill (Notes 4 and 19)	11,865,515	2	11,865,515	2	11,865,515	2
Other intangible assets (Notes 4 and 20)	3,724,149	1	3,676,776	1	3,423,375	1
Deferred tax assets (Note 4)	2,356,412	1	2,361,276	1	2,340,842	1
Prepayments for equipment (Note 17)	1,709,107	-	1,612,960	-	1,806,894	-
Refundable deposits	932,499	-	806,289	-	842,902	-
Long-term other receivables from related parties (Note 34)	1,440,000	-	1,440,000	-	1,620,000	-
Other financial assets - non-current (Note 35)	3,428,825	1	3,783,584	1	2,673,601	1
Long-term prepayments for lease	6,366,187	1	6,716,440	1	6,909,339	1
Other non-current assets	374,079	-	357,983	-	262,358	-
Total non-current assets	403,418,950	80	405,920,842	79	411,434,298	79
TOTAL	\$ 501,147,035	100	\$ 513,460,158	100	\$ 520,525,278	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 34)	\$ 34,840,136	7	\$ 35,131,547	7	\$ 26,919,692	5
Short-term bills payable (Note 21)	9,438,806	2	9,278,381	2	7,463,973	2
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 34)	19,541	-	3,421	-	318,066	-
Derivative financial liabilities for hedging - current (Notes 4, 9 and 34)	56,144	-	47,767	-	-	-
Notes and accounts payable (Note 4)	15,933,217	3	15,910,920	3	17,324,508	3
Notes and accounts payable to related parties (Note 34)	324,322	-	418,751	-	473,137	-
Amounts due to customers for construction contracts (Notes 4 and 13)	141,185	-	1,428	-	278,749	-
Payables to suppliers of machinery and equipment	1,750,469	-	2,615,378	1	2,109,164	-
Other payable	12,658,159	3	14,451,394	3	12,319,484	2
Current tax liabilities (Note 4)	2,940,751	1	2,393,096	-	2,439,143	1
Provisions - current (Notes 4 and 23)	267,718	-	270,831	-	262,883	-
Guarantee deposits received - current	363,090	-	298,281	-	361,763	-
Receipts in advance	1,255,726	-	1,174,563	-	1,058,137	-
Unearned revenue	2,554,994	-	2,585,723	1	2,549,126	1
Current portion of long-term liabilities (Notes 21 and 22)	15,254,313	3	20,057,220	4	24,546,735	5
Other current liabilities	2,705,793	1	2,544,731	-	2,103,244	-
Total current liabilities	100,504,364	20	107,183,432	21	100,527,804	19
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 4 and 9)	124,098	-	171,366	-	373,961	-
Bonds payable (Note 22)	67,716,266	14	62,518,046	12	57,373,613	11
Long-term borrowings (Note 21)	57,345,135	12	68,837,916	14	78,807,568	15
Provisions - non-current (Notes 4 and 23)	863,795	-	859,586	-	816,854	-
Deferred tax liabilities (Note 4)	16,997,874	3	17,014,677	3	17,176,164	4
Net defined benefit liabilities - non-current (Note 24)	3,535,030	1	3,610,061	1	3,926,029	1
Guarantee deposits received	559,485	-	607,007	-	614,399	-
Deferred credit-gains on related-party transactions (Note 34)	124,192	-	124,192	-	149,074	-
Other non-current liabilities	344,899	-	341,223	-	392,296	-
Total non-current liabilities	147,610,774	30	154,084,074	30	159,629,958	31
Total liabilities	248,115,138	50	261,267,506	51	260,157,762	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Capital stock						
Common stock	53,528,751	11	53,528,751	10	53,528,751	10
Capital surplus	2,859,589	-	2,859,588	1	2,807,683	1
Retained earnings						
Legal reserve	15,315,028	3	15,315,028	3	14,511,559	3
Special reserve	110,279,116	22	110,292,892	22	108,689,962	21
Unappropriated earnings	13,085,024	3	11,785,464	2	14,565,537	3
Total retained earnings	138,679,168	28	137,393,384	27	137,767,058	27
Other stockholders' equity	(4,734,027)	(1)	(2,870,205)	(1)	1,487,713	-
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	190,308,418	38	190,886,455	37	195,566,142	38
NON-CONTROLLING INTERESTS (Note 26)	62,723,479	12	61,306,197	12	64,801,374	12
Total equity	253,031,897	50	252,192,652	49	260,367,516	50
TOTAL	\$ 501,147,035	100	\$ 513,460,158	100	\$ 520,525,278	100

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

(With Deloitte & Touche review report dated May 11, 2017)

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 March 31			
	2017		2016	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 9 and 34)				
Net sales	\$ 30,521,867	61	\$ 31,606,070	61
Telecommunications service revenue	16,093,757	32	16,856,269	33
Gain on disposal of investments, net	113,535	-	14,799	-
Construction revenue	702,817	1	623,651	1
Other operating revenue	<u>2,951,440</u>	<u>6</u>	<u>2,495,117</u>	<u>5</u>
Total operating revenues	<u>50,383,416</u>	<u>100</u>	<u>51,595,906</u>	<u>100</u>
OPERATING COSTS (Notes 4, 14, 27 and 34)				
Cost of sales	29,416,800	59	30,775,027	60
Cost of telecommunications services	6,404,020	13	6,351,690	13
Construction cost	672,680	1	588,949	1
Other operating cost	<u>1,586,182</u>	<u>3</u>	<u>1,151,018</u>	<u>2</u>
Total operating costs	<u>38,079,682</u>	<u>76</u>	<u>38,866,684</u>	<u>76</u>
GROSS PROFIT	<u>12,303,734</u>	<u>24</u>	<u>12,729,222</u>	<u>24</u>
OPERATING EXPENSES (Notes 4, 27 and 34)				
Selling and marketing	5,493,965	11	5,906,640	12
General and administrative	2,853,517	6	2,790,204	5
Research and development	<u>203,646</u>	<u>-</u>	<u>209,146</u>	<u>-</u>
Total operating expenses	<u>8,551,128</u>	<u>17</u>	<u>8,905,990</u>	<u>17</u>
OPERATING INCOME	<u>3,752,606</u>	<u>7</u>	<u>3,823,232</u>	<u>7</u>
NONOPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates	700,580	1	113,458	-
Interest income	70,784	-	89,942	-
Other income	209,711	1	214,244	1
Gain on financial assets (liabilities) at fair value through profit or loss, net	(12,132)	-	(355,263)	(1)
Interest expense (Notes 9 and 27)	(566,301)	(1)	(623,388)	(1)
Other expense	(410,586)	(1)	(117,464)	-
Loss on disposal of property, plant and equipment (Note 17)	(105,753)	-	(138,670)	-
Loss on disposal of intangible properties (Note 20)	(52)	-	-	-
Exchange loss, net (Note 4)	(299,118)	(1)	(440,028)	(1)
Loss on disposal of investment properties	-	-	(25,201)	-

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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 March 31			
	2017		2016	
	Amount	%	Amount	%
Gain on change in fair value of investment properties (Note 18)	\$ 215,361	1	\$ 1,028,482	2
Impairment loss (Note 10)	<u>(513)</u>	<u>-</u>	<u>(4,787)</u>	<u>-</u>
Total nonoperating incomes and expenses	<u>(198,019)</u>	<u>-</u>	<u>(258,675)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	3,554,587	7	3,564,557	7
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(682,696)</u>	<u>(1)</u>	<u>(997,695)</u>	<u>(2)</u>
NET INCOME	<u>2,871,891</u>	<u>6</u>	<u>2,566,862</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	-	-	793	-
Share of the other comprehensive (loss) income of associates	2,005	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(2,131,495)	(4)	(265,236)	(1)
Unrealized (loss) gain on available-for-sale financial assets	286,365	1	(188,801)	-
Cash flow hedges	64,209	-	(11,092)	-
Share of the other comprehensive (loss) income of associates	<u>(251,712)</u>	<u>(1)</u>	<u>(2,130,247)</u>	<u>(4)</u>
	<u>(2,032,633)</u>	<u>(4)</u>	<u>(2,595,376)</u>	<u>(5)</u>
Total other comprehensive income (loss), net	<u>(2,030,628)</u>	<u>(4)</u>	<u>(2,594,583)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 841,263</u>	<u>2</u>	<u>\$ (27,721)</u>	<u>-</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,285,795	3	\$ 834,946	2
Non-controlling interests	<u>1,586,096</u>	<u>3</u>	<u>1,731,916</u>	<u>3</u>
	<u>\$ 2,871,891</u>	<u>6</u>	<u>\$ 2,566,862</u>	<u>5</u>

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2017		2016	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ (576,026)	(1)	\$ (1,677,244)	(3)
Non-controlling interests	<u>1,417,289</u>	<u>3</u>	<u>1,649,523</u>	<u>3</u>
	<u>\$ 841,263</u>	<u>2</u>	<u>\$ (27,721)</u>	<u>-</u>
 EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)				
Basic	<u>\$ 0.26</u>		<u>\$ 0.17</u>	=
Diluted	<u>\$ 0.26</u>		<u>\$ 0.17</u>	=

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

(With Deloitte & Touche review report dated May 11, 2017)

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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												Total Equity
	Common Stock (Note 26)	Capital Surplus (Notes 4 and 26)	Retained Earnings			Exchange Differences on Translating Foreign Operations (Notes 4 and 26)	Other Equity				Non-controlling Interests (Note 26)		
			Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Note 26)		Unrealized Gain (Loss) on Available- for-sale Financial Assets (Notes 4 and 26)	Cash Flow Hedge (Notes 4 and 26)	Unrealized Revaluation Increments (Notes 4 and 26)	Treasury Shares (Note 26)		Total	
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
Net income for the three months ended March 31, 2016	-	-	-	-	834,946	-	-	-	-	-	834,946	1,731,916	2,566,862
Other comprehensive income (loss) for the three months ended March 31, 2016	-	-	-	-	793	(504,091)	(2,005,977)	(2,915)	-	-	(2,512,190)	(82,393)	(2,594,583)
Total comprehensive income (loss) for the three months ended March 31, 2016	-	-	-	-	835,739	(504,091)	(2,005,977)	(2,915)	-	-	(1,677,244)	1,649,523	(27,721)
Disposal of investment in associates	-	-	-	(2,291)	528	-	-	-	-	-	(1,763)	(3)	(1,766)
Effect on changes in percentage of ownership in subsidiaries	-	-	-	-	(6,416)	-	-	-	-	-	(6,416)	6,416	-
Reversal of special reserve	-	-	-	(29,297)	29,297	-	-	-	-	-	-	-	-
BALANCE, MARCH 31, 2016	<u>\$ 53,528,751</u>	<u>\$ 2,807,683</u>	<u>\$ 14,511,559</u>	<u>\$ 108,689,962</u>	<u>\$ 14,565,537</u>	<u>\$ 1,770,592</u>	<u>\$ (886,050)</u>	<u>\$ (98,859)</u>	<u>\$ 702,030</u>	<u>\$ (25,063)</u>	<u>\$ 195,566,142</u>	<u>\$ 64,801,374</u>	<u>\$ 260,367,516</u>
BALANCE AT JANUARY 1, 2017	\$ 53,528,751	\$ 2,859,588	\$ 15,315,028	\$ 110,292,892	\$ 11,785,464	\$ (1,577,812)	\$ (1,947,657)	\$ (47,514)	\$ 702,778	\$ (25,063)	\$ 190,886,455	\$ 61,306,197	\$ 252,192,652
Net income for the three months ended March 31, 2017	-	-	-	-	1,285,795	-	-	-	-	-	1,285,795	1,586,096	2,871,891
Other comprehensive income (loss) for the three months ended March 31, 2017	-	-	-	-	2,001	(2,711,735)	825,169	22,744	-	-	(1,861,821)	(168,807)	(2,030,628)
Total comprehensive income (loss) for the three months ended March 31, 2017	-	-	-	-	1,287,796	(2,711,735)	825,169	22,744	-	-	(576,026)	1,417,289	841,263
Changes in capital surplus and unappropriated earnings from investments in associates	-	1	-	-	(295)	-	-	-	-	-	(294)	(3)	(297)
Disposal of investment in associates	-	-	-	-	(1,717)	-	-	-	-	-	(1,717)	(4)	(1,721)
Reversal of special reserve	-	-	-	(13,776)	13,776	-	-	-	-	-	-	-	-
BALANCE, MARCH 31, 2017	<u>\$ 53,528,751</u>	<u>\$ 2,859,589</u>	<u>\$ 15,315,028</u>	<u>\$ 110,279,116</u>	<u>\$ 13,085,024</u>	<u>\$ (4,289,547)</u>	<u>\$ (1,122,488)</u>	<u>\$ (24,770)</u>	<u>\$ 702,778</u>	<u>\$ (25,063)</u>	<u>\$ 190,308,418</u>	<u>\$ 62,723,479</u>	<u>\$ 253,031,897</u>

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

(With Deloitte & Touche review report dated May 11, 2017)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,554,587	\$ 3,564,557
Adjustments for:		
Depreciation	3,854,007	3,718,976
Amortization	1,147,675	978,011
Allowance for doubtful accounts	128,096	106,455
Interest expenses	566,301	623,388
Interest income	(70,784)	(89,942)
Dividend income	(2,531)	(2,792)
Share of the profit of associates	(700,580)	(113,458)
Loss on disposal of property, plant and equipment	105,753	138,670
Loss on disposal of investment properties	-	25,201
Loss on disposal of intangible assets	52	-
Gain on disposal of investments	(114,434)	(16,425)
Impairment loss	513	4,787
Write-down of inventory (reversal of write-down of inventory)	63,167	(149,347)
Gain on change in fair value of investment properties	(215,361)	(1,028,482)
Deferred gain on derivative assets for hedging	17,903	(15,128)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	405,028	1,337,670
Notes and accounts receivable	1,496,647	1,243,580
Amounts due from customers for construction contracts	(86,280)	18,617
Other receivables	494,404	680,049
Inventories	(2,789,291)	1,123,641
Prepayments	(1,356,509)	(510,756)
Other current assets	(626,133)	61,810
Financial liabilities at fair value through profit or loss	16,120	318,066
Notes and accounts payable	22,297	1,701,606
Notes and accounts payable to related parties	(94,429)	91,754
Amounts due to customers for construction contracts	139,757	158,053
Other payables	(1,872,792)	(2,189,322)
Provisions	1,096	10,005
Receipts in advance	81,163	10,911
Other current liabilities	161,062	110,332
Net defined benefit liabilities - non-current	(75,283)	(15,839)
Unearned revenue	(30,729)	(32,051)
Cash generated from operations	4,220,492	11,862,597
Interest received	78,980	87,886
Dividend received	139,725	2,792
Interest paid	(477,304)	(531,015)
Income tax paid	(157,892)	(95,011)
Net cash generated from operating activities	3,804,001	11,327,249

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	\$ -	\$ (3,739)
Proceeds of the disposal of available-for-sale financial assets	-	202,059
Decrease in debt investments with no active market	47,234	518,218
Acquisition of financial assets measured at cost	(54,867)	-
Proceeds from disposal of financial assets measured at cost	945	-
Cash received by reduction of capital of financial assets measured at cost	3,505	-
Acquisition of investments accounted for using the equity-method	(2,833)	(58,390)
Proceeds of on sale of investments accounted for using the equity-method	381,241	112,096
Payments for property, plant, equipment and prepayments for equipment	(5,127,266)	(4,963,345)
Proceeds from disposal of property, plant and equipment	100,374	31,676
Increase in refundable deposits	(126,757)	(12,518)
Decrease in other receivables	662,600	364,390
Payments for intangible assets	(245,770)	(222,699)
Payments for investment properties	-	(5,147)
Proceeds from disposal of investment properties	1,320,960	-
Increase in long-term prepayments for lease	(464)	(186)
Increase in concession	(118,548)	(8,180,054)
Proceeds from disposal of concessions	75,245	-
Decrease in other financial assets	524,801	553,609
Increase in other non-current assets	(15,844)	(8,618)
	(2,575,444)	(11,672,648)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	648,481	2,232,065
Increase in short-term bills payables	161,000	864,000
Proceeds from issue of bonds	5,200,000	-
Repayments of bond payables	(6,000,000)	(3,000,000)
Proceeds from long-term borrowings	33,769,269	34,451,834
Repayment of long-term borrowings	(43,978,161)	(33,204,623)
Increase (decrease) in guarantee deposits received	17,287	(7,013)
Increase (decrease) in other non-current liabilities	3,676	(1,035)
	(10,178,448)	1,335,228
Net cash (used in) generated from financing activities		
EFFECTS OF EXCHANGE RATE CHANGES	(945,611)	(244,897)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2017	2016
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (9,895,502)	\$ 744,932
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>35,675,422</u>	<u>40,878,814</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 25,779,920</u>	<u>\$ 41,623,746</u>

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

(With Deloitte & Touche review report dated May 11, 2017)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016 (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, semi-finished and finished textiles such as cotton, synthetic or blended fabrics, towels and bed sheets, and woven and knitted garments; PET (polyethylene terephthalate) bottles and sheets; and natural, synthetic or blended yarns and polyester textured yarns. It also does yarn, silk and cloth printing and dyeing.

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 May 11, 2017.

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

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

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not 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 or 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.

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. 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 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.

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

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.

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 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.

5) Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed and issued into effect by the FSC. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president, or is the spouse or second immediate family of the chairman of the board of directors or president of the Group are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationship with whom the Group has significant transaction. If the transaction or balance with a specific related party is 10% or more of the Group's respective total transaction or balance, such transaction should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operation after business combination and the expected benefit on acquisition date.

When the amendments are applied retrospectively from January 1, 2017, the disclosures of related party transactions are enhanced. Refer to Note 34.

The will have no anticipated material impact on the Group's asset, liabilities, equity, comprehensive income and cash flows from the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

The Group has not applied the following IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC.

The FSC announced that amendments to IFRS 9 and IFRS 15 will take effect 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 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	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
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	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
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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

Note 2: The amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

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 the 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.

Impairment of financial assets

IFRS 9 requires impairment loss on financial assets to be 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 risks 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.

Transition

Financial instruments that have been derecognized prior to the effective date of IFRS 9 cannot be reversed to apply IFRS 9 when it becomes effective. Under IFRS 9, the requirements for classification, measurement and impairment of financial assets are applied retrospectively with the difference between the previous carrying amount and the carrying amount at the date of initial application recognized in the current period and restatement of prior periods is not required. The requirements for general hedge accounting shall be applied prospectively and the accounting for hedging options shall be applied retrospectively.

- 2) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

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

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

- 3) 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.

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 contract; 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 the contract on a relative stand-alone selling price basis. Under current standard, the Group applies residual value method to allocate the amount of revenue to be recognized.

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.

4) 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.

5) 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.

6) Amendments to IAS 40 “Transfers of Investment Property”

The amendments clarify that the Group should transfer to, or from, investment property when, and only when, the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management’s intentions for the use of a property does not provide evidence of a change in use. The amendments also clarify that the evidence of the change in use is not limited to those illustrated in IAS 40.

The Group may elect to apply the amendments prospectively and reclassify the property as required to reflect the conditions that exist at the date of initial application. Any adjustment to the carrying amount upon reclassification is recognized in the opening balance of retained earnings/other equity at that date. The Group is also required to disclose the reclassified amounts and such amounts should be included in the reconciliation of the carrying amount of investment property. Alternatively, the Group may elect to apply the amendments retrospectively if, and only if, that is possible without the use of hindsight.

7) IFRIC 22“Foreign Currency Transactions and Advance Consideration”

IAS 21 stipulated that a foreign currency transaction shall be recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. IFRIC 22 further explains that the date of the transaction is the date on which an entity recognizes a non-monetary asset or non-monetary liability from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine the date of the transaction for each payment or receipt of advance consideration.

The Group shall apply IFRIC 22 either retrospectively or prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after (a) the beginning of the reporting period in which the entity first applies IFRIC 22, or (b) the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies IFRIC 22.

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

These interim 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 and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

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

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

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

c. Basis of consolidation

See Note 15 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2016. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2016.

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

For the critical accounting judgments and key sources of estimation uncertainty of the consolidated financial statements, refer to the consolidated financial statements for the year ended December 31, 2016.

6. CASH AND CASH EQUIVALENTS

	March 31, 2017	December 31, 2016	March 31, 2016
Cash			
Cash on hand and petty cash	\$ 56,976	\$ 79,920	\$ 35,273
Demand and checking accounts	<u>14,894,473</u>	<u>18,810,198</u>	<u>21,798,544</u>
	<u>14,951,449</u>	<u>18,890,118</u>	<u>21,833,817</u>
Cash equivalents (investments with original maturities less than three months)			
Time deposits	7,348,502	1,841,027	6,864,466
Commercial paper and corporate bonds purchased under resell agreements	<u>3,397,081</u>	<u>14,831,983</u>	<u>12,775,970</u>
	<u>10,745,583</u>	<u>16,673,010</u>	<u>19,640,436</u>
Management discretionary accounts			
Demand accounts	<u>82,888</u>	<u>112,294</u>	<u>149,493</u>
	<u>\$ 25,779,920</u>	<u>\$ 35,675,422</u>	<u>\$ 41,623,746</u>

The Group's members individually contracted and fully authorized Oriental Securities Investment Advisory Corporation (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT\$82,888 thousand, NT\$112,294 thousand and NT\$149,493 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.

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

	March 31, 2017	December 31, 2016	March 31, 2016
Time deposits	0.13%-4.00%	0.05%-8.30%	0.001%-3.30%
Commercial paper and corporate bonds purchased under resell agreements	0.35%-0.85%	0.28%-0.75%	0.27%-0.42%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Financial assets held for trading - current</u>			
Mutual funds - beneficial certificates	\$ 2,852,134	\$ 3,405,976	\$ 2,302,550
Marketable equity securities	519,584	355,122	302,194
Guarantee deposits - cotton futures contracts	39,815	42,328	42,139
Guarantee deposits - PTA futures contracts	11,833	12,396	13,342
Combined foreign exchange options	3,817	2,377	-
Forward exchange contracts	<u>3,748</u>	<u>17,760</u>	<u>-</u>
	<u>\$ 3,430,931</u>	<u>\$ 3,835,959</u>	<u>\$ 2,660,225</u>

Financial liabilities held for trading - current

Forward exchange contracts	\$ 19,541	\$ 255	\$ 183,329
Cross-currency swap contracts	-	-	89,039
Combined foreign exchange options	-	-	44,732
Option contracts	<u>-</u>	<u>3,166</u>	<u>966</u>
	<u>\$ 19,541</u>	<u>\$ 3,421</u>	<u>\$ 318,066</u>

a. Cotton futures contracts

The Group entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices. 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 March 31, 2017, December 31, 2016 and March 31, 2016.

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices. 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 March 31, 2017, December 31, 2016 and March 31, 2016.

c. Forward exchange contracts

The Group entered into forward exchange contracts to hedge against the exchange risks on foreign currency assets or liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

As of March 31, 2017, December 31, 2016 and March 31, 2016, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>March 31, 2017</u>			
Buy	USD/RMB	2017.04.25-2017.04.27	USD2,000/RMB13,882
Sell	USD/RMB	2017.04.10-2017.06.22	USD22,000/RMB151,797
Sell	USD/NTD	2017.04.07-2017.06.05	USD34,100/TWD1,040,827
Buy	USD/NTD	2017.04.05-2017.05.02	USD35,700/TWD1,095,621
Buy	USD/JPY	2017.04.28-2017.05.25	USD9,000/JPY1,027,000
Sell	USD/JPY	2017.04.27	USD700/JPY79,853
Sell	EUR/USD	2017.04.28-2017.05.25	EUR4,000/USD4,223
Sell	EUR/RMB	2017.04.25-2017.05.26	EUR650/RMB4,804
<u>December 31, 2016</u>			
Buy	USD/NTD	2017.01.03-2017.02.03	USD27,900/NTD887,939
Sell	EUR/USD	2017.02.24-2017.03.29	EUR7,000/USD7,406
Buy	USD/JPY	2017.03.29	USD7,000/JPY820,190
Buy	USD/RMB	2017.02.24-2017.03.29	USD12,000/RMB84,161
<u>March 31, 2016</u>			
Buy	USD/NTD	2016.04.07-2016.07.05	USD299,580/NTD9,823,129
Buy	USD/RMB	2016.04.25	USD1,000/RMB6,887
Buy	USD/JPY	2016.05.31	USD1,000/JPY120,920
Sell	EUR/USD	2016.05.31	EUR1,000/USD1,105

d. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations.

The Group had no outstanding option contracts as of March 31, 2017.

The outstanding option contracts as of December 31, 2016 and March 31, 2016 were as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2016</u>			
Sell USD call options	USD/NTD	2017.01.05-2017.01.24	USD22,000/NTD719,580
Sell EUR call options	EUR/USD	2017.01.10-2017.01.19	EUR4,000/USD4,240
<u>March 31, 2016</u>			
Sell USD call options	USD/NTD	2016.04.07-2016.04.27	USD75,000/NTD2,489,266

e. Combined foreign exchange options

The Group entered into combined foreign exchange options to hedge against the exchange risks on foreign currency assets or liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

As of March 31, 2017, December 31, 2016 and March 31, 2016, the Group had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>March 31, 2017</u>			
Buy USD put options	USD/NTD	2017.04.07-2017.05.31	USD48,000/TWD1,480,703
Sell USD call options	USD/NTD	2017.04.07-2017.05.31	USD96,000/TWD2,961,405
Buy EUR put options	EUR/USD	2017.04.14-2017.06.02	EUR11,600/USD12,595
Sell EUR call options	EUR/USD	2017.04.14-2017.06.02	EUR34,800/USD37,784
<u>December 31, 2016</u>			
Buy EUR put options	EUR/USD	2017.02.13-2017.03.02	EUR6,000/USD6,496
Sell EUR call options	EUR/USD	2017.02.13-2017.03.02	EUR18,000/USD19,489
<u>March 31, 2016</u>			
Buy USD put options	USD/NTD	2016.04.27-2016.05.27	USD134,100/NTD4,492,648
Sell USD call options	USD/NTD	2016.04.27-2016.05.27	USD402,300/NTD13,477,944
Buy USD call options	USD/JPY	2016.04.14-2016.06.02	USD9,800/JPY1,154,202
Sell USD put options	USD/JPY	2016.04.14-2016.06.02	USD29,400/JPY 3,462,606
Buy EUR put options	EUR/USD	2016.04.14-2016.05.30	EUR12,000/USD13,498
Sell EUR call options	EUR/USD	2016.04.14-2016.05.30	EUR36,000/USD40,493

f. Cross-currency swap contracts

The Group entered into cross-currency swap contracts to hedge against the exchange risks on foreign currency assets or liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

As of March 31, 2016, the Group had outstanding cross-currency swap contracts, as follows:

Currency	Range of Interest Rates	Maturity Date	Contract Amount (Thousands)
<u>March 31, 2016</u>			
USD/RMB	3.48%-4.00%	2016.11.24-2016.12.30	USD75,843/RMB500,000

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Equity investments</u>			
Marketable equity securities	\$ 4,490,254	\$ 4,198,219	\$ 4,304,439
Oversea mutual funds - beneficial certificates	588,378	598,132	582,010
Oversea shares	<u>102,036</u>	<u>106,090</u>	<u>101,325</u>
Available-for-sale financial assets	<u>\$ 5,180,668</u>	<u>\$ 4,902,441</u>	<u>\$ 4,987,774</u>
Current	\$ 664,658	\$ 656,773	\$ 641,586
Noncurrent	<u>4,516,010</u>	<u>4,245,668</u>	<u>4,346,188</u>
	<u>\$ 5,180,668</u>	<u>\$ 4,902,441</u>	<u>\$ 4,987,774</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Derivative financial assets under hedge accounting - current</u>			
Cash flow hedges - forward exchange contracts	\$ -	\$ 2,073	\$ 11,286
Cash flow hedges - foreign exchange swap contracts	<u>9,488</u>	<u>-</u>	<u>23,690</u>
	<u>\$ 9,488</u>	<u>\$ 2,073</u>	<u>\$ 34,976</u>
<u>Derivative financial liabilities under hedge accounting - current</u>			
Cash flow hedges - forward exchange contracts	\$ 56,144	\$ 40,229	\$ -
Cash flow hedges - foreign exchange swap contracts	<u>-</u>	<u>7,538</u>	<u>-</u>
	<u>\$ 56,144</u>	<u>\$ 47,767</u>	<u>\$ -</u>
<u>Derivative financial liabilities under hedge accounting - noncurrent</u>			
Cash flow hedges - interest rate swaps	<u>\$ 124,098</u>	<u>\$ 171,366</u>	<u>\$ 373,961</u>

Cash Flow Hedges

The Group used foreign exchange swap contracts and forward exchange contracts to hedge against adverse cash flow fluctuations on its foreign currency-denominated assets.

The contracts mentioned above were in accordance with the contracts on the hedged items. The outstanding contracts mentioned above at the end of the reporting period were as follows:

March 31, 2017

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2017.04.25-2017.10.25	EUR21,000
Foreign exchange swap contracts	USD/NTD	2017.04.10-2017.05.15	USD20,000

December 31, 2016

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2017.01.25-2017.10.25	EUR29,500
Foreign exchange swap contracts	USD/NTD	2017.01.11-2017.02.15	USD20,000

March 31, 2016

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2016.04.25-2016.09.26	EUR19,000
Foreign exchange swap contracts	USD/NTD	2016.04.15-2016.05.31	USD20,000

The Group invested in overseas mutual funds and used foreign exchange swap contracts to hedge against adverse cash flow fluctuations, and the 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 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.

The gain (loss) on the hedged items that was reclassified from equity to profit in the consolidated statements of comprehensive income for the three months ended March 31, 2017 and 2016 were as follows:

	For the Three Months Ended March 31	
	2017	2016
Net loss on sales of securities	<u>\$ 21,252</u>	<u>\$ 10,018</u>

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

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
NTD 1,518,959	2021.02.10	0%-4.8%	90d CP+1.10% (Note)
NTD 3,294,000	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.

Gains and losses of hedging instruments reclassified from equity to profit or loss were included in the following line item in the consolidated statements of comprehensive income:

	For the Three Months Ended March 31	
	2017	2016
Interest expense debits	<u>\$ 5,900</u>	<u>\$ 9,425</u>

10. FINANCIAL ASSETS MEASURED AT COST

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Noncurrent</u>			
Domestic unlisted common shares	\$ 933,272	\$ 882,424	\$ 883,965
Overseas unlisted common shares	<u>248,422</u>	<u>252,724</u>	<u>252,555</u>
	<u>\$ 1,181,694</u>	<u>\$ 1,135,148</u>	<u>\$ 1,136,520</u>
<u>Distinguish from the type of measure</u>			
Available-for-sale	<u>\$ 1,181,694</u>	<u>\$ 1,135,148</u>	<u>\$ 1,136,520</u>

The Group's management believed that the above unlisted common shares 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.

Kaohsiung Rapid Transit Corporation, the Corporation which the Group invested in, is the shareholder of the BOT Concession Company encouraged by the Government. When the Concession Company's concession period expires (concession expires in October, 2037), the assets must transfer to the Government and the Concession Company will be eliminated. For the three months ended March 31, 2017 and 2016, the amortization were \$513 thousand and \$514 thousand, respectively, recognized as impairment loss.

11. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Current</u>			
Time deposits with original maturities more than 3 months	<u>\$ 1,750,463</u>	<u>\$ 1,797,697</u>	<u>\$ 2,832,772</u>

The market interest rates of the time deposits with original maturity more than 3 months were 0.40%-1.30%, 0.12%-1.30% and 0.13%-1.40% per annum respectively as of March 31, 2017, December 31, 2016 and March 31, 2016

12. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 24,579,965	\$ 26,173,376	\$ 23,235,379
Less: Allowance for doubtful accounts	<u>(1,370,688)</u>	<u>(1,342,727)</u>	<u>(1,214,331)</u>
	<u>\$ 23,209,277</u>	<u>\$ 24,830,649</u>	<u>\$ 22,021,048</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:

	March 31, 2017	December 31, 2016	March 31, 2016
1-90 days	\$ 20,596,992	\$ 22,399,146	\$ 18,706,517
91-180 days	2,128,851	1,996,949	2,683,691
181-365 days	173,036	138,193	254,872
More than 365 days	<u>310,398</u>	<u>296,361</u>	<u>375,968</u>
	<u>\$ 23,209,277</u>	<u>\$ 24,830,649</u>	<u>\$ 22,021,048</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, 2017	\$ 245,426	\$ 1,097,301	\$ 1,342,727
Add: Accounts recovered during the period	-	59,217	59,217
Add: Impairment losses (reversed) recognized on receivables	(4,185)	132,281	128,096
Deduct: Amounts written off during the period as uncollectible	(326)	(155,655)	(155,981)
Effect of exchange rate differences	<u>-</u>	<u>(3,371)</u>	<u>(3,371)</u>
Balance at March 31, 2017	<u>\$ 240,915</u>	<u>\$ 1,129,773</u>	<u>\$ 1,370,688</u>

(Continued)

	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	-	55,686	55,686
Add: Impairment losses recognized on receivables	1,912	104,543	106,455
Deduct: Amounts written off during the period as uncollectible	(5,845)	(193,902)	(199,747)
Effect of exchange rate differences	<u>-</u>	<u>(577)</u>	<u>(577)</u>
Balance at March 31, 2016	<u>\$ 7,613</u>	<u>\$ 1,206,718</u>	<u>\$ 1,214,331</u> (Concluded)

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

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Amount due from customers for construction contracts</u>			
Construction costs incurred plus recognized profits less recognized losses to date	\$ 16,368,605	\$ 18,074,224	\$ 9,810,676
Less: Progress billings	<u>15,079,701</u>	<u>16,871,600</u>	<u>8,855,405</u>
Amount due from customers for construction contracts	<u>\$ 1,288,904</u>	<u>\$ 1,202,624</u>	<u>\$ 955,271</u>
<u>Amount due to customers for construction contracts</u>			
Progress billings	\$ 3,476,018	\$ 894,236	\$ 4,936,716
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>3,334,833</u>	<u>892,808</u>	<u>4,657,967</u>
Amount due to customers for construction contracts	<u>\$ 141,185</u>	<u>\$ 1,428</u>	<u>\$ 278,749</u>
Retentions receivable	<u>\$ 305,303</u>	<u>\$ 281,193</u>	<u>\$ 268,960</u>
Retentions payable	<u>\$ 661,216</u>	<u>\$ 633,699</u>	<u>\$ 436,735</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 (payable) until the satisfaction of conditions specified in each contract for the payment of such amounts during the retention periods, which are within the Group's normal operating cycle of usually more than 12 months after the reporting period.

14. INVENTORIES

	March 31, 2017	December 31, 2016	March 31, 2016
Merchandise inventories	\$ 3,995,346	\$ 3,528,667	\$ 4,083,576
Finished goods	5,785,840	4,645,827	5,337,701
Work in progress	3,190,944	2,673,769	3,145,193
Raw materials	6,035,145	5,237,872	5,654,447
Supplies	806,530	728,798	661,030
Available-for-sale - buildings and land	2,491,783	2,764,531	4,019,173
Available-for-construction - land	<u>2,523,844</u>	<u>2,523,844</u>	<u>700,887</u>
	<u>\$ 24,829,432</u>	<u>\$ 22,103,308</u>	<u>\$ 23,602,007</u>

For the three months ended March 31, 2017 and 2016, the costs of sales were NT\$29,416,800 thousand and NT\$30,775,027 thousand, respectively. The cost of goods sold included inventory write-downs of \$63,167 thousand for the three months ended March 31, 2017. For the three months ended March 31, 2016 included inventory reversal of write-downs of \$149,347 thousand. Previous write-downs were reversed as a result of increased selling prices in certain markets.

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	No	Investee	Nature of Activities	Proportion of Ownership		
				March 31, 2017	December 31, 2016	March 31, 2016
Far Eastern New Century Corporation	1	Far EasTone Telecommunications Corporation (Note 1)	Telecommunications	38.29	38.29	38.29
	2	Yuan Ding Investment Corporation	Investment	99.70	99.70	99.70
	3	Far Eastern Resources Development Corporation	Real estate leasing and development service	100.00	100.00	100.00
	4	Yuan Tong Investment Corporation	Investment	100.00	100.00	100.00
	5	Far Eastern Polychem Industries Corporation (FEPI)	Investment	100.00	100.00	100.00
	6	Oriental Petrochemical (Taiwan) Corporation	Petrochemical materials production	80.76	80.76	80.76
	7	Far Eastern Investment (Holding) Corporation	Investment	100.00	100.00	100.00
	8	PET Far Eastern (Holding) Corporation (PETH)	Investment	100.00	100.00	100.00
	9	Kai Yuan International Investment Corporation	Investment	100.00	100.00	100.00
	10	Far Eastern Polytex (Holding) Corporation	Investment	100.00	100.00	100.00
	11	Yuan Ding Company Corporation (Note 2)	Real estate leasing and hotel	49.99	49.99	49.99
	12	Far Eastern Construction Corporation	Real estate construction and selling	65.11	65.11	65.11
	13	Ding Yuan International Investment Corporation	Investment	100.00	100.00	100.00
	14	An Ho Garment Corporation	Garment production and investment	100.00	100.00	100.00
	15	FEDP (Holding) Corporation (FEDP)	Investment	100.00	100.00	100.00
	16	Fu Kwok Garment Manufacturing Corporation	Garment production	99.99	99.99	99.99
	17	Far Eastern Textile Corporation	Textile production	100.00	100.00	100.00
	18	Far Eastern Electronic Toll Collection Corporation (Note 7)	Electronic toll collection service	66.33	66.33	66.33
	19	Yuan Hsin Digital Payment Corporation	Digital payment	65.01	65.01	65.01
	20	Malaysia Garment Manufactures Pte. Corporation	Clothing production and investment	50.92	50.92	50.92

(Continued)

Investor	No	Investee	Nature of Activities	Proportion of Ownership		
				March 31, 2017	December 31, 2016	March 31, 2016
Yuan Ding Investment Corporation	21	Oriental Textile (Holding) Corporation (OTTI)	Investment	100.00	100.00	100.00
	22	Far Eastern Apparel (Holding) Corporation (FEAH)	Investment	100.00	100.00	100.00
	23	Far Eastern Fibertech Corporation	Nylon production	100.00	100.00	100.00
	24	Far Eastern Apparel Corporation	Sale of textile, garments, and clothing	100.00	100.00	100.00
	25	Oriental Resources Development Corporation	Production and wholesale of medical supplies; waste recycling and re-processing	70.00	70.00	70.00
Far Eastern Investment (Holding) Corporation (FEIH)	26	Yuan Faun Corporation	Consulting	100.00	100.00	100.00
	27	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00
	28	PET Far Eastern (M) Sdn. Bhd.	Bottle production	100.00	100.00	100.00
	29	Far Eastern Apparel (Vietnam) Corporation	Clothing production	100.00	100.00	100.00
	30	Worldwide Polychem (HK) Corporation (WWPI)	Foreign trade	100.00	100.00	100.00
	31	Far Eastern Polytex (Vietnam) Corporation (Note 4)	Chemical fiber and textile production	100.00	100.00	100.00
	32	Far Eastern New Apparel (Vietnam) Corporation (Note 5)	Clothing production	100.00	100.00	100.00
Far Eastern Polychem Industries Corporation (FEPI)	33	Magna View Sdn. Bhd.	Investment	100.00	100.00	100.00
	34	Far Eastern Industries (Shanghai) Corporation.	Chemical fiber production	100.00	100.00	100.00
	35	Far Eastern Industries (Yangzhou) Corporation	Production and sales of polyester products	100.00	100.00	100.00
	36	Far Eastern Ishizuka Green Pet Corporation (FIGP)	Recycled PET production and sales	90.00	90.00	97.95
Far Eastern Construction Corporation	37	Far Eastern General Contractor Corporation	Construction	99.95	99.95	99.95
Far Eastern Apparel (Holding) Corporation (FEAH)	38	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Dyeing and finishing	100.00	100.00	100.00
FETG Investment Antilles N.V.	39	Waldorf Services B.V.	Investment	100.00	100.00	100.00
Yuan Faun Corporation.	40	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19	55.19
Yuan Tong Investment Corporation	41	Sino Belgium (Holding) Corporation	Investment	90.88	90.88	90.88
Far Eastern Apparel (Suzhou) Corporation	42	Suzhou An Ho Apparel Corporation	Garment production	100.00	100.00	100.00
PET Far Eastern (Holding) Corporation (PETH)	43	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35	61.35
Oriental Textile (Holding) Corporation (OTTI)	44	Far Eastern Industries (Wuxi) Corporation	Fiber and textile production	100.00	100.00	100.00
	45	Oriental Industries (Suzhou) Corporation	Recycled PET production and sales	100.00	100.00	100.00
FEDP (Holding) Corporation (FEDP)	46	Far Eastern Industries (Suzhou) Corporation	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Polytex (Holding) Corporation	47	Wuhan Far Eastern New Material Corporation	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00	100.00
	48	Far Eastern Apparel (Suzhou) Corporation	Garment production	100.00	100.00	100.00
	49	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	50	Far Eastern New Century (China) Investment Corporation	Investment	100.00	100.00	100.00
Far Eastern New Century (China) Investment Corporation	51	Shanghai Yuan Zi Information Technology Corporation	Software development, equipment maintenance and consulting	100.00	100.00	100.00
	52	Yuan Ding Enterprise (Shanghai) Corporation	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses	100.00	100.00	100.00
Sino Belgium (Holding) Corporation	53	Sino Belgium Beer (Suzhou) Corporation	Brewer	100.00	100.00	100.00
	54	Martens Beers Trading (Shanghai) Corporation	Beer sale	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	55	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00	100.00

(Continued)

Investor	No	Investee	Nature of Activities	Proportion of Ownership		
				March 31, 2017	December 31, 2016	March 31, 2016
Yuan Ding Company Corporation	56	Ding Ding Hotel Corporation	Hotel	80.99	80.99	80.99
	57	YDT Technology International Corporation	Electronic materials and by-product sale	100.00	100.00	100.00
	58	Far Eastern Technical Consultants Corporation	Real estate development business consulting and management	100.00	100.00	100.00
	59	FET Consulting Engineers Corporation	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00	100.00
	60	Ding Ding Integrated Marketing Services Corporation	Market research and general advertisement	80.00	80.00	80.00
	61	Far Eastern Electronic Commerce Corporation	Online retail service	73.42	73.42	73.42
FET Consulting Engineers Corporation	62	DDIM (Virgin Islands) Corporation	Investment	100.00	100.00	100.00
YDT Technology International Corporation	63	YDC (Virgin Islands) Corporation	Investment	100.00	100.00	100.00
YDC (Virgin Islands) Corporation	64	Speedy (Shanghai) Digital Tech. Corporation	Intelligent control equipment and security monitoring products	100.00	100.00	100.00
DDIM (Virgin Islands) Corporation	65	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Corporation	66	PT Malaysia Garment Bintan	Clothing production	99.00	99.00	99.00
Far EasTone Telecommunications Corporation	67	New Century InfoComm Tech Corporation	Types I and II telecommunications services	100.00	100.00	100.00
	68	ARCOA Communication Corporation	Sale of communications products and office equipment	61.63	61.63	61.63
	69	KGEx.com Corporation	Type II telecommunications services	99.99	99.99	99.99
	70	Yuan Cing Corporation	Call center services	100.00	100.00	99.99
	71	Far Eastern Info Service Holding Corporation (FEIS)	Investment	100.00	100.00	100.00
	72	O-music Corporation	Electronic information providing services	50.00	50.00	50.00
	73	Q-Ware Communication Corporation	Type II telecommunications services	81.46	81.46	81.46
	74	Hiiir Corporation	Electronic information providing services	89.54	89.54	89.54
	75	DataExpress Infotech Corporation	Sale of communications products	70.00	70.00	70.00
	76	New Diligent Corporation	Investment	100.00	100.00	100.00
New Century InfoComm Tech Corporation	77	Information Security Service Digital United Corporation	Security and monitoring service via Internet	100.00	100.00	100.00
	78	Digital United (Cayman) Corporation	Investment	100.00	100.00	100.00
	79	Simple InfoComm Corporation (Note 6)	Electronic information providing services	100.00	100.00	100.00
Digital United (Cayman) Corporation	80	Digital United Information Technology (Shanghai) Corporation	Design and research of computer system	100.00	100.00	100.00
New Diligent Corporation	81	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00
	82	Far Eastern New Diligent Corporation	Investment	100.00	100.00	100.00
	83	New Diligent (Hong Kong) Corporation (Note 3)	Investment	-	-	-
Far Eastern New Diligent Corporation	84	Far Eastern Tech-info Corporation (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	85	Far Eastern New Century Information Technology (Beijing) Corporation	Electronic information providing services	90.52	90.52	79.04
DataExpress Infotech Corporation	86	Linkwell Tech. Corporation	Sale of communications products	100.00	100.00	100.00
	87	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: Even though the consolidated ownership of the Company and its subsidiaries to Yuan Ding Company Ltd. was not over 50%, the president of Yuan Ding Company Ltd. was appointed by the Group. Thus, Yuan Ding Company Ltd. was included in the consolidated financial statement.
- Note 3: A subsidiary was established completed on December 4, 2014, but the investment amount had not been remitted to the investee as of March 31, 2017.
- Note 4: As of March 31, 2017, the Group remitted US\$70,000 thousand as its direct investment.
- Note 5: As of March 31, 2017, the Group remitted US\$9,000 thousand as its direct investment.
- Note 6: A subsidiary was dissolved on December 19, 2015 and liquidated on April 6, 2016.
- Note 7: From the shareholders resolution of Far Eastern Electronic Toll Collection Corporation on April 27, 2017, Far Eastern Electronic Collection Corporation partitioned the new established subsidiary of oversea business under the Enterprises Mergers and Acquisitions Act (the date of the partition was April 30, 2017), the name of the subsidiary is FETC International Corporation.

Except for (a) the financial statements as of and for the three months ended March 31, 2017 and 2016 of the Company, Far EasTone Telecommunications Corporation (Far EasTone), New Century InfoComm Tech Corporation (NCIC) and ARCOA Communication Corporation (ARCOA), all the financial statements of insignificant subsidiaries were unreviewed.

b. Details of subsidiaries that have material noncontrolling interests

Name of Subsidiary	Profit Allocated to Noncontrolling Interests		Accumulated Noncontrolling Interests		
	For the Three Months Ended March 31		December 31,		
	2017	2016	March 31, 2017	2016	March 31, 2016
Far EasTone	<u>\$ 1,757,656</u>	<u>\$ 1,861,496</u>	<u>\$ 46,307,976</u>	<u>\$ 44,534,397</u>	<u>\$ 46,948,372</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material noncontrolling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Far EasTone and Far EasTone's subsidiaries:

	March 31, 2017	December 31, 2016	March 31, 2016
Current assets	\$ 24,611,252	\$ 26,557,388	\$ 32,445,611
Noncurrent assets	104,349,445	106,249,934	109,508,226
Current liabilities	(30,195,659)	(30,980,704)	(25,170,079)
Noncurrent liabilities	<u>(24,173,031)</u>	<u>(30,104,017)</u>	<u>(41,177,982)</u>
Equity	<u>\$ 74,592,007</u>	<u>\$ 71,722,601</u>	<u>\$ 75,605,776</u>
Equity attributable to:			
Owners of the Group	\$ 28,284,031	\$ 27,188,204	\$ 28,657,404
Noncontrolling interests of Far EasTone	45,583,900	43,817,814	46,185,646
Noncontrolling interests of Far EasTone's subsidiaries	<u>724,076</u>	<u>716,583</u>	<u>762,726</u>
	<u>\$ 74,592,007</u>	<u>\$ 71,722,601</u>	<u>\$ 75,605,776</u>

	For the Three Months Ended March 31	
	2017	2016
Revenue	<u>\$ 22,480,387</u>	<u>\$ 23,819,456</u>
Net income for the period	\$ 2,843,655	\$ 3,010,256
Other comprehensive income for the period	<u>25,751</u>	<u>(63,376)</u>
Total comprehensive income for the period	<u>\$ 2,869,406</u>	<u>\$ 2,946,880</u>
Net income attributable to:		
Owners of the Group	\$ 1,085,999	\$ 1,148,760
Noncontrolling interests of Far EasTone	1,750,247	1,851,398
Noncontrolling interests of Far EasTone's subsidiaries	<u>7,409</u>	<u>10,098</u>
	<u>\$ 2,843,655</u>	<u>\$ 3,010,256</u>
Total comprehensive income attributable to:		
Owners of the Group	\$ 1,095,826	\$ 1,124,457
Noncontrolling interests of Far EasTone	1,766,087	1,812,228
Noncontrolling interests of Far EasTone's subsidiaries	<u>7,493</u>	<u>10,195</u>
	<u>\$ 2,869,406</u>	<u>\$ 2,946,880</u>
Net cash flow from:		
Operating activities	\$ 7,536,520	\$ 8,789,613
Investing activities	(2,560,772)	(9,888,149)
Financing activities	(6,583,665)	1,408,695
Effect of exchange rate changes	<u>(1,707)</u>	<u>441</u>
Net cash (outflow) inflow	<u>\$ (1,609,624)</u>	<u>\$ 310,600</u>

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	<u>March 31, 2017</u>		<u>December 31, 2016</u>		<u>March 31, 2016</u>	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Material associate						
Listed companies						
Asia Cement Corporation	\$ 18,929,315	26	\$ 19,291,041	26	\$ 20,442,313	26
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Corporation	7,258,958	23	7,079,848	23	7,295,767	23
Oriental Union Chemical Corporation	5,735,855	31	5,903,309	32	6,325,964	32
Everest Textile Corporation	<u>1,141,471</u>	26	<u>1,160,911</u>	26	<u>1,180,813</u>	26
	<u>14,136,284</u>		<u>14,144,068</u>		<u>14,802,544</u>	
Unlisted companies						
Oriental Securities Corporation	4,653,633	47	4,658,305	47	4,663,096	46
Pacific Liu Tong Investment Corporation	4,284,147	40	4,234,587	40	4,085,687	40
Liquid Air Far East Corporation	1,909,695	35	1,778,443	35	1,944,992	35
Far Eastern International Leasing Corporation	1,873,506	34	1,866,661	34	2,303,051	34

(Continued)

	<u>March 31, 2017</u>		<u>December 31, 2016</u>		<u>March 31, 2016</u>	
	<u>Carrying Value</u>	<u>% of Ownership</u>	<u>Carrying Value</u>	<u>% of Ownership</u>	<u>Carrying Value</u>	<u>% of Ownership</u>
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 1,737,949	50	\$ 1,515,620	50	\$ 1,690,748	50
Da Ju Fiber Corporation	1,588,942	42	1,585,067	42	1,492,473	42
Yu Yuan Investment Corporation	1,294,153	44	1,298,224	44	2,043,020	44
Tong Da Air Industry (Yangzhou) Corporation	949,898	50	969,375	50	1,028,752	50
Yu Ding Industry Corporation	639,147	31	636,473	31	605,047	31
Kowloon Cement Corporation	468,589	49	471,469	49	488,102	49
Yuan Ding Leasing Corporation	391,134	46	389,978	46	417,750	46
Freudenberg Far Eastern Spunweb Corporation	236,320	30	341,233	30	369,816	30
FEDS Asia Pacific Development Corporation	131,522	5	129,763	5	131,895	5
Yue Ming Corporation	62,173	47	62,062	47	71,980	47
Alliance Digital Technology Corporation	31,525	14	33,869	14	13,682	13
Com 2B Corporation	12,540	20	13,333	20	13,686	20
Opas Fund Segregated Portfolio Company	<u>1,601</u>	34	<u>1,699</u>	34	<u>1,685</u>	34
	<u>20,266,474</u>		<u>19,986,161</u>		<u>21,365,462</u>	
	<u>\$ 53,332,073</u>		<u>\$ 53,421,270</u>		<u>\$ 56,610,319</u>	

(Concluded)

Material associates:

<u>Name of Associate</u>	<u>Nature of Activities</u>	<u>Principal Place of Business</u>	<u>Proportion of Ownership and Voting Rights</u>		
			<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2016</u>
Asia Cement Corporation	Cement production	Taiwan	25.62%	25.62%	25.56%

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

<u>Name of Associate</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2016</u>
Asia Cement Corporation	<u>\$ 26,361,513</u>	<u>\$ 22,700,492</u>	<u>\$ 25,265,578</u>

Investments in FEDS Asia Pacific Development 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 ended March 31, 2017 and 2016 are unreviewed, except those of Asia Cement Corporation (ACC), Far Eastern Department Stores Corporation, Oriental Union Chemical Corporation, Everest Textile Corporation, Corporation and Pacific Liu Tong Investment Corporation. The independent auditors expressed a qualified reviewed report on the financial statements of these five associates because the financial statements of some of the investees of these associates are unreviewed.

17. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	March 31, 2017	December 31, 2016	March 31, 2016
Total property, plant and equipment	\$ 146,628,222	\$ 148,316,398	\$ 148,734,511
Prepayments for equipment	<u>1,709,107</u>	<u>1,612,960</u>	<u>1,806,894</u>
	<u>\$ 148,337,329</u>	<u>\$ 149,929,358</u>	<u>\$ 150,541,405</u>

	Land	Buildings	Machinery and Equipment	Telecommuni- cations Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in- progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 2017	\$ 18,445,818	\$ 31,531,905	\$ 119,190,973	\$ 127,805,053	\$ 15,295,038	\$ 4,662,292	\$ 20,917,820	\$ 33,727,717	\$ 371,576,616
Additions	-	8,302	138,402	8,026	749	4,403	64,999	4,037,476	4,262,357
Disposals	-	(8,034)	(797,448)	(295,292)	(20,540)	(9,062)	(89,485)	(8,245)	(1,228,106)
Reclassification	-	58,186	304,031	1,933,759	170,199	28,313	267,566	(2,813,287)	(51,233)
Effect of exchange rate differences	<u>(28,926)</u>	<u>(402,501)</u>	<u>(1,921,831)</u>	<u>(2)</u>	<u>(578)</u>	<u>(30)</u>	<u>(146,840)</u>	<u>(440,367)</u>	<u>(2,941,075)</u>
Balance at March 31, 2017	<u>\$ 18,416,892</u>	<u>\$ 31,187,858</u>	<u>\$ 116,914,127</u>	<u>\$ 129,451,544</u>	<u>\$ 15,444,868</u>	<u>\$ 4,685,916</u>	<u>\$ 21,014,060</u>	<u>\$ 34,503,294</u>	<u>\$ 371,618,559</u>
Accumulated depreciation and impairment									
Balance at January 1, 2017	\$ (96,557)	\$ (14,181,156)	\$ (82,531,268)	\$ (93,211,884)	\$ (12,825,382)	\$ (3,575,769)	\$ (15,158,386)	\$ (66,856)	\$ (221,647,258)
Disposals	-	5,154	778,882	122,676	19,295	7,290	88,682	-	1,021,979
Depreciation expense	-	(209,144)	(946,296)	(1,950,978)	(306,022)	(100,147)	(341,420)	-	(3,854,007)
Reclassification	-	-	-	(5,666)	(2,763)	87	3,980	-	(4,362)
Effect of exchange rate differences	<u>-</u>	<u>140,611</u>	<u>972,203</u>	<u>2</u>	<u>221</u>	<u>29</u>	<u>89,352</u>	<u>-</u>	<u>1,202,418</u>
Balance at March 31, 2017	<u>\$ (96,557)</u>	<u>\$ (14,244,535)</u>	<u>\$ (81,726,479)</u>	<u>\$ (95,045,850)</u>	<u>\$ (13,114,651)</u>	<u>\$ (3,668,510)</u>	<u>\$ (15,317,792)</u>	<u>\$ (66,856)</u>	<u>\$ (223,281,230)</u>
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	2,465	2,200	51,575	9,720	8,182	9,808	55,860	3,946,426	4,086,236
Disposals	-	(7,900)	(563,612)	(671,663)	(4,218)	(7,641)	(38,343)	(4,391)	(1,297,768)
Reclassification	-	138,233	984,442	2,132,799	164,243	78,637	169,182	(3,745,786)	(78,250)
Effect of exchange rate differences	<u>28,577</u>	<u>2,791</u>	<u>(122,119)</u>	<u>-</u>	<u>(237)</u>	<u>(4)</u>	<u>(11,016)</u>	<u>(38,296)</u>	<u>(140,304)</u>
Balance at March 31, 2016	<u>\$ 18,495,752</u>	<u>\$ 31,247,285</u>	<u>\$ 120,414,691</u>	<u>\$ 132,158,237</u>	<u>\$ 15,141,999</u>	<u>\$ 4,841,058</u>	<u>\$ 20,077,184</u>	<u>\$ 30,092,937</u>	<u>\$ 372,469,143</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	-	7,438	520,474	551,852	4,095	5,315	38,248	-	1,127,422
Depreciation expense	-	(203,074)	(982,496)	(1,760,960)	(317,572)	(99,878)	(354,996)	-	(3,718,976)
Reclassification	-	36,238	13,860	-	-	-	9,992	-	60,090
Effect of exchange rate differences	<u>-</u>	<u>6,614</u>	<u>64,465</u>	<u>-</u>	<u>64</u>	<u>3</u>	<u>9,825</u>	<u>-</u>	<u>80,971</u>
Balance at March 31, 2016	<u>\$ (96,557)</u>	<u>\$ (13,822,307)</u>	<u>\$ (81,530,877)</u>	<u>\$ (96,041,560)</u>	<u>\$ (12,342,220)</u>	<u>\$ (3,563,970)</u>	<u>\$ (14,530,247)</u>	<u>\$ -</u>	<u>\$ (221,927,738)</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
Telecommunication equipment	2-25 years
Computer equipment	3-10 years
Machinery and equipment	3-20 years
Leasehold improvements and operating and miscellaneous equipment	2-15 years

As of March 31, 2017, December 31, 2016 and March 31, 2016, farmland was reclassified to property, plant and equipment all amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,956 thousand, NT\$34,956 thousand, and NT\$34,212 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 Group or have pledged the land to the Group.

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, 2017	\$ 124,758,539
Recognized in profit (gain arising from the change in fair value of investment property)	215,361
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(25,807)</u>
Balance at March 31, 2017	<u>\$ 124,948,093</u>
Balance at January 1, 2016	\$ 124,190,706
Additions	5,147
Disposals	(25,201)
Recognized in profit (gain arising from the change in fair value of investment property)	1,028,482
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(5,248)</u>
Balance at March 31, 2016	<u>\$ 125,193,886</u>

The Group and Asia Cement Corporation (ACC) co-own a land located on Dunhua South Road in Taipei. Under an agreement with the Group and ACC, subsidiary Yuan Ding paid for the construction of a multifunctional building on this land and acquired 30-year right of superficies which is not required to pay any rent. However, the ownership of the building was registered in the name of the Group, ACC and subsidiary Yuan Ding at 12%, 12% and 76% respectively. Upon expiration of the agreement, the Company and ACC will acquire subsidiary Yuan Ding's 76% ownership of the building based on the carrying value of the building.

The construction of a building (Mega City) located in the Banqiao 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 Banqiao 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). The portions of floors had been rented out on March 31, 2017, December 31, 2016 and March 31, 2016. The floors which rented out to others were reclassified to investment properties, and the floors which rented out to the Group were reclassified to property, plants and equipments.

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

The fair values of investment properties were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Independent valuation	<u>\$ 124,948,093</u>	<u>\$ 124,758,539</u>	<u>\$ 125,193,886</u>

The fair value of the investment properties as of December 31, 2016 and 2015, was based on the valuations carried out at February 6, 2017 and February 5, 2016 by independent qualified professional valuers, 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 appraisers. 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, 2016 and January 1, 2016 were still valid as of March 31, 2017 and 2016.

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

	March 31, 2017	December 31, 2016	March 31, 2016
Expected future cash inflows	\$ 59,104,508	\$ 59,070,894	\$ 59,936,086
Expected future cash outflows	<u>(2,206,759)</u>	<u>(2,208,126)</u>	<u>(2,288,593)</u>
Expected future cash inflows, net	<u>\$ 56,897,749</u>	<u>\$ 56,862,768</u>	<u>\$ 57,647,493</u>
Discount rate	1.845%-2.25%	1.845%-2.22%	1.915%-2.39%

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

Part of the investment properties had been leased out under operating leases. The rental incomes generated for the three months ended March 31, 2017 and 2016 were NT\$260,815 thousand and NT\$256,507 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, 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:

	March 31, 2017	December 31, 2016	March 31, 2016
Estimated total sale price	<u>\$ 26,831,445</u>	<u>\$ 26,831,445</u>	<u>\$ 27,309,915</u>
Rate of return	15%	15%	15%
Overall capital interest rate	1.04%-2.20%	1.04%-2.20%	1.21%-1.52%

The estimated total sale price is specifically saying the sale price of some constructing buildings located in Zhongli, Taoyuan and the estimated total sale price is disclosed by reference to any existing lease, local rents, or market rents for similar comparable subjects. The fair value in that area is determined by sale price of each constructing building and estimated the total fair value.

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 Three Months Ended March 31	
	2017	2016
<u>Cost</u>		
Balance at March 31	<u>\$ 11,865,515</u>	<u>\$ 11,865,515</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 19 of the consolidated financial statements for the year ended December 31, 2016 for related information on goodwill.

20. CONCESSION AND OTHER INTANGIBLE ASSETS

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Carrying amounts</u>			
Concession	<u>\$ 40,616,085</u>	<u>\$ 41,422,996</u>	<u>\$ 43,668,048</u>
Other intangible assets			
Computer software	3,204,178	3,177,633	2,841,864
Others	<u>519,971</u>	<u>499,143</u>	<u>581,511</u>
	<u>3,724,149</u>	<u>3,676,776</u>	<u>3,423,375</u>
	<u>\$ 44,340,234</u>	<u>\$ 45,099,772</u>	<u>\$ 47,091,423</u>

	Concession	Computer Software	Others	Total
Balance at January 1, 2017	\$ 41,422,996	\$ 3,177,633	\$ 499,143	\$ 45,099,772
Additions	118,548	241,536	4,234	364,318
Amortization	(850,214)	(217,976)	(30,225)	(1,098,415)
Disposals	(75,245)	(52)	-	(75,297)
Reclassifications	-	6,128	49,467	55,595
Effect of exchange rate differences	-	(3,091)	(2,648)	(5,739)
Balance at March 31, 2017	<u>\$ 40,616,085</u>	<u>\$ 3,204,178</u>	<u>\$ 519,971</u>	<u>\$ 44,340,234</u>
Balance at January 1, 2016	\$ 35,151,640	\$ 2,811,278	\$ 654,267	\$ 38,617,185
Additions	9,180,054	211,781	10,918	9,402,753
Amortization	(645,920)	(198,368)	(83,343)	(927,631)
Reclassifications	(17,726)	17,678	(35)	(83)
Effect of exchange rate differences	-	(505)	(296)	(801)
Balance at March 31, 2016	<u>\$ 43,668,048</u>	<u>\$ 2,841,864</u>	<u>\$ 581,511</u>	<u>\$ 47,091,423</u>

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

Concession	17.75 years
Computer software	10 years
Others	16 years

21. BORROWINGS

a. Short-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
Bank credit loans	\$ 30,776,007	\$ 31,214,468	\$ 22,556,391
Bank secured and pledged borrowings	454,000	430,056	821,264
Loans from related parties	<u>3,610,129</u>	<u>3,487,023</u>	<u>3,542,037</u>
	<u>\$ 34,840,136</u>	<u>\$ 35,131,547</u>	<u>\$ 26,919,692</u>

- 1) The interest rates for bank loans were 0.53% to 8.90%, 0.53% to 8.90% and 0.63% to 5.32% as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of March 31, 2017, December 31, 2016 and March 31, 2016.

b. Short-term bills payable

	March 31, 2017	December 31, 2016	March 31, 2016
Commercial paper	\$ 9,443,000	\$ 9,282,000	\$ 7,468,000
Less: Unamortized discount on bills payable	<u>4,194</u>	<u>3,619</u>	<u>4,027</u>
	<u>\$ 9,438,806</u>	<u>\$ 9,278,381</u>	<u>\$ 7,463,973</u>

The short-term bills payable outstanding were issued at interest rates of 0.48% to 1.84%, 0.50% to 1.838% and 0.53% to 2.04% as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.

c. Long-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
Bank loans	<u>\$ 57,258,258</u>	<u>\$ 67,564,299</u>	<u>\$ 60,844,940</u>
Long-term commercial paper	4,900,000	4,900,000	18,583,000
Less: Unamortized discount on commercial paper	<u>5,130</u>	<u>13,237</u>	<u>51,360</u>
	<u>4,894,870</u>	<u>4,886,763</u>	<u>18,531,640</u>
	62,153,128	72,451,062	79,376,580
Less: Current portion	<u>4,807,993</u>	<u>3,613,146</u>	<u>569,012</u>
	<u>\$ 57,345,135</u>	<u>\$ 68,837,916</u>	<u>\$ 78,807,568</u>

The foregoing loans are repayable through a lump sum payment on maturity and pay interest monthly; a lump sum of capital and interest on maturity; a lump sum of capital on maturity and prepaid interest which are 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:

	March 31, 2017	December 31, 2016	March 31, 2016
Maturity	July 2017- April 2031	January 2017- April 2031	August 2016- April 2031
Bank interest rates	0.61%-7.50%	0.63%-8.10%	0.49%-1.94%

On March 22, 2011, a company subsidiary, FECC entered into a credit agreement with Hua Nan Bank and other financial institutions, and update the credit agreement into NT\$5,600,000 thousand on January 3, 2017. 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\$ 1,840,000 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\$ 1,000,000 thousand	5 years after approve of the credit	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

(Continued)

	Credit Line	Maturity Period	Interest Rate	Repayment
D	NT\$ 2,760,000 thousand	7 years after draw down of the credit	Reference interest rate plus 0.804% (negotiated by each loan, but no less than 1.5%)	No revolving credit but be partly draw down available within 3 years; credit will be paid every 6 months from 3 years after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan.
	<u>NT\$ 5,600,000</u> <u>thousand</u>			

(Concluded)

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

Note 2: On January 3, 2017, FECC updated the content of the contract for reducing the amount of credit line A 160,000 thousand, credit line B 400,000 thousand and credit line D 240,000 thousand, and the cancelation of credit line C.

In 2012, an FENC subsidiary, Oriental Petrochemicals (Taiwan) (OPTC), got a five-year and seven-year syndicated loan in a total amount of NT\$11,000,000 thousand from Mega International Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.125% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. OPTC was in compliance with the ratio requirement.

On April 23, 2012, in order to construct a freeway taximeter system infrastructure, Far Eastern Electronic Toll Collection Corporation (FETC), an FENC subsidiary, 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 Cathy 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 Cathy United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral.

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

22. BONDS PAYABLE

	March 31, 2017	December 31, 2016	March 31, 2016
Domestic Nonconvertible bonds	\$ 78,250,000	\$ 79,050,000	\$ 81,438,000
Discount of Domestic nonconvertible bonds	<u>(87,414)</u>	<u>(87,880)</u>	<u>(86,664)</u>
	78,162,586	78,962,120	81,351,336
Less: Current portion	<u>10,446,320</u>	<u>16,444,074</u>	<u>23,977,723</u>
	<u>\$ 67,716,266</u>	<u>\$ 62,518,046</u>	<u>\$ 57,373,613</u>

Bonds

Company	Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
					March 31, 2017	December 31, 2016	March 31, 2016	
Unsecured bonds								
100-1		2011.05.27-2016.05.27	1.50	\$ 3,800,000	\$ -	\$ -	\$ 1,900,000	(Note 1)
100-2		2011.09.29-2016.09.29	1.55	2,200,000	-	-	1,100,000	(Note 1)
100-3		2012.02.15-2017.02.15	1.36	6,000,000	-	3,000,000	3,000,000	(Note 1)
101-1		2012.06.07-2017.06.07	1.35	3,200,000	1,600,000	1,600,000	3,200,000	(Note 1)
101-2		2012.11.26-2017.11.26	1.30	4,200,000	2,100,000	2,100,000	4,200,000	(Note 1)
102-1-A		2013.05.16-2016.05.16	2.95	RMB 500,000	-	-	2,496,500	(Note 2)
102-1-B		2013.05.16-2016.05.16	Benchmark rate (Libor)+1.10%	JPY 5,000,000	-	-	1,441,500	(Note 2)
102-2		2013.08.28-2017.02.28	1.39	3,000,000	-	3,000,000	3,000,000	(Note 2)
102-3		2013.12.23-2018.12.23	1.45	2,800,000	2,800,000	2,800,000	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	5,200,000	(Note 1)
104-3		2015.11.16-2020.11.16	1.25	2,800,000	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	6,000,000	-	(Note 1)
105-1-B		2016.04.29-2021.04.29	-	2,000,000	2,000,000	2,000,000	-	(Note 5)
105-2		2016.09.20-2021.09.20	0.72	3,800,000	3,800,000	3,800,000	-	(Note 2)

(Continued)

Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
				March 31, 2017	December 31, 2016	March 31, 2016	
<u>Subsidiary Yuan Ding Corporation</u>							
Unsecured bonds							
100-1	2011.07.20-2016.07.20	1.50	\$ 3,000,000	\$ -	\$ -	\$ 1,200,000	(Note 3)
100-2	2011.12.15-2016.12.15	1.45	2,000,000	-	-	1,000,000	(Note 1)
101-1-B	2012.08.06-2017.08.06	1.40	1,100,000	550,000	550,000	1,100,000	(Note 1)
102-1	2013.11.25-2016.11.25	1.35	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	3,000,000	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	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	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	(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	3,200,000	3,200,000	3,200,000	(Note 2)
105-1	2017.01.05-2022.01.05	1.17	5,200,000	5,200,000	-	-	(Note 2)
Total outstanding balance				<u>\$ 78,250,000</u>	<u>\$ 79,050,000</u>	<u>\$ 81,438,000</u>	

(Concluded)

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

	March 31, 2017	December 31, 2016	March 31, 2016	
Dismantling obligations	\$ 978,036	\$ 975,571	\$ 931,634	
Warranties	<u>153,477</u>	<u>154,846</u>	<u>148,103</u>	
	<u>\$ 1,131,513</u>	<u>\$ 1,130,417</u>	<u>\$ 1,079,737</u>	
Current	\$ 267,718	\$ 270,831	\$ 262,883	
Noncurrent	<u>863,795</u>	<u>859,586</u>	<u>816,854</u>	
	<u>\$ 1,131,513</u>	<u>\$ 1,130,417</u>	<u>\$ 1,079,737</u>	
	Dismantling Obligations	Warranties	Total	
Balance at January 1, 2017	\$ 975,571	\$ 154,846	\$ 1,130,417	
Additional provisions recognized	9,860	10,083	19,943	
Reductions arising from payments	<u>(7,395)</u>	<u>(11,452)</u>	<u>(18,847)</u>	
Balance at March 31, 2017	<u>\$ 978,036</u>	<u>\$ 153,477</u>	<u>\$ 1,131,513</u>	
	Dismantling Obligations	Warranties	Onerous Contracts	Total
Balance at January 1, 2016	\$ 926,125	\$ 142,146	\$ 1,461	\$ 1,069,732
Additional provisions recognized	11,143	16,140	-	27,283
Reductions arising from payments	<u>(5,634)</u>	<u>(10,183)</u>	<u>(1,461)</u>	<u>(17,278)</u>
Balance at March 31, 2016	<u>\$ 931,634</u>	<u>\$ 148,103</u>	<u>\$ -</u>	<u>\$ 1,079,737</u>

24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses as of and for the three months ended March 31, 2017 and 2016 were calculated as NT\$43,129 thousand and NT\$53,420 thousand by the actuarially determined pension cost discount rate as of December 31, 2016 and 2015. The Group transferred defined benefit costs NT\$242 thousand and NT\$165 thousand to related parties for the three months ended March 31, 2017 and 2016.

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:

	March 31, 2017		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 203,587	\$ 417,590	\$ 621,177
Inventories - construction and real estate	2,491,783	2,523,844	5,015,627
Amounts due from customers for construction contracts	1,008,604	280,300	1,288,904
Other financial assets - current	154,492	699,651	854,143
Refundable deposits - current	-	9,125	9,125
<u>Liabilities</u>			
Notes and accounts payable	686,632	661,216	1,347,848
Notes and accounts payable to related parties	105,840	-	105,840
Amounts due to customers for construction contracts	61,841	79,344	141,185
Provisions - current	-	50,750	50,750
Advance real estate receipts	27,548	-	27,548
	December 31, 2016		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 465,662	\$ 393,525	\$ 859,187
Inventories - construction and real estate	2,764,531	2,523,844	5,288,375
Amounts due from customers for construction contracts	1,050,825	151,799	1,202,624
Other financial assets - current	245,102	893,771	1,138,873
Refundable deposits - current	26	9,725	9,751
<u>Liabilities</u>			
Notes and accounts payable	1,500,463	633,699	2,134,162
Notes and accounts payable to related parties	131,766	-	131,766
Amounts due to customers for construction contracts	1,428	-	1,428
Provisions - current	1,250	49,659	50,909
Advance real estate receipts	63,219	-	63,219

	March 31, 2016		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 418,885	\$ 313,139	\$ 732,024
Inventories - construction and real estate	4,019,173	700,887	4,720,060
Amounts due from customers for construction contracts	104,828	850,443	955,271
Other financial assets - current	79,447	1,023,921	1,103,368
Refundable deposits - current	25,002	12,285	37,287
<u>Liabilities</u>			
Notes and accounts payable	1,093,892	436,735	1,530,627
Notes and accounts payable to related parties	65,169	-	65,169
Amounts due to customers for construction contracts	2,577	276,172	278,749
Provisions - current	-	53,616	53,616
	5,124	-	5,124

26. EQUITY

a. Share capital

1) Common shares

	March 31, 2017	December 31, 2016	March 31, 2016
Number of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
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>5,352,875</u>
Shares issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</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 March 31, 2017, December 31, 2016 and March 31, 2016, there are 33 thousand units outstanding, which were equal to 327 thousand, 328 thousand and 331 thousand common shares of the Company.

b. Capital surplus

	March 31, 2017	December 31, 2016	March 31, 2016
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>			
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	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	148,775	148,775	107,081
Treasury shares transaction	12,508	12,508	11,729
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>43,374</u>	<u>43,373</u>	<u>33,941</u>
	<u>\$ 2,859,589</u>	<u>\$ 2,859,588</u>	<u>\$ 2,807,683</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 resulted from 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, refer to Note 27.d. on 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 2016 and 2015 earnings were proposed and approved by the Company's board of directors and in the stockholders' meeting on March 23, 2017 and June 23, 2016, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share	
			(NT\$)	
	For Year 2016	For Year 2015	For Year 2016	For Year 2015
Legal reserve	\$ 630,779	\$ 803,469		
Special reserve	2,662,006	2,165,513		
Cash dividends	4,282,300	5,352,875	\$ 0.8	\$ 1.0

The appropriations of earnings for 2016 are subject to the resolution of the shareholders' meeting to be held on June 28, 2017.

d. Special reserves

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

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

	For the Three Months Ended	
	2017	2016
Balance at January 1	\$ 21,565,171	\$ 21,860,117
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(8,442)	(2,291)
Disposal of investment properties	-	(7,763)
Balance at March 31	<u>\$ 21,556,729</u>	<u>\$ 21,850,063</u>

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

	For the Three Months Ended March 31	
	2017	2016
Balance at January 1	\$ 85,554,383	\$ 83,686,899
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(5,334)	-
Disposal of investment properties	<u>-</u>	<u>(21,534)</u>
Balance at March 31	<u>\$ 85,549,049</u>	<u>\$ 83,665,365</u>

e. Other equity items

The changes in other equity items were as follow:

	Exchange Differences on Translating Operations	Unrealized Gain (Loss) on Financial Instruments	Cash Flow Hedges	Unrealized Revaluation Increments	Total
Balance at January 1, 2017	\$ (1,577,812)	\$ (1,947,657)	\$ (47,514)	\$ 702,778	\$ (2,870,205)
Exchange differences arising on translation of foreign operations	(1,920,368)	-	-	-	(1,920,368)
Unrealized gain (loss) on available-for-sale financial assets	-	282,467	-	-	282,467
Gain on hedging instruments in cash flow hedges arising from fair value changes	-	-	22,744	-	22,744
Share of the other comprehensive gain (loss) of associates	<u>(791,367)</u>	<u>542,702</u>	<u>-</u>	<u>-</u>	<u>(248,665)</u>
Balance at March 31, 2017	<u>\$ (4,289,547)</u>	<u>\$ (1,122,488)</u>	<u>\$ (24,770)</u>	<u>\$ 702,778</u>	<u>\$ (4,734,027)</u>
Balance at January 1, 2016	\$ 2,274,683	\$ 1,119,927	\$ (95,944)	\$ 702,030	\$ 4,000,696
Exchange differences arising on translation of foreign operations	(261,166)	-	-	-	(261,166)
Unrealized gain (loss) on available-for-sale financial assets	-	(140,807)	-	-	(140,807)
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(2,915)	-	(2,915)
Share of the other comprehensive gain (loss) of associates	<u>(242,925)</u>	<u>(1,865,170)</u>	<u>-</u>	<u>-</u>	<u>(2,108,095)</u>
Balance at March 31, 2016	<u>\$ 1,770,592</u>	<u>\$ (886,050)</u>	<u>\$ (98,859)</u>	<u>\$ 702,030</u>	<u>\$ 1,487,713</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2017	2016
Balance at January 1	\$ 61,306,197	\$ 63,145,438
Attributable to non-controlling interests:		
Net Income	1,586,096	1,731,916
Exchange differences arising on translation of foreign operations	(211,127)	(4,068)
Unrealized gain (loss) on available-for-sale financial assets	3,898	(47,993)

(Continued)

	For the Three Months Ended March 31	
	2017	2016
Gain (loss) on hedging instruments in cash flow hedges arising from fair value changes	\$ 41,465	\$ (8,177)
Share of other comprehensive loss of associates accounted for using the equity method	(3,043)	(22,155)
Changes in unappropriated earnings of associates	(3)	-
Effect on changes in percentage of ownership in subsidiaries	-	6,416
Disposal of associates	(4)	(3)
Balance at March 31	<u>\$ 62,723,479</u>	<u>\$ 64,801,374</u> (Concluded)

g. Treasury shares

The Company's shares held by its subsidiary, Yuan Ding Company 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>March 31, 2017</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 20,487</u>
<u>December 31, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,861</u>
<u>March 31, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 20,498</u>

The Group consolidated its subsidiary, Yuan Ding since December 28, 2011.

The Company's shares held by Yuan Ding are recognized as treasury shares amounting to NT\$25,063 thousand which is the carrying value of the company's share held by Yuan Ding as of December 31, 2011. 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 March 31	
	2017	2016
Capitalized interests on properties	\$ 96,524	\$ 70,398
Capitalization rates	0.76%-4.57%	1.05%-1.52%

b. Depreciation and amortization

	For the Three Months Ended March 31	
	2017	2016
Property, plant and equipment	\$ 3,854,007	\$ 3,718,976
Intangible assets	1,098,415	927,631
Long-term prepayments for lease	<u>49,260</u>	<u>50,380</u>
	<u>\$ 5,001,682</u>	<u>\$ 4,696,987</u>
 An analysis of deprecation by function		
Operating costs	\$ 3,400,062	\$ 3,248,060
Operating expenses	438,916	436,366
Other expenses	<u>15,029</u>	<u>34,550</u>
	<u>\$ 3,854,007</u>	<u>\$ 3,718,976</u>
 An analysis of amortization by function		
Operating costs	\$ 940,559	\$ 756,898
Operating expenses	<u>207,116</u>	<u>221,113</u>
	<u>\$ 1,147,675</u>	<u>\$ 978,011</u>

c. Employee benefits expense

	For the Three Months Ended March 31	
	2017	2016
Post-employment benefits		
Defined contribution plans	\$ 206,103	\$ 217,756
Defined benefit plans	42,887	53,255
Other employee benefits	<u>5,130,815</u>	<u>4,481,626</u>
Total employee benefit expense	<u>\$ 5,379,805</u>	<u>\$ 4,752,637</u>
 Analysis of employee benefit expense by function		
Operating costs	\$ 2,680,780	\$ 2,203,941
Operating expenses	<u>2,699,025</u>	<u>2,548,696</u>
	<u>\$ 5,379,805</u>	<u>\$ 4,752,637</u>

d. Employees' compensation and remuneration of directors

In compliance with the Company Act as amended in May 2015 and the amended Articles resolved by the shareholders' meetings in June 2016, the amendments stipulate distribution of employees' compensation and remuneration of 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 of directors. However, the Company has to offset losses from the previous years first. The employees' compensation and remuneration of directors for the three months ended March 31, 2017 and 2016 which have been approved by the Company's board of directors were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2017	2016
Employees' compensation	3.06%	3.44%
Remuneration of directors and supervisors	2.31%	2.45%

Amount

	For the Three Months Ended March 31	
	2017	2016
Employees' compensation	\$ 42,556	\$ 27,801
Remuneration of directors	32,140	19,858

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

The employees' compensation and remuneration of directors for the years ended December 31, 2016 and 2015 which have been approved by the Company's board of directors on March 23, 2017 and March 25, 2016, respectively, were as follows:

	For the Year Ended December 31	
	2016	2015
Employees' compensation	\$ 184,185	\$ 230,231
Remuneration of directors	116,156	152,659

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the year ended December 31, 2016 and 2015. The Company offered to settle employee's compensation in cash.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2017 and 2016 is available at 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 March 31	
	2017	2016
Current tax	\$ 694,635	\$ 667,624
Deferred tax	<u>(11,939)</u>	<u>330,071</u>
Income tax expense recognized in profit or loss	<u>\$ 682,696</u>	<u>\$ 997,695</u>

b. Integrated income tax

	March 31, 2017	December 31, 2016	March 31, 2016
Unappropriated earnings Generated before January 1, 1998	<u>\$ 66,169</u>	<u>\$ 66,464</u>	<u>\$ 72,890</u>
Imputation credits accounts	<u>\$ 775,088</u>	<u>\$ 775,088</u>	<u>\$ 785,893</u>

	For the Year Ended December 31	
	2016 (Expected)	2015 (Actual)
Creditable ratio for distribution of earning	6.61%	11.84%

c. Income tax assessments

	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>
Far Eastern New Century Corporation	2012
Far Eastern Resources Development Corporation	2012
Far Eastern Fibertech Corporation	2015
Oriental Petrochemical (Taiwan) Corporation	2014
Yuan Tong Investment Corporation	2015
Ding Ding Integrated Marketing Service Corporation.	2014
Ding Ding Hotel Corporation	2014
Fu Kwok Garment Manufacturing Corporation	2015
Far Eastern Apparel Corporation	2015
Yuan Cheng Human Resources Consultant Corporation	2014
Yuan Ding Investment Corporation	2015
Oriental Resources Development Corporation	2015
Yuan Faun Corporation	2015
Kai Yuan International Investment Corporation	2015
Ding Yuan International Investment Corporation	2015
An Ho Garment Corporation	2015

(Continued)

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

Far Eastern Electronic Toll Collection Corporation	2014
Far Eastern Textile Corporation	2015
Far Eastern Construction Corporation	2015
Far Eastern General Contractor Inc.	2014
Yuan Ding Corporation	2014
FET Consulting Engineers Corporation	2015
Far Eastern Technical Consultants Corporation	2015
Far Eastern Electronic Commerce Corporation	2014
YDT Technology International Corporation	2014
Far EastTone Telecommunications Corporation	2014
New Century InfoComm Tech Corporation	2014
Arcoa Communication Corporation	2014
Simple InfoComm Corporation	2015
Q-Ware Communication Corporation	2015
Information Security Service Digital United Corporation	2014
Linkwell Tech. Corporation	2015
Data Express Infotech Corporation	2015
Yuan Cing Corporation	2015
O-music Corporation	2015
New Diligent Corporation	2015
KGEx.com Corporation	2014
Homet Master Technology Corporation	2015
Hiiir Corporation	2015

(Concluded)

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

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

New Century InfoComm Tech Corporation

New Century InfoComm Tech Corporation disagreed with the tax authorities' assessment of its 2014 return and thus applied for reexamination. Nevertheless, New Century InfoComm Tech Corporation accrued the related tax expense.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2017	2016
Basic earnings per share	<u>\$ 0.26</u>	<u>\$ 0.17</u>
Diluted earnings per share	<u>\$ 0.26</u>	<u>\$ 0.17</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2017	2016
Profit for the period attributable to owners of the Company	<u>\$ 1,285,795</u>	<u>\$ 834,946</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares	
	For the Three Months Ended March 31	
	2017	2016
Weighted average number of common shares used in the computation of basic earnings per share	4,999,130	5,000,508
Effect of potentially dilutive common shares:		
Employees' compensation	<u>8,580</u>	<u>10,607</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>5,007,710</u>	<u>5,011,115</u>

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 computation of diluted earnings per share, if the effect is 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 ended March 31, 2017 and 2016, the Company's EPS were NT\$0.24 and NT\$0.16, respectively.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the three months ended March 31, 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 transferred from non-controlling interests	<u>280,628</u>
Differences arising from equity transactions	<u>\$ (6,416)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (6,416)</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 non-cancellable operating lease commitments were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Not later than 1 year	\$ 3,404,777	\$ 3,431,884	\$ 3,621,181
Later than 1 year and not later than 5 years	5,692,415	5,737,926	6,427,808
Later than 5 years	<u>956,410</u>	<u>995,328</u>	<u>1,115,127</u>
	<u>\$ 10,053,602</u>	<u>\$ 10,165,138</u>	<u>\$ 11,164,116</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 non-cancellable operating lease commitments were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Not later than 1 year	\$ 699,822	\$ 715,608	\$ 708,965
Later than 1 year and not later than 5 years	2,383,325	2,321,036	2,302,690
Later than 5 years	<u>1,007,022</u>	<u>1,071,616</u>	<u>1,380,183</u>
	<u>\$ 4,090,169</u>	<u>\$ 4,108,260</u>	<u>\$ 4,391,838</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 on a recurring basis

- 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>March 31, 2017</u>		<u>December 31, 2016</u>		<u>March 31, 2016</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	\$ 78,162,586	\$ 78,667,952	\$ 78,962,120	\$ 79,554,962	\$ 81,351,336	\$ 81,929,795

- 2) Fair value hierarchy

March 31, 2016

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 78,667,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,667,952</u>

December 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 79,554,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,554,962</u>

March 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 81,929,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,929,795</u>

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

1) Fair value hierarchy

March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 2,852,134	\$ -	\$ -	\$ 2,852,134
Marketable equity securities	519,584	-	-	519,584
Guarantee deposits - cotton futures contracts	-	-	39,815	39,815
Guarantee deposits - PTA futures contracts	-	-	11,833	11,833
Combined exchange options	-	-	3,817	3,817
Forward exchange contracts	-	-	3,748	3,748
	<u>\$ 3,371,718</u>	<u>\$ -</u>	<u>\$ 59,213</u>	<u>\$ 3,430,931</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,490,254	\$ -	\$ -	\$ 4,490,254
Mutual funds - beneficial certificates	-	588,378	-	588,378
Oversea equity securities	102,036	-	-	102,036
	<u>\$ 4,592,290</u>	<u>\$ 588,378</u>	<u>\$ -</u>	<u>\$ 5,180,668</u>
Hedging derivative financial assets				
Foreign exchange swap contracts	\$ -	\$ -	\$ 9,488	\$ 9,488
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 19,541	\$ 19,541
Hedging derivative financial liabilities				
Forward exchange contracts	\$ -	\$ -	\$ 56,144	\$ 56,144
Interest rate swaps	-	-	124,098	124,098
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,242</u>	<u>\$ 180,242</u>

December 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 3,405,976	\$ -	\$ -	\$ 3,405,976
Marketable equity securities	355,122	-	-	355,122
Guarantee deposits - cotton futures contracts	-	-	42,328	42,328
Guarantee deposits - PTA futures contracts	-	-	12,396	12,396
Combined exchange options	-	-	2,377	2,377
Forward exchange contracts	-	-	17,760	17,760
	<u>\$ 3,761,098</u>	<u>\$ -</u>	<u>\$ 74,861</u>	<u>\$ 3,835,959</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Marketable equity securities	\$ 4,198,219	\$ -	\$ -	\$ 4,198,219
Mutual funds - beneficial certificates	-	598,132	-	598,132
Oversea equity securities	<u>106,090</u>	<u>-</u>	<u>-</u>	<u>106,090</u>
	<u>\$ 4,304,309</u>	<u>\$ 598,132</u>	<u>\$ -</u>	<u>\$ 4,902,441</u>
Hedging derivative financial assets				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,073</u>	<u>\$ 2,073</u>
Financial assets at fair value through profit or loss (FVTPL)				
Option contracts	\$ -	\$ -	\$ 3,166	\$ 3,166
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,421</u>	<u>\$ 3,421</u>
Hedging derivative financial liabilities				
Forward exchange contracts	\$ -	\$ -	\$ 40,229	\$ 40,229
Foreign exchange swap contracts	-	-	7,538	7,538
Interest rate swaps	<u>-</u>	<u>-</u>	<u>171,366</u>	<u>171,366</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,133</u>	<u>\$ 219,133</u>

(Concluded)

March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 2,302,550	\$ -	\$ -	\$ 2,302,550
Marketable equity securities	302,194	-	-	302,194
Guarantee deposits - cotton futures contracts	-	-	42,139	42,139
Guarantee deposits - PTA futures contracts	<u>-</u>	<u>-</u>	<u>13,342</u>	<u>13,342</u>
	<u>\$ 2,604,744</u>	<u>\$ -</u>	<u>\$ 55,481</u>	<u>\$ 2,660,225</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,304,439	\$ -	\$ -	\$ 4,304,439
Mutual funds - beneficial certificates	-	582,010	-	582,010
Oversea equity securities	<u>101,325</u>	<u>-</u>	<u>-</u>	<u>101,325</u>
	<u>\$ 4,405,764</u>	<u>\$ 582,010</u>	<u>\$ -</u>	<u>\$ 4,987,774</u>
Hedging derivative financial assets				
Forward exchange contracts	\$ -	\$ -	\$ 11,286	\$ 11,286
Foreign exchange swap contracts	<u>-</u>	<u>-</u>	<u>23,690</u>	<u>23,690</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,976</u>	<u>\$ 34,976</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 183,329	\$ 183,329
Option contracts	-	-	966	966
Combined foreign exchange options	-	-	44,732	44,732
Cross-currency swaps contracts	<u>-</u>	<u>-</u>	<u>89,039</u>	<u>89,039</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,066</u>	<u>\$ 318,066</u>
Hedging derivative financial liabilities				
Interest rate swaps	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,961</u>	<u>\$ 373,961</u> (Concluded)

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2017 and 2016.

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

For the three months ended March 31, 2017

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2017	\$ 71,440	\$ (217,060)	\$ (145,620)
Recognized in profit or loss			
Realized	(83,169)	(27,152)	(110,321)
Unrealized	39,672	-	39,672
Recognized in other comprehensive income	-	64,209	64,209
Settlements	<u>11,729</u>	<u>9,249</u>	<u>20,978</u>
Balance at March 31, 2017	<u>\$ 39,672</u>	<u>\$ (170,754)</u>	<u>\$ (131,082)</u>

For the three months ended March 31, 2016

	Financial Assets 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	(124,031)	(19,443)	(143,474)
Unrealized	(262,585)	-	(262,585)
Recognized in other comprehensive income	-	(11,092)	(11,092)
Settlements	<u>3,459</u>	<u>34,571</u>	<u>38,030</u>
Balance at March 31, 2016	<u>\$ (262,585)</u>	<u>\$ (338,985)</u>	<u>\$ (601,570)</u>

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

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

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Future contract	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 interest rate swap and foreign exchange contracts swap	Discounted cash flow. Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates and discounted at a rate that reflect the credit risk and value of the currency.

c. Categories of financial instruments

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 3,430,931	\$ 3,835,959	\$ 2,660,225
Derivative instruments in designated hedge accounting relationships	9,488	2,073	34,976
Loans and receivables (Note 1)	66,135,958	80,585,613	80,464,114
Available-for-sale financial assets (Note 2)	6,362,362	6,037,589	6,124,294
<u>Financial liabilities</u>			
FVTPL			
Held for trading	19,541	3,421	318,066
Derivative instruments in designated hedge accounting relationships	180,242	219,133	373,961
Amortized cost (Note 3)	217,314,911	231,255,558	229,393,773

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.

	March 31, 2017	December 31, 2016	March 31, 2016
5% change in profit or loss			
USD	<u>\$ (187,905)</u>	<u>\$ (219,644)</u>	<u>\$ (340,801)</u>

b) Interest rate risk

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

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

	March 31, 2017	December 31, 2016	March 31, 2016
Fair value interest rate risk			
Financial assets	\$ 20,289,758	\$ 29,757,336	\$ 30,782,857
Financial liabilities	136,014,233	148,600,090	142,019,571
Cash flow interest rate risk			
Financial assets	8,227,345	11,389,344	18,526,278
Financial liabilities	45,094,392	43,907,363	53,465,971

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 March 31, 2017, December 31, 2016 and March 31, 2016, 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\$50,598 thousand, NT\$74,208 thousand and NT\$76,765 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decreased by NT\$20,568 thousand, NT\$28,473 thousand and NT\$46,316 thousand, respectively.

As of March 31, 2017, December 31, 2016 and March 31, 2016, 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\$339,188 thousand, NT\$370,574 thousand and NT\$354,164 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have increased/decreased by NT\$112,736 thousand, NT\$109,768 thousand, and NT\$133,665 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of March 31, 2017, December 31, 2016 and March 31, 2016 would have decreased by NT\$427,619 thousand, NT\$433,177 thousand and NT\$379,626 thousand, respectively.

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>March 31, 2017</u>				
Long-term borrowings	\$ 28,074,556	\$ 21,927,896	\$ 7,342,683	\$ 57,345,135
Bonds payable	<u>14,800,000</u>	<u>17,800,000</u>	<u>35,200,000</u>	<u>67,800,000</u>
	<u>\$ 42,874,556</u>	<u>\$ 39,727,896</u>	<u>\$ 42,542,683</u>	<u>\$ 125,145,135</u>
<u>December 31, 2016</u>				
Long-term borrowings	\$ 44,247,884	\$ 16,929,793	\$ 7,660,239	\$ 68,837,916
Bonds payable	<u>13,500,000</u>	<u>17,800,000</u>	<u>31,300,000</u>	<u>62,600,000</u>
	<u>\$ 57,747,884</u>	<u>\$ 34,729,793</u>	<u>\$ 38,960,239</u>	<u>\$ 131,437,916</u>
<u>March 31, 2016</u>				
Long-term borrowings	\$ 35,120,459	\$ 6,966,466	\$ 36,720,643	\$ 78,807,568
Bonds payable	<u>10,450,000</u>	<u>14,800,000</u>	<u>32,200,000</u>	<u>57,450,000</u>
	<u>\$ 45,570,459</u>	<u>\$ 21,766,466</u>	<u>\$ 68,920,643</u>	<u>\$ 136,257,568</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 ended March 31, 2017 and 2016 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

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; and as administrative tax remedies for meeting requirements for certain projects.

	March 31, 2017	December 31, 2016	March 31, 2016
Financial assets at fair value through profit or loss (FVTPL) - current	\$ -	\$ 26,019	\$ -
Other financial assets - current	2,914,346	3,083,562	2,464,594
Inventories - available-for-sale - land and building	-	1,354,474	1,401,999
Inventories - available-for-construction - land	693,157	693,157	693,157
Property, plant and equipment, net	12,834,043	13,268,016	13,500,448
Investment properties	33,658,086	37,192,332	36,994,971
Available-for-sale financial assets - current and non-current	143,400	136,500	142,950
Investment accounted for using the equity method	2,652,870	2,662,804	2,910,052
Concession - cost	3,756,000	3,756,000	2,857,000
Other financial assets - non-current	<u>3,411,937</u>	<u>3,766,697</u>	<u>2,023,345</u>
	<u>\$ 60,063,839</u>	<u>\$ 65,939,561</u>	<u>\$ 62,988,516</u>

As of March 31, 2017, December 31, 2016 and March 31, 2016, FENC and some of its subsidiaries had provided 122,094 thousand shares, of the common shares of Far EasTone Telecommunications Corporation and 16,500 thousand common shares of Yuan Ding Company 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 March 31, 2017, December 31, 2016 and March 31, 2016 were as follows:

- a. The Group issued but unused letters of credit aggregated approximately NT\$756,083 thousand, NT\$681,049 thousand and NT\$815,464 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.
- b. The Group (except for Far EasTone and its subsidiaries) unpaid building construction and equipment installation contracts amounting to approximately NT\$5,390,090 thousand, NT\$6,354,694 thousand and NT\$5,953,410 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.

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

	March 31, 2017	December 31, 2016	March 31, 2016
Acquisition of property, plant and equipment under contracts	\$ 4,777,857	\$ 5,762,054	\$ 6,061,656
Less: Payments for acquisition of property, plant and equipment	<u>1,536,848</u>	<u>1,666,888</u>	<u>1,766,782</u>
	<u>\$ 3,241,009</u>	<u>\$ 4,095,166</u>	<u>\$ 4,294,874</u>
Acquisition of cellular phone equipment under contract	\$ 8,980,054	\$ 14,299,303	\$ 13,721,093
Less: Payments for acquisition of cellular phone equipment	<u>4,135,917</u>	<u>7,803,864</u>	<u>9,358,644</u>
	<u>\$ 4,844,137</u>	<u>\$ 6,495,439</u>	<u>\$ 4,362,449</u>

- c. There were undelivered cotton contracts amounting to NT\$269,644 thousand, NT\$380,559 thousand and NT\$149,081 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.
- d. Project contracts cost already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT\$27,780,447 thousand, NT\$27,813,089 thousand and NT\$29,518,157 as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.
- e. 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\$4,092,912 thousand, NT\$4,010,732 thousand and NT\$3,713,450 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.
- f. Endorsements and guarantees provided to the related parties are shown in Table 6 (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 May 11, 2017, the lawsuit was pending before the Taipei High Court.
- h. A subsidiary of FENC, Far Eastern General Contractor Inc. (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of May 11, 2017, 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. Latter, due to NTCG had confiscated certificate of deposit, FECC had filed an appeal against NTCG, and FECC has accrued related construction cost. 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. On April 5, 2017, the Taipei High Administrative Court sentenced that FECC lost the suit. FECC disagree the sentence and will raise an appeal.
- 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. The contract terms were as follow:

- 1) Usage rate

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

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

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 FETC violated the contract after four months after the original contract expiry date. 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 in September 2013. On May 20, 2016, the Taiwan Taipei District Court made a judgement that FETC should compensate TANFB a penalty. FETC appealed against this judgement to The Taipei High Court on May 31, 2016. As of May 11, 2017, the lawsuit was still on going. FETC has accrued proper provision.

- k. In May 2015, FENC subsidiary, Far EasTone applied to the Taipei District Court for a temporary injunction order against Taiwan Mobile Co., Ltd. (TWM) for TWM's violation of the agreement between Far EasTone and TWM and prohibited TWM from using the C1 spectrum till TWM escheats the C4 spectrum to NCC. On July 1, 2015, the Taipei District Court approved the issuance of a preliminary injunction.

On April 28, 2016, the Taipei District Court ruled on the other application for a temporary injunction order that TWM has to return the C4 spectrum to NCC and is prohibited from any use of the spectrum.

As of February 15, 2017, Far EasTone has lodged \$1,200,000 thousand in negotiable certificates of deposit as security for the execution of the provisional injunction order ruling while TWM provided a counter-security of \$1,474,119 thousand to waive the provisional injunction order ruling.

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.

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 lodged \$321,000 thousand in negotiable certificates of deposit as security for the provisional execution of the judgment (recognized as other financial assets - current). However, the provisional execution was waived after TWM provided a counter-security of \$961,913 thousand. Both Far EasTone and TWM appealed against the judgment in terms of their unfavorable parts.

37. SUBSEQUENT EVENTS

- a. From the resolution of the board of directors of Yuan Ding Investment Corporation on April 24, 2017, Yuan Tong Investment Corporation, a subsidiary of FENC, will buy Far Eastern International Bank's shares from associates Oriental Union Chemical Corporation and Far Eastern Department Stores Corporation through after-hours trading, the amounts of shares will be 54,104 thousand and 25,771 thousand, respectively. The Group will hold 508,885 thousand of Far Eastern International Bank's shares and the ratio will be 16.36% after this transaction.
- b. In order to repay the borrowings, Far EasTone, a subsidiary of FENC, issued a five-year unsecured domestic bond on April 26, 2017, with a principal of \$4,500,000 thousand and was issued at par of \$10,000 thousand with a coupon rate of 1.17%. The interest was due annually and the repayment will be made in lump-sum at maturity.
- c. To fulfill the needs for long term working capital or repayment of short-term borrowings, the board of directors of Far EasTone resolved to issue domestic unsecured corporate bonds not exceeding \$5,000,000 thousand and seven-year term on May 4, 2017. The chairman or his appointed deputy is authorized to decide on all matters pertaining to the issuance of bond or the requirement of the government authority and to amend or to improve the plan.

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:

March 31, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 308,416	30.330 (USD:NTD)	\$ 9,354,257
USD	87,627	6.882 (USD:RMB)	2,657,727
USD	60,742	7.800 (USD:HKD)	1,842,305
USD	2,921	4.615 (USD:MYR)	<u>88,594</u>
			<u>\$ 13,942,883</u>
<u>Financial liabilities</u>			
Monetary items			
USD	198,070	30.330 (USD:NTD)	\$ 6,007,463
USD	45,431	6.882 (USD:RMB)	1,377,922
USD	92,298	7.800 (USD:HKD)	<u>2,799,398</u>
			<u>\$ 10,184,783</u>

December 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 287,963	32.250 (USD:NTD)	\$ 9,286,807
USD	96,093	6.985 (USD:RMB)	3,098,999
USD	37,020	7.800 (USD:HKD)	1,193,895
USD	1,700	4.671 (USD:MYR)	<u>54,825</u>
			<u>\$ 13,634,526</u>
<u>Financial liabilities</u>			
Monetary items			
USD	157,349	32.250 (USD:NTD)	\$ 5,074,505
USD	56,901	6.985 (USD:RMB)	1,835,057
USD	70,705	7.800 (USD:HKD)	2,280,236
USD	1,608	4.671 (USD:MYR)	<u>51,858</u>
			<u>\$ 9,241,656</u>

March 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 495,341	32.165 (USD:NTD)	\$ 15,932,643
USD	140,041	6.473 (USD:RMB)	4,504,419
USD	80,897	7.800 (USD:HKD)	2,602,052
USD	1,585	4.381 (USD:MYR)	<u>50,982</u>
			<u>\$ 23,090,096</u>
<u>Financial liabilities</u>			
Monetary items			
USD	85,607	32.165 (USD:NTD)	\$ 2,753,549
USD	279,270	6.473 (USD:RMB)	8,982,720
USD	139,495	7.800 (USD:HKD)	4,486,857
USD	1,584	4.381 (USD:MYR)	<u>50,949</u>
			<u>\$ 16,274,075</u>

For the three months ended March 31, 2017 and 2016, (realized and unrealized) net foreign exchange gains losses were NT\$299,118 thousand and NT\$440,028 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group entities.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 5 (attached)
- 2) Endorsement/guarantee provided: Table 6 (attached)
- 3) Marketable securities and investments in shares of stock held: Table 7 (attached)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 8 (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 9 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Table 10 (attached)
- 9) Trading in derivative instruments: Notes 7 and 9
- 10) Significant transactions between Far Eastern new currency corporation and subsidiaries: Table 11 (attached)
- 11) Information on investees: Table 12 (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: Tables 13 and 13-1 (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: Tables 3, 4, 5, 6, 10, 11 and 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 property, gain or loss on disposal of property, plant and equipment and intangible assets, exchange gain or loss, interest expense, other gains or losses and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance. However, information on segment assets is not regularly provided to the chief operating decision maker.

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 Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2017	2016	2017	2016
Petrochemical business			\$ (256,759)	\$ (301,921)
Revenues generated from external customers	\$ 3,283,396	\$ 4,247,517		
Intersegment revenues	<u>3,961,018</u>	<u>3,436,545</u>		
	<u>7,244,414</u>	<u>7,684,062</u>		
Chemical fiber business			(6,899)	224,229
Revenues generated from external customers	14,183,105	14,038,884		
Intersegment revenues	<u>236,813</u>	<u>215,134</u>		
	<u>14,419,918</u>	<u>14,254,018</u>		
Textile business			207,902	157,955
Revenues generated from external customers	7,562,443	7,417,530		
Intersegment revenues	<u>30,469</u>	<u>27,283</u>		
	<u>7,592,912</u>	<u>7,444,813</u>		
Mobile services business			3,781,321	3,844,036
Revenues generated from external customers	22,424,053	23,744,370		
Intersegment revenues	<u>56,334</u>	<u>75,086</u>		
	<u>22,480,387</u>	<u>23,819,456</u>		
Real estate development			233,079	97,879
Revenues generated from external customers	1,384,879	873,958		
Intersegment revenues	<u>173,446</u>	<u>58,827</u>		
	<u>1,558,325</u>	<u>932,785</u>		

(Continued)

	<u>Segments Revenue</u>		<u>Segments Profit</u>	
	<u>For the Three Months Ended</u>		<u>For the Three Months Ended</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Investment and other			\$ 441,466	\$ (116,048)
Revenues generated from external customers	\$ 2,085,189	\$ 1,406,360		
Intersegment revenues	<u>74,147</u>	<u>77,477</u>		
	<u>2,159,336</u>	<u>1,483,837</u>		
Adjustment and elimination	<u>(4,368,765)</u>	<u>(3,906,815)</u>	<u>55,607</u>	<u>33,352</u>
	<u>\$ 51,086,527</u>	<u>\$ 51,712,156</u>	<u>4,455,717</u>	<u>3,939,482</u>
Interest revenue			70,784	89,942
Net exchange loss			(299,118)	(440,028)
Interest expense			(566,301)	(623,388)
Net other revenue and income (net other expenses and losses)			<u>(106,495)</u>	<u>598,549</u>
Profit before tax			<u>\$ 3,554,587</u>	<u>\$ 3,564,557</u> (Concluded)

Note: For the three months ended March 31, 2017, the main differences between the total reportable segment revenue and consolidated operating revenue and differences between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$700,580 thousand and dividend income from associates NT\$2,531 thousand, respectively. For the three months ended March 31, 2016, the main differences between the total reportable segment revenue and consolidated operating revenue and differences between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$113,458 thousand and dividend income from associates NT\$2,792 thousand.

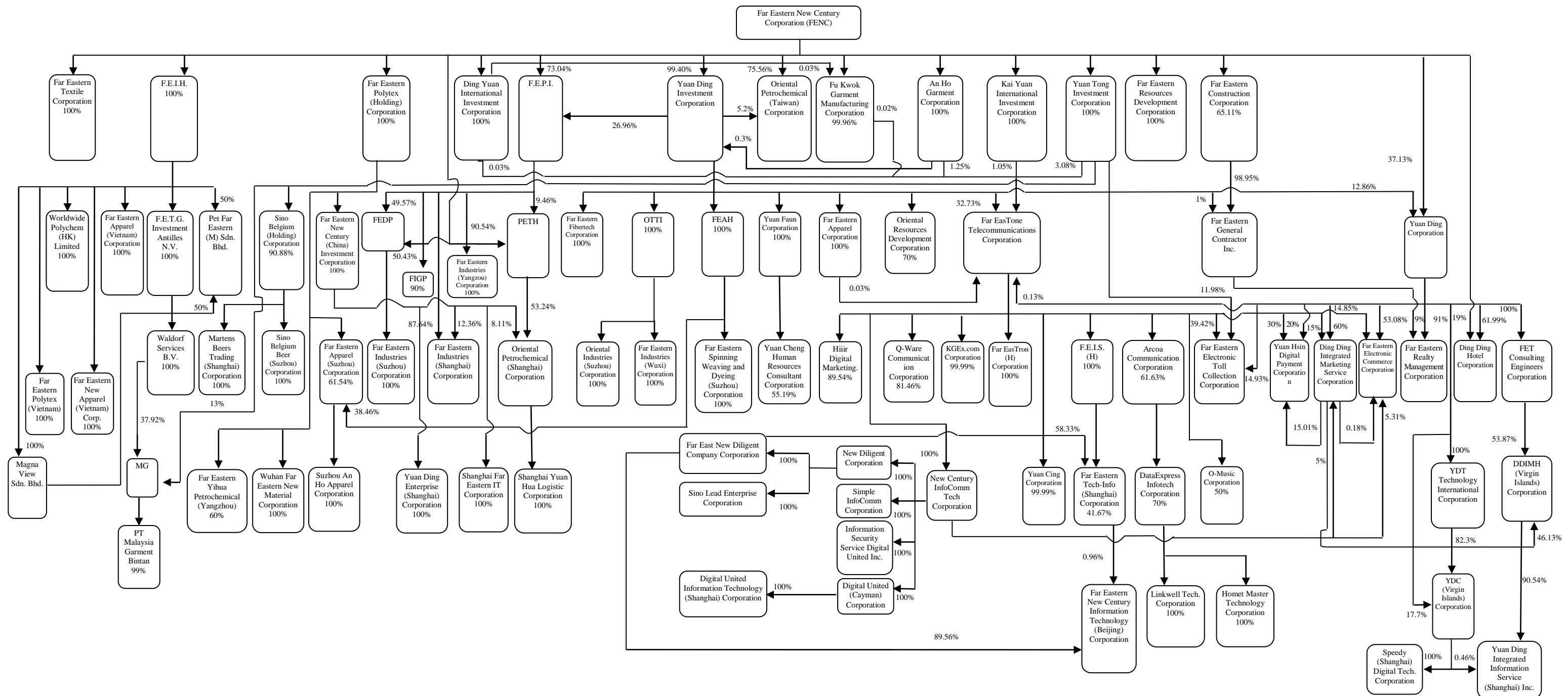
b. Segment total assets and liabilities

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
MARCH 31, 2017**



FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RELATED PARTY NAME AND CATEGORIES
MARCH 31, 2017**

Related Party Name	Related Party Categories
Asia Cement Corporation	Associates
Far Eastern Department Stores Corporation	Associates
Oriental Union Chemical Corporation	Associates
Everest Textile Corporation	Associates
Oriental Securities Corporation	Associates
Yu Yuan Investment Corporation	Associates
Far Eastern International Leasing Corporation	Associates
Liquid Air Far East Corporation	Associates
Da Ju Fiber Corporation	Associates
Far Eastern Union Petrochemical (Yangzhou) Corporation	Associates
Tong Da Air Industry (Yangzhou) Corporation	Associates
Yu Ding Industry Corporation	Associates
Yuan Ding Leasing Corporation	Associates
Freudenberg Far Eastern Spunweb Corporation	Associates
Yue Ming Corporation	Associates
Far Eastern International Bank	Other related parties (the vice chairman of investee is the chairman of FENC)
Shanghai Pacific Department Stores Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Dalian Pacific Department Store Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Yuan Ze University	Other related parties (the same chairman)
Pacific SOGO Department Stores Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Chengdu Beicheng FEDS Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Chengdu Quanxing Pacific Department Store Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Pacific (China) Investment Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Shanghai Bai Ding Consultant & Management Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Chubei New Century Shopping Mall Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Everest Textile (Shanghai) Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Ya-Li Precast Prestressed Concrete Industries Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Sichuan Yadong Cement Corporation	Other related parties (the subsidiary of FENC's equity method investees)

(Continued)

Related Party Name	Related Party Categories
Jiangxi Yadong Cement Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Yangzhou Yadong Cement Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Hubei Yadong Cement Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Oriental Petrochemical (YangZhou) Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Ya Tung Department Store Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Oriental Institute of Technology	Other related parties (the same chairman)
Far Eastern Memorial Hospital	Other related parties (the same chairman)
Ya Tung Ready-mixed Concrete Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Oriental Securities Investment Consultant Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Asia Cement (China) Holdings Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Asia Investment Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Ya Sing Ready-Mixed Concrete Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Wuhan Yaxin Cement Corporation	Other related parties (the subsidiary of FENC's equity method investees)
TECO Electric and Machinery Corporation	Other related parties (related party in substance)
Nan Hwa Cement Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Chongqing Metropolitan Plaza Pacific Department Store Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Far Eastern Medical Foundation	Other related parties (the same chairman)
Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Other related parties (the same chairman)
Telecommunication & Transportation Foundation	Other related parties (Far EasTone's donation is over one third of the foundation's fund)
Fu Ming Transport Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Fu-Da Transport Corporation	Other related parties (the subsidiary of FENC's equity method investees)
U-Ming Marine Transport Corporation	Other related parties (the same chairman)
U-Ming Marine Transport (Singapore) Private Limited	Other related parties (related party in substance)
Ding & Ding Management Consultants Corporation	Other related parties (related party in substance)
Chiahui Power Corporation	Other related parties (the subsidiary of FENC's equity method investees)
SYSTEX Corporation	Other related parties (related party in substance)
Far Eastern Ai Mai Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Far Eastern Big City Shopping Malls Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Chengdu FEDS Corporation	Other related parties (the subsidiary of FENC's equity method investees)

(Continued)

Related Party Name	Related Party Categories
Chongqing FEDS Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Wuxi FEDS Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Far Eastern CITYSUPER Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Far Eastern Polyclinic	Other related parties (related party in substance)
Yuan Bo Asset Management Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Far Eastern Leasing Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Far Eastern Property Insurance Agency Corporation	Other related parties (related party in substance)
Far Eastern Asset Management Corporation	Other related parties (related party in substance)
Der Ching Investment Corporation	Other related parties (the subsidiary of FENC's equity method investees)
Tranquil Enterprise Corporation	Other related parties (related party in substance)

(Concluded)

TABLE 3**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31 2017 AND 2016
(In Thousands of New Taiwan Dollars)**

	For the Three Months Ended March 31	
	2017	2016
Operating revenue		
Associates	\$ 348,863	\$ 286,330
Other related parties	<u>207,523</u>	<u>235,958</u>
	<u>\$ 556,386</u>	<u>\$ 522,288</u>
Operating cost and purchase of inventory		
Associates	\$ 420,589	\$ 458,471
Other related parties	<u>120,208</u>	<u>121,262</u>
	<u>\$ 540,797</u>	<u>\$ 579,733</u>
Operating expense		
Associates	\$ 9,044	\$ 11,956
Other related parties	<u>113,003</u>	<u>87,816</u>
	<u>\$ 122,047</u>	<u>\$ 99,772</u>
Rental revenue (recognized as operating revenue)		
Associates	\$ 58,466	\$ 58,480
Other related parties	<u>87,098</u>	<u>83,399</u>
	<u>\$ 145,564</u>	<u>\$ 141,879</u>
Rental expense (recognized as operating cost and expense)		
Associates	\$ 16,619	\$ 22,854
Other related parties	<u>45,047</u>	<u>46,901</u>
	<u>\$ 61,666</u>	<u>\$ 69,755</u>

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Group had purchased the software equipment, machinery and equipment, other equipment and contract construction from other related parties amounting to NT\$73,586 thousand for the three months ended March 31, 2017. The Group had purchased the software equipment, contract project, machinery and equipment and securities from other related parties amounted to NT\$11,414 thousand for the three months ended March 31, 2016.

(Continued)

- c. 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 December 2035. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.
- d. Compensation of key management personnel:

	For the Three Months Ended March 31	
	2017	2016
Short-term employee benefits	\$ 65,474	\$ 53,319
Post-employment benefits	<u>675</u>	<u>648</u>
	<u>\$ 66,149</u>	<u>\$ 53,967</u>
		(Concluded)

TABLE 4**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF MARCH 31, 2017 AND 2016****(In Thousands of New Taiwan Dollars)**

	March 31, 2017	December 31, 2016	March 31, 2016
Notes and accounts receivable from related parties			
Associates	\$ 358,270	\$ 508,319	\$ 354,388
Other related parties	<u>422,349</u>	<u>546,310</u>	<u>535,971</u>
	<u>\$ 780,619</u>	<u>\$ 1,054,629</u>	<u>\$ 890,359</u>
Notes and accounts payable to related parties			
Associates	\$ 121,634	\$ 182,925	\$ 248,448
Other related parties	<u>202,688</u>	<u>235,826</u>	<u>224,689</u>
	<u>\$ 324,322</u>	<u>\$ 418,751</u>	<u>\$ 473,137</u>
Progress billings			
Associates	\$ 105,210	\$ 98,844	\$ 2,333
Other related parties	<u>783,882</u>	<u>776,844</u>	<u>707,564</u>
	<u>\$ 889,092</u>	<u>\$ 875,688</u>	<u>\$ 709,897</u>
Guarantee deposits received			
Associates	\$ 10,899	\$ 10,899	\$ 10,899
Other related parties	<u>116,190</u>	<u>168,222</u>	<u>180,693</u>
	<u>\$ 127,089</u>	<u>\$ 179,121</u>	<u>\$ 191,592</u>
Deferred credit - gains on related-party transactions			
Associates	\$ 114,854	\$ 114,854	\$ 139,736
Other related parties	<u>9,338</u>	<u>9,338</u>	<u>9,338</u>
	<u>\$ 124,192</u>	<u>\$ 124,192</u>	<u>\$ 149,074</u>

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

	March 31, 2017	December 31, 2016	March 31, 2016
Associates			
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 2,688,270	\$ 2,816,370	\$ 2,782,640
Da Ju Fiber Corporation	656,000	940,000	550,000
Others	440,000	680,000	340,000
Other related parties	<u>220,350</u>	<u>230,850</u>	<u>149,070</u>
	<u>\$ 4,004,620</u>	<u>\$ 4,667,220</u>	<u>\$ 3,821,710</u>

Interests income from loans to related parties:

	For the Three Months Ended March 31	
	2017	2016
Associates		
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 14,528	\$ 15,178
Others	4,464	4,155
Other related parties	<u>1,068</u>	<u>1,585</u>
	<u>\$ 20,060</u>	<u>\$ 20,918</u>

Loans from related parties:

	March 31, 2017	December 31, 2016	March 31, 2016
Other related parties (recognized as short-term borrowings - loans from related parties)	\$ 3,610,129	\$ 3,487,023	\$ 3,542,037
Other related parties (recognized as long-term borrowings - bank loans)	<u>600,000</u>	<u>600,000</u>	<u>-</u>
	<u>\$ 4,210,129</u>	<u>\$ 4,087,023</u>	<u>\$ 3,542,037</u>

Interests expense from loans from related parties:

	For the Three Months Ended March 31	
	2017	2016
Other related parties	<u>\$ 2,100</u>	<u>\$ -</u>

(Continued)

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

	March 31, 2017	December 31, 2016	March 31, 2016
Other related parties			
Far Eastern International Bank	<u>\$ 8,866,452</u>	<u>\$ 9,371,078</u>	<u>\$ 10,188,795</u>

The Group had bank deposits and time deposits (recognized as cash and cash equivalents and debt investments with no active market) in Far Eastern International Bank. In addition, the deposits included the proceeds of Far EastOne's sale of prepaid cards, sale of international calling cards and highway toll fees, which were consigned to Far Eastern International Bank as trust fund, which were recognized as other financial assets. The interests income were NT\$22,569 thousand and NT\$26,484 thousand for the three months ended March 31, 2017 and 2016, respectively.

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

	March 31, 2017	December 31, 2016	March 31, 2016
Other related parties			
Far Eastern International Bank	<u>\$ (781)</u>	<u>\$ 1,197</u>	<u>\$ (24,094)</u>

The Group signed forward exchange contracts, option contracts, combined exchange options and cross-currency swap contracts with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at fair value through profit or loss were NT\$(9,015) thousand and NT\$(13,067) thousand for the three months ended March 31, 2017 and 2016, respectively.

Derivative financial assets (liabilities) for hedging - current

	March 31, 2017	December 31, 2016	March 31, 2016
Other related parties			
Far Eastern International Bank	<u>\$ 9,488</u>	<u>\$ (7,538)</u>	<u>\$ 23,690</u>

The Group signed foreign exchange swap contracts with other related parties and recognized as derivative financial assets (liabilities) for hedging. Notional amount were both US\$20,000 thousand as of March 31, 2017 and 2016.

Note:

- a. The terms of sales to and purchases from other related parties were based on the agreements.
- b. The rent receivables from renting out the factories to other related parties (recognized as other receivables) were NT\$342,570 thousand, NT\$355,322 thousand and NT\$283,749 thousand as of March 31, 2017, December 31, 2016 and March 31, 2016, respectively.
- c. The Group had sold investment properties - land to Far Eastern Medical Foundation in 2015. As of March 31, 2017, December 31, 2016 and March 31, 2016, the unreceived amount which recognized as other receivables from related parties were NT\$180,000 thousand, NT\$360,000 thousand and NT\$180,000 thousand, respectively. And other receivables from related parties - non-current were NT\$1,440,000 thousand, NT\$1,440,000 thousand, and NT\$1,620,000 thousand, respectively.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	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			
1	Yuan Ding Investment Corporation	Oriental Resources Development Corporation	Receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,008,164	\$ 20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Yuan Tong Investment Corporation	Receivables from related parties	Yes	750,000	750,000	-	1.46-1.52	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Far Eastern Apparel Corporation	Receivables from related parties	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Ding Yuan International Investment Corporation	Receivables from related parties	Yes	400,000	400,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Far Eastern Resources Development Corporation	Receivables from related parties	Yes	1,000,000	1,000,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Kai Yuan International Investment Corporation	Receivables from related parties	Yes	1,200,000	1,200,000	402,000	1.46-1.52	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		An Ho Garment Corporation	Receivables from related parties	Yes	800,000	800,000	414,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Yu Ding Industry Corporation	Receivables from related parties	Yes	680,000	640,000	440,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
		Da Ju Fiber Corporation	Receivables from related parties	Yes	961,000	961,000	656,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	4,008,164	20,040,818	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	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			
2	Yuan Tong Investment Corporation	Far Eastern Resources Development Corporation	Receivables from related parties	Yes	\$ 500,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 805,214	\$ 4,026,068	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
3	Far EasTone Telecommunications Corporation	Q-ware Communications Corporation	Receivables from related parties	Yes	250,000	250,000	-	-	2	-	For revolving fund	-	-	-	7,386,793	36,933,966	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
4	New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	Receivables from related parties	Yes	4,200,000	4,200,000	-	0.83	2	-	For revolving fund	-	-	-	4,897,824	12,244,561	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D)
		Q-ware Communications Corporation	Receivables from related parties	Yes	250,000	250,000	190,000	1.33	2	-	For revolving fund	-	-	-	4,897,824	12,244,561	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D)
		Far EasTone Telecommunications Corporation	Receivables from related parties	Yes	4,000,000	4,000,000	3,500,000	0.83	1	4,287,402	-	-	-	-	4,287,402	12,244,561	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note D)
5	Yuan Ding Corporation	Far Eastern Technical Consultants Corporation	Receivables from related parties	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Ding Integrated Marketing Service Corporation	Receivables from related parties	Yes	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Yuan Ding Integrated Information Service (Shanghai) Corporation	Receivables from related parties	Yes	125,380	121,320	90,990	1.9	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Far Eastern Electronic Commerce Corporation	Receivables from related parties	Yes	400,000	400,000	270,000	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Ding Hotel Corporation	Receivables from related parties	Yes	300,000	300,000	300,000	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
6	YDT Technology International Corporation	Yuan Ding Corporation	Receivables from related parties	Yes	130,000	100,000	15,000	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	125,979	157,474	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)
7	FET Consulting Engineers Corporation	Yuan Ding Corporation	Receivables from related parties	Yes	200,000	180,000	180,000	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	185,713	232,141	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
8	Ding Integrated Marketing Service Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	Receivables from related parties	Yes	\$ 125,380	\$ 60,660	\$ 60,660	1.75-1.90	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 135,036	\$ 168,795	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
9	Far Eastern Investment (Holding) Corporation	Far Eastern Apparel (Holding) Corporation	Receivables from affiliates	Yes	1,213,200	1,213,200	-	-	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		PET Far Eastern (Holding) Corporation	Receivables from affiliates	Yes	2,426,400	2,426,400	-	5.93883	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Worldwide Polychem (HK) Corporation	Receivables from affiliates	Yes	303,300	303,300	24,264	-	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Polytex (Holding) Corporation	Receivables from affiliates	Yes	303,300	303,300	57,627	2.31767	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Sino Belgium (Holding) Corporation	Receivables from affiliates	Yes	454,950	454,950	148,617	2.31767	2	-	For revolving fund	-	Promissory note	-	3,552,385	3,552,385	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	303,300	303,300	192,975	-	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Apparel (Vietnam) Corporation	Receivables from affiliates	Yes	606,600	606,600	242,640	-	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Oriental Textile (Holding) Corporation	Receivables from affiliates	Yes	2,426,400	2,426,400	382,158	2.31767	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Apparel (Vietnam) Corporation	Receivables from affiliates	Yes	909,900	909,900	400,356	-	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Corporation	Receivables from affiliates	Yes	2,123,100	2,123,100	1,304,190	2.31767	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	1,820,091	1,820,091	1,643,370	-	2	-	For revolving fund	-	Promissory note	-	4,440,482	13,321,445	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
10	Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Suzhou) Corporation	Receivables from affiliates	Yes	606,600	606,600	-	-	2	-	For revolving fund	-	Promissory note	-	1,380,646	4,141,939	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	909,900	909,900	-	2.31767	2	-	For revolving fund	-	Promissory note	-	1,380,646	4,141,939	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	Receivables from affiliates	Yes	606,600	606,600	151,650	-	2	-	For revolving fund	-	Promissory note	-	1,380,646	4,141,939	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	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			
11	Oriental Textile (Holding) Corporation	Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	\$ 303,300	\$ 303,300	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,657,670	\$ 10,973,010	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Sino Belgium Beer (Suzhou) Corporation	Receivables from affiliates	Yes	181,980	181,980	-	-	2	-	For revolving fund	-	Promissory note	-	3,657,670	10,973,010	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Sino Belgium (Holding) Corporation	Receivables from affiliates	Yes	303,300	303,300	-	-	2	-	For revolving fund	-	Promissory note	-	2,926,136	2,926,136	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note I)
		Far Eastern Industries (WuXi) Corporation	Receivables from affiliates	Yes	606,600	606,600	-	-	2	-	For revolving fund	-	Promissory note	-	3,657,670	10,973,010	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Oriental Industries (Suzhou) Corporation	Receivables from affiliates	Yes	1,819,800	1,819,800	-	-	2	-	For revolving fund	-	Promissory note	-	3,657,670	10,973,010	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	1,939,080	1,939,080	749,190	1.265	2	-	For revolving fund	-	Promissory note	-	3,657,670	10,973,010	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
12	Far Eastern Polychem Industries Corporation	Wuhan Far Eastern New Material Corporation	Receivables from affiliates	Yes	121,320	121,320	-	-	2	-	For revolving fund	-	Promissory note	-	4,496,465	13,489,396	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Suzhou) Corporation	Receivables from affiliates	Yes	1,425,510	1,425,510	-	-	2	-	For revolving fund	-	Promissory note	-	4,496,465	13,489,396	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Shanghai) Corporation	Receivables from affiliates	Yes	1,910,790	1,819,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,496,465	13,489,396	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Ishizuka Green Pet Corporation	Receivables from affiliates	Yes	406,950	406,950	9,099	2.31767	2	-	For revolving fund	-	Promissory note	-	3,597,172	3,597,172	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note I)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	454,950	454,950	220,350	5.93883	2	-	For revolving fund	-	Promissory note	-	4,496,465	13,489,396	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	2,600,130	2,600,130	396,630	1.265	2	-	For revolving fund	-	Promissory note	-	4,496,465	13,489,396	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
13	PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	606,600	606,600	-	-	2	-	For revolving fund	-	Promissory note	-	1,875,612	1,875,612	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note I)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	2,071,290	2,071,290	-	1.265	2	-	For revolving fund	-	Promissory note	-	2,344,515	7,033,545	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	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			
14	FEDP (Holding) Corporation	Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	\$ 151,650	\$ 151,650	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 175,474	\$ 526,422	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Corporation	Receivables from affiliates	Yes	151,650	151,650	151,650	2.31767	2	-	For revolving fund	-	Promissory note	-	175,474	526,422	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
15	Waldorf Services B.V.	Oriental Textile (Holding) Corporation	Receivables from affiliates	Yes	454,950	454,950	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Corporation	Receivables from affiliates	Yes	454,950	454,950	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	454,950	454,950	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
16	Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	Receivables from affiliates	Yes	121,320	121,320	-	-	2	-	For revolving fund	-	Promissory note	-	3,931,546	11,794,637	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	100,089	100,089	75,322	-	2	-	For revolving fund	-	Promissory note	-	3,931,546	11,794,637	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
17	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	440,700	440,700	114,582	2.61	2	-	For revolving fund	-	Promissory note	-	2,160,007	4,800,015	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Oriental Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	220,350	220,350	220,350	2.00	2	-	For revolving fund	-	Promissory note	-	960,003	960,003	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,322,100	1,322,100	791,087	2.58224-2.75	2	-	For revolving fund	-	Promissory note	-	2,160,007	4,800,015	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
18	Far Eastern Apparel (Suzhou) Corporation	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	352,560	352,560	-	-	2	-	For revolving fund	-	Promissory note	-	545,157	545,157	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Far Eastern Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	881,400	-	-	2.61	2	-	For revolving fund	-	Promissory note	-	1,226,602	2,725,783	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,057,680	1,057,680	1,015,289	2.58224-2.75	2	-	For revolving fund	-	Promissory note	-	1,226,602	2,725,783	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	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 Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	\$ 44,070	\$ 44,070	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 102,005	\$ 226,679	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
20	Oriental Industries (Suzhou) Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	220,350	220,350	-	-	2	-	For revolving fund	-	Promissory note	-	4,756,437	10,569,860	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Apparel (Suzhou) Corporation	Other receivables - loans to related parties	Yes	440,700	440,700	-	-	2	-	For revolving fund	-	Promissory note	-	4,756,437	10,569,860	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	Other receivables - loans to related parties	Yes	440,700	440,700	-	-	2	-	For revolving fund	-	Promissory note	-	4,756,437	10,569,860	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Industries (WuXi) Corporation	Other receivables - loans to related parties	Yes	881,400	881,400	-	-	2	-	For revolving fund	-	Promissory note	-	4,756,437	10,569,860	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	749,190	749,190	528,840	2.00-3.915	2	-	For revolving fund	-	Promissory note	-	2,113,972	2,113,972	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Sino Belgium Beer (Suzhou) Corporation	Other receivables - loans to related parties	Yes	881,400	881,400	711,598	2.93435-3.00703	2	-	For revolving fund	-	Promissory note	-	4,756,437	10,569,860	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,322,100	1,322,100	1,040,876	2.93435-3.00703	2	-	For revolving fund	-	Promissory note	-	4,756,437	10,569,860	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
21	Far Eastern Industries (WuXi) Corporation	Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	881,400	881,400	600,868	2.58224-2.75	2	-	For revolving fund	-	Promissory note	-	2,594,278	5,765,063	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
22	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	220,350	220,350	-	1.265	2	-	For revolving fund	-	Promissory note	-	223,969	671,908	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
23	Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	661,050	661,050	-	1.265	2	-	For revolving fund	-	Promissory note	-	3,979,013	7,162,223	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	881,400	440,700	440,700	2.00-4.35	2	-	For revolving fund	-	Promissory note	-	3,183,210	3,183,210	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	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			
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	\$ 2,203,500	\$ 2,203,500	\$ 881,400	2.00-4.35	1	\$ 4,792,925	-	\$ -	Promissory note	\$ -	\$ 3,979,013	\$ 3,979,013	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,630,590	1,630,590	1,630,590	2.00	2	-	For revolving fund	-	Promissory note	-	3,183,210	3,183,210	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note I)
24	Wuhan Far Eastern New Material Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	88,140	88,140	-	1.265	2	-	For revolving fund	-	Promissory note	-	458,205	824,769	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K)
25	Far Eastern New Century (China) Investment Corporation	Shanghai Yuan Zi Information Technology Corporation	Other receivables - loans to related parties	Yes	44,070	44,070	-	-	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Oriental Textile (Holding) Corporation	Other receivables - loans to related parties	Yes	88,140	88,140	-	-	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Far Eastern Polychem Industries Corporation	Other receivables - loans to related parties	Yes	88,140	88,140	-	-	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		PET Far Eastern (Holding) Corporation	Other receivables - loans to related parties	Yes	88,140	88,140	-	-	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,101,750	1,101,750	4	1.265	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Wuhan Far Eastern New Material Corporation	Other receivables - loans to related parties	Yes	88,140	88,140	12,913	1.265	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	52,884	52,884	24,181	1.265	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	718,341	440,700	275,623	1.265-2.00	2	-	For revolving fund	-	Promissory note	-	930,423	930,423	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Far Eastern Industries (Shanghai) Corporation	Other receivables - loans to related parties	Yes	4,495,140	4,495,140	1,401,444	1.265	2	-	For revolving fund	-	Promissory note	-	5,815,147	8,141,205	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
26	Shanghai Yuan Zi Information Technology Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	\$ 44,070	\$ 44,070	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 59,576	\$ 89,365	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
27	Far Eastern Industries (Yangzhou) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Other receivables - loans to related parties	Yes	220,350	220,350	220,350	2	2	-	For revolving fund	-	Promissory note	-	1,237,448	2,749,885	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	528,840	528,840	528,840	2	2	-	For revolving fund	-	Promissory note	-	549,977	549,977	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)

Notes: A. Reasons for financing are as follows:

1. Business relationship.
2. For short-term financing.

- B. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of March 31, 2017.
- C. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of March 31, 2017.
- D. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of March 31, 2017.
- E. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- F. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- G. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- H. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- I. The limit is equal to 40% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- J. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- K. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- L. The limit is equal to 100% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- M. The limit is equal to 150% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- N. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- O. The limit is equal to 250% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- P. The limit is equal to 350% of the net value of the financier (based on audited financial statements) as of December 31, 2016.
- Q. The limit is equal to business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(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 O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Corporation	(Note A)	\$ 95,154,209	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	0.63	\$ 190,308,418	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
1	Yuan Ding Investment Corporation	Oriental Resources Development Corporation	(Note A)	20,040,818	250,000	250,000	90,000	-	0.62	40,081,636	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		Da Ju Fiber Corporation	(Note B)	20,040,818	320,000	320,000	180,000	-	0.80	40,081,636	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		PET Far Eastern (Holding) Corporation	(Note C)	19,030,842	626,900	606,600	603,881	-	1.51	19,030,842	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Oriental Textile (Holding) Corporation	(Note A)	20,040,818	626,900	606,600	602,987	-	1.51	40,081,636	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		Far Eastern Polychem Industries Corporation	(Note C)	19,030,842	940,350	909,900	897,981	-	2.27	19,030,842	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Oriental Industries (Suzhou) Corporation	(Note A)	20,040,818	1,567,250	1,516,500	657,049	-	3.78	40,081,636	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
2	Far Eastern Resources Development Corporation	Far Eastern New Century Corporation	(Note D)	13,495,011	5,696,448	5,696,448	4,496,448	5,696,448	2.99	26,990,022	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
3	Yuan Ding Corporation	Ding Ding Hotel Corporation	(Note A)	3,577,810	1,603,000	1,603,000	1,310,000	200,000	0.84	7,155,619	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		Yuan Ding Integrated Information Service (Shanghai) Corporation	(Note A)	3,577,810	125,380	121,320	-	-	0.06	7,155,619	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
4	Far Eastern Construction Corporation	Far Eastern General Contractor Corporation	(Note A)	39,307,167	154,300	154,300	154,300	-	1.18	39,307,167	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K).

(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 O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
5	PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note A)	\$ 95,154,209	\$ 766,250	\$ 758,250	\$ 653,840	\$ -	0.40	\$ 190,308,418	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
		Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	95,154,209	992,623	957,735	610,991	-	0.50	190,308,418	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
6	Oriental Industries (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	95,154,209	626,900	606,600	161,003	-	1.51	190,308,418	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
7	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	95,154,209	321,020	308,490	34,425	-	0.77	190,308,418	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).

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 reviewed financial statements.

F. The amount of the collateral/guarantee is equal to the net value of the guarantor, based on latest reviewed financial statements.

G. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor, based on latest audited financial statements.

H. The amount of the collateral/guarantee is equal to the net value of the guarantor, based on latest audited 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 reviewed financial statements as of March 31, 2017) and 50% of the net value of Yuan Ding Investment Corporation (based on audited financial statements as of December 31, 2016.)

J. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on reviewed financial statements as of March 31, 2017) and the net value of Yuan Ding Investment Corporation (based on audited financial statements as of December 31, 2016.)

K. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor, based on latest audited financial statements.

L. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company, based on latest reviewed financial statements.

M. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company, based on latest reviewed financial statements.

N. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Lending of Funds and Marketing of Endorsements/Guarantees by Public Companies.

O. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in Mainland China.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

MARCH 31, 2017

(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	March 31, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	\$ 750,511	\$ 15,341,791	22.33	\$ 22,965,647	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	4,782,663	17.06	3,904,581	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,245,386	9.17	1,916,698	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	129	1,529	0.03	2,164	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	1,914,927	19.65	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	135,000	1,879,040	16.83	-	
	Yuan Ding Investment Corporation	(Note A)	Investments accounted for using the equity method	1,822,822	40,434,623	99.40	-	
	Far Eastern Resources Development Corporation	(Note A)	Investments accounted for using the equity method	667,242	100,851,006	100.00	-	
	Far Eastern Polytex (Holding) Corporation	(Note A)	Investments accounted for using the equity method	135	7,528,018	100.00	-	
	Far Eastern Polychem Industries Corporation	(Note A)	Investments accounted for using the equity method	830,815	6,700,325	73.04	-	
	Yuan Tong Investment Corporation	(Note A)	Investments accounted for using the equity method	705,147	7,755,637	100.00	-	
	Kai Yuan International Investment Corporation	(Note A)	Investments accounted for using the equity method	302,843	4,840,612	100.00	-	
	Far Eastern Investment (Holding) Corporation	(Note A)	Investments accounted for using the equity method	1,700	8,743,884	100.00	-	
	PET Far Eastern (Holding) Corporation	(Note A)	Investments accounted for using the equity method	333	4,344,536	90.54	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,183,311	7,046,860	75.56	-	
	Far Eastern Construction Corporation	(Note A)	Investments accounted for using the equity method	198,791	8,276,730	65.11	-	
	Yuan Ding Corporation	(Note A)	Investments accounted for using the equity method	186,929	3,029,724	37.13	-	
	An Ho Garment Corporation	(Note A)	Investments accounted for using the equity method	66,346	1,802,180	100.00	-	
	Ding Yuan International Investment Corporation	(Note A)	Investments accounted for using the equity method	205,000	2,578,414	100.00	-	
	FEDP (Holding) Corporation	(Note A)	Investments accounted for using the equity method	244	155,488	50.43	-	
Fu Kwok Garment Manufacturing Corporation	(Note A)	Investments accounted for using the equity method	3,999	309,070	99.96	-		
Ding Ding Hotel Corporation	(Note A)	Other liabilities - other	19,772	(40,327)	19.00	-		
Far Eastern Textile Corporation	(Note A)	Investments accounted for using the equity method	100	1,449	100.00	-		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	81,374	777,931	2.62	777,931		
Yuan Ding Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	19,290	573,078	0.57	590,259	43,145 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,262,189	8.00	1,671,297	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	21,078	446,270	1.49	340,409	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	118,869	1,129,635	25.23	1,991,060	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	1,066,658	24,115,149	32.73	79,465,992	
	Far Eastern Polychem Industries Corporation	(Note A)	Investments accounted for using the equity method	306,644	2,473,176	26.96	-	
	Far Eastern Apparel (Holding) Corporation	(Note A)	Investments accounted for using the equity method	111	3,027,120	100.00	-	
	Da Ju Fiber Corporation	(Note A)	Investments accounted for using the equity method	46,418	1,588,942	41.86	-	
	Far Eastern Apparel Corporation	(Note A)	Investments accounted for using the equity method	24,736	183,141	100.00	-	
	Yuan Faun Corporation	(Note A)	Investments accounted for using the equity method	5,000	121,306	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	3,830	61,625	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	391,134	46.20	-	
	Far Eastern Fibertech Corporation	(Note A)	Investments accounted for using the equity method	91,000	1,236,155	100.00	-	
	Oriental Resources Development Corporation	(Note A)	Investments accounted for using the equity method	34,242	328,161	70.00	-	
	Liquid Air Far East Corporation	(Note A)	Investments accounted for using the equity method	86,615	1,909,668	35.00	-	
Freudenberg Far Eastern Spunweb Corporation	(Note A)	Investments accounted for using the equity method	13,052	236,293	29.80	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	\$ 185,247	\$ 2,635,360	25.96	\$ -	78,125 thousand shares pledged or mortgaged as collaterals for loans. 16,500 thousand shares pledged or mortgaged as collaterals for loans.
	Yuan Ding Corporation	(Note A)	Investments accounted for using the equity method	64,759	1,075,233	12.86	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	936,249	16.87	-	
	Oriental Textile (Holding) Corporation	(Note A)	Investments accounted for using the equity method	110	7,639,420	100.00	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	119,653	1,579,153	14.92	-	
	Yu Yuan Investment Corporation	(Note A)	Investments accounted for using the equity method	98,198	235,452	18.96	-	
	Far Eastern General Contractor Corporation	(Note A)	Investments accounted for using the equity method	1,490	22,653	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	81,374	493,493	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	1,055	22,493	0.16	-	
	Oriental Securities Investment Consultant Corporation	-	Financial assets carried at cost - non-current	1	10	0.00	-	
	Dah Chung Bills Finance Corporation	-	Financial assets carried at cost - non-current	2,254	30,669	0.50	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	8,859	289,246	1.05	289,246	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	110,705	1,058,341	3.56	1,058,341	
	Financial assets under asset management contracts (Note G)							
	YUANTA DAILY TAIWAN 50 BEAR -1X ETF	-	Financial assets at fair value through profit or loss - current	2,790	41,988	-	41,988	
	Qisda Corporation	-	Financial assets at fair value through profit or loss - current	1,025	18,040	-	18,040	
	FORMOSA CHEMICALS & FIBRE CORPORATION	-	Financial assets at fair value through profit or loss - current	180	16,992	-	16,992	
	Cheng Shin Rubber Ind. Corporation	-	Financial assets at fair value through profit or loss - current	250	15,675	-	15,675	
	TSRC CORPORATION	-	Financial assets at fair value through profit or loss - current	435	15,203	-	15,203	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	165	14,932	-	14,932	
	NANTEX INDUSTRY.CO., LTD.	-	Financial assets at fair value through profit or loss - current	600	14,640	-	14,640	
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at fair value through profit or loss - current	300	14,610	-	14,610	
	FUBON SSE180 ETF	-	Financial assets at fair value through profit or loss - current	535	14,317	-	14,317	
	SINCERE NAVIGATION CORPORATION	-	Financial assets at fair value through profit or loss - current	600	14,220	-	14,220	
	KINIK COMPANY	-	Financial assets at fair value through profit or loss - current	175	12,897	-	12,897	
	Ardentec Corporation	-	Financial assets at fair value through profit or loss - current	510	12,623	-	12,623	
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	495	12,524	-	12,524	
	FARADAY TECHNOLOGY CORP.	-	Financial assets at fair value through profit or loss - current	330	12,375	-	12,375	
	CHONG HONG CONSTRUCTION CO., LTD.	-	Financial assets at fair value through profit or loss - current	150	11,100	-	11,100	
	MERRY ELECTRONICS CO., LTD.	-	Financial assets at fair value through profit or loss - current	60	9,780	-	9,780	
	TXC CORPORATION	-	Financial assets at fair value through profit or loss - current	210	9,114	-	9,114	
Far Eastern Investment (Holding) Corporation	FETG Investment Antilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,503,536	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	191,239	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	12,540	20.00	-	
	Far Eastern Apparel (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	502,057	100.00	-	
	Worldwide Polychem (HK) Corporation	(Note A)	Investments accounted for using the equity method	2,700	91,826	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note	
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)		
Magna View Sdn. Bhd.	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note I)	\$ 1,601	34.00	\$ -	15,000 thousand shares pledged or mortgaged as collaterals for loans.	
	Far Eastern Polytex (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	2,034,544	100.00	-		
	Far Eastern New Apparel (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	63,815	100.00	-		
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	\$	3,000	189,739	100.00		-
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock		191,239	50.00		-
			5,000						
			Preferred stock						
			3,000						
Ding Yuan International Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method		13,222	426,929	0.39		404,584
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method		5,103	111,463	0.36		82,413
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method		1,093	9,144	0.23		19,901
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method		27,365	655,851	3.09		645,826
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method		920	42,158	0.03		68,514
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method		18,000	232,198	2.24		-
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method		12,315	316,359	13.20		-
Kai Yuan International Investment Corporation	Fu Kwok Garment Manufacturing Corporation	(Note A)	Investments accounted for using the equity method		1	79	0.03	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current		82,262	786,429	2.64	786,429	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method		20,207	641,690	0.60	618,349	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method		34,149	1,166,150	1.05	2,544,103	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method		32,273	653,077	3.64	761,647	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method		20,672	571,820	1.46	333,856	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method		1,127	468,589	49.00	-	
Far Eastern Polychem Industries Corporation	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method		74,970	937,257	16.80	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method		18,000	232,398	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current		99,870	954,758	3.21	954,758	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current		422	13,778	0.05	13,778	
	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)		7,179,253	87.64	-	
	PET Far Eastern (Holding) Corporation	(Note A)	Investments accounted for using the equity method		35	458,170	9.46	-	
	FEDP (Holding) Corporation	(Note A)	Investments accounted for using the equity method		240	152,837	49.57	-	
Far Eastern Construction Corporation	Far Eastern Industries (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)		1,375,314	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method		3,578	634,321	90.00	-	
	Bank of Chongqing	-	Available-for-sale financial assets - non-current		3,884	102,036	0.12	102,036	
	Nippon Parison Corporation	-	Financial assets carried at cost - non-current		4	66,139	10.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method		17,726	513,576	0.53	542,419	
	Far Eastern General Contractor Corporation	(Note A)	Investments accounted for using the equity method		147,413	2,084,944	98.95	-	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current		1,590	51,907	0.19	51,907	
Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)		533,692	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)		2,483,325	100.00	-	
Far Eastern Apparel Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method		469	13,653	0.01	14,351	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method		90	6,113	0.00	6,705	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method		8	104	0.01	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)	
Far Eastern General Contractor Corporation	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	\$ 746	\$ 24,373	0.09	\$ 24,373	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	9,687	52,161	3.48	-	
	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	5,353	9.00	-	
	DFE DWS Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	2,246	26,041	-	26,041	
	Paradigm Pion Money Market	-	Financial assets at fair value through profit or loss - current	5,235	60,004	-	60,004	
	Hua Nan Kirin Money Market	-	Financial assets at fair value through profit or loss - current	2,532	30,068	-	30,068	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,577,835	100.00	-	
Waldorf Service B.V.	Malaysia Garment Manufactures Pte. Corporation Far Eastern International Garments	(Note A)	Investments accounted for using the equity method	30	466,720	37.92	-	
		(Note A)	Other liabilities - other	59	(12,531)	41.00	-	
	Cemtex Apparel Inc. Filsyn Corporation	(Note A) -	Other liabilities - other Financial assets carried at cost - non-current	90 20,513	(11,627) -	50.00 -	- -	
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note I)	(43)	99.00	-	
An Ho Garment Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	40,818	1,101,771	1.25	3,040,911	19,250 thousand shares pledged or mortgaged as collaterals for loans.
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	223,277	0.18	186,466	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	256,653	1.26	264,414	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	370	11,289	0.03	5,972	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	7,688	103,346	1.08	-	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	14,618	277,207	15.66	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	9,681	130,158	1.21	-	
	Yuan Ding Investment Corporation Far Eastern International Bank	(Note A) (Note D)	Investments accounted for using the equity method Available-for-sale financial assets - non-current	5,502 20,485	165,693 199,316	0.30 0.66	- 199,316	
Yuan Faun Corporation	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	12,851	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	4,256	41,498	0.14	41,498	
	Yi Tong Fiber Corporation	-	Financial assets carried at cost - non-current	3,154	25,014	3.56	-	
Fu Kwok Garment Manufacturing Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	520	19,599	0.02	38,740	
Yuan Tong Investment Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	100,237	2,873,304	3.08	7,467,659	34,100 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	39,619	1,240,304	2.80	639,839	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,662,699	5.61	1,173,047	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,009,453	0.85	874,530	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	18,000	231,200	2.24	-	
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	35,934	332,479	11.98	-	
	Liquid Air Far East Corporation	(Note A)	Investments accounted for using the equity method	1	27	0.00	-	
	Sino Belgium (Holding) Corporation	(Note A)	Other liabilities - other	36	(317,837)	90.88	-	
	Freudenberg Far Eastern Spunweb Corporation	(Note A)	Investments accounted for using the equity method	1	27	0.00	-	
	Malaysia Garment Manufactures Pte. Corporation	(Note A)	Investments accounted for using the equity method	10	160,004	13.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,796	192,611	0.64	192,611	
Ding Shen Investment Corporation	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-		
Bockhold N.V - stock	-	Financial assets carried at cost - non-current	1	182,283	12.51	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)	
	Financial assets under asset management contracts (Note G)							
	YUANTA DAILY TAIWAN 50 BEAR -1X ETF	-	Financial assets at fair value through profit or loss - current	\$ 2,870	\$ 43,192	-	\$ 43,192	
	TSRC CORPORATION	-	Financial assets at fair value through profit or loss - current	620	21,669	-	21,669	
	Qisda Corporation	-	Financial assets at fair value through profit or loss - current	1,000	17,600	-	17,600	
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at fair value through profit or loss - current	330	16,071	-	16,071	
	FORMOSA CHEMICALS & FIBRE CORPORATION	-	Financial assets at fair value through profit or loss - current	160	15,104	-	15,104	
	Fubon SSE180 ETF	-	Financial assets at fair value through profit or loss - current	560	14,986	-	14,986	
	Ardentec Corporation	-	Financial assets at fair value through profit or loss - current	540	13,365	-	13,365	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	145	13,123	-	13,123	
	China Steel Corporation	-	Financial assets at fair value through profit or loss - current	500	12,650	-	12,650	
	Cheng Shin Rubber Ind. Corporation	-	Financial assets at fair value through profit or loss - current	200	12,540	-	12,540	
	NANTEX INDUSTRY.CO., LTD.	-	Financial assets at fair value through profit or loss - current	500	12,200	-	12,200	
	SINCERE NAVIGATION CORPORATION	-	Financial assets at fair value through profit or loss - current	490	11,613	-	11,613	
	FARADAY TECHNOLOGY CORP.	-	Financial assets at fair value through profit or loss - current	305	11,438	-	11,438	
	CHONG HONG CONSTRUCTION CO., LTD.	-	Financial assets at fair value through profit or loss - current	150	11,100	-	11,100	
	TXC CORPORATION	-	Financial assets at fair value through profit or loss - current	255	11,067	-	11,067	
	KINIK COMPANY	-	Financial assets at fair value through profit or loss - current	150	11,055	-	11,055	
	MERRY ELECTRONICS CO., LTD.	-	Financial assets at fair value through profit or loss - current	60	9,780	-	9,780	
Far Eastern Apparel (Suzhou) Corporation	Suzhou An Ho Apparel Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	47,993	100.00	-	
PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	2,239,176	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,737,949	50.00	-	
	Tong Da Air Industry (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	949,898	50.00	-	
Oriental Textile (Holding) Corporation	Far Eastern Industries (WuXi) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	2,897,070	100.00	-	
	Oriental Industries (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	5,369,910	100.00	-	
FEDP (Holding) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	90,852	100.00	-	
Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	919,096	100.00	-	
	Far Eastern Apparel (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	853,962	61.54	-	
	Far Eastern New Century (China) Investment Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,838,933	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	3,876,465	60.00	-	
Far Eastern New Century (China) Investment Corporation	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,012,501	12.36	-	
	Shanghai Yuan Zi Information Technology Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	59,651	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	341,527	8.11	-	
	Yuan Ding Enterprise (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	757,960	100.00	-	
Sino Belgium (Holding) Corporation	Sino Belgium Beer (Suzhou) Corporation	(Note A)	Other liabilities - other	(Note I)	(216,155)	100.00	-	
	Martens Beers Trading (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	11,731	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	124,610	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)	
Far Eastern Industries (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	\$ 144	\$ 636	-	\$ 636	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	595,431	2,624,066	-	2,624,066	
Yuan Ding Corporation	YDT Technology International Corporation	(Note A)	Investments accounted for using the equity method	13,992	276,546	100.00	-	
	Ding Ding Integrated Marketing Service Corporation	(Note A)	Investments accounted for using the equity method	41,633	192,366	60.00	-	
	Far Eastern Technical Consultants Corporation	(Note A)	Investments accounted for using the equity method	4,550	52,919	91.00	-	
	YDC (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	8,275	17.70	-	
	Ding Ding Hotel Corporation	(Note A)	Other liabilities - other	64,502	(131,735)	61.99	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Other liabilities - other	23,913	(267,731)	53.08	-	
	FET Consulting Engineers Corporation	(Note A)	Investments accounted for using the equity method	85,000	463,598	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	183,786	0.16	163,056	
	Far EastTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	4,164	115,139	0.13	310,181	
	Yu Yuan Investment Corporation	(Note A)	Investments accounted for using the equity method	129,637	1,098,363	25.02	-	119,000 thousand shares pledged or mortgaged as collaterals for loans.
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	84	548	1.00	-	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	2,419	45,477	2.59	-	
	FEDS Asia Pacific Development Corporation	(Note A)	Investments accounted for using the equity method	10,650	131,522	5.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	44,796	409,055	14.93	-	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	21,772	145,326	20.00	-	
	Far Eastern New Century Corporation	(Note F)	Financial assets at fair value through profit or loss - current	779	20,498	-	20,498	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,592	74,032	0.24	74,032	
Ding Ding Integrated Marketing Service Corporation	Far Eastern Electronic Commerce Corporation	(Note A)	Other liabilities - other	79	(909)	0.18	-	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	16,340	109,064	15.01	-	
	DDIM (Virgin Islands) Corporation	(Note A)	Other liabilities - other	(Note I)	(30,889)	46.13	-	
	Pacific SOGO Department Stores	-	Financial assets carried at cost - non-current	1	10	0.00	-	
	DFE DWS Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	9,602	111,320	-	111,320	
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)	Other liabilities - other	(Note I)	(36,071)	53.87	-	
YDC (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	(Note A)	Other liabilities - other	(Note I)	(311)	0.46	-	
	Speedy (Shanghai) Digital Tech. Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	45,519	100.00	-	
DDIM (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	(Note A)	Other liabilities - other	(Note I)	(67,382)	99.54	-	
YDT Technology International Corporation	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	120	1,163	0.03	2,017	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	2,764	95,149	0.19	44,637	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,082	0.00	1,852	
	YDC (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	38,478	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,670	26,034	0.09	26,034	
	Oriental Securities Investment Consultant Corporation	-	Financial assets carried at cost - non-current	1	10	0.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note J)	
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	(Note A)	Investments accounted for using the equity method	\$ 2,100,000	\$ 27,276,752	100.00	\$ -	
	ARCOA Communication Corporation	(Note A)	Investments accounted for using the equity method	82,762	1,324,330	61.63	-	
	KGEx.com Corporation	(Note A)	Investments accounted for using the equity method	78,896	888,948	99.99	-	
	Hiiir Digital Marketing Corporation	(Note A)	Other liabilities - other	53,726	(173,512)	89.54	-	
	Yuan Cing Corporation	(Note A)	Investments accounted for using the equity method	2,000	33,744	100.00	-	
	Far Eastern Info Service (Holding) Corporation	(Note A)	Other liabilities - other	1	(49,700)	100.00	-	
	O-music Corporation	(Note A)	Investments accounted for using the equity method	2,500	8,089	50.00	-	
	Q-ware Communications Corporation	(Note A)	Other liabilities - other	33,983	(78,829)	81.46	-	
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	118,251	671,998	39.42	-	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	32,658	217,984	30.00	-	
	Ding Integrated Marketing Service Corporation	(Note A)	Investments accounted for using the equity method	10,408	47,811	15.00	-	
	Alliance Digital Technology Corporation	(Note A)	Investments accounted for using the equity method	6,000	31,525	14.40	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Other liabilities - other	6,691	(74,425)	14.85	-	
	App Works Fund II Corporation	-	Financial assets carried at cost - non-current	15,000	150,000	11.11	-	
	CDIB Capital Innovation Accelerator Limited	-	Financial assets carried at cost - non-current	4,500	45,000	12.00	-	
	ARCOA Communication Corporation	DataExpress Infotech Corporation	(Note A)	Investments accounted for using the equity method	12,866	179,879	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	626,062	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	117,452	100.00	-	
	Digital United (Cayman) Corporation	(Note A)	Investments accounted for using the equity method	4,320	31,590	100.00	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Other liabilities - other	2,392	(26,606)	5.31	-	
	Ding Integrated Marketing Service Corporation	(Note A)	Investments accounted for using the equity method	3,469	15,937	5.00	-	
	Opas Fund Segregated Portfolio Tranche A	-	Available-for-sale financial assets - current	15	439,133	-	439,133	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	4	149,245	-	149,245	
New Diligent Corporation	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	-	
	Sino Lead Enterprise Corporation	(Note A)	Investments accounted for using the equity method	30	134	100.00	-	
	Far Eastern New Diligent Corporation	(Note A)	Investments accounted for using the equity method	-	44,327	100.00	-	
	New Diligent Hong Kong Corporation (Note K)	(Note A)	Investments accounted for using the equity method	-	-	-	-	
DataExpress Infotech Corporation	Linkwell Tech. Corporation	(Note A)	Investments accounted for using the equity method	-	38,810	100.00	-	
	Home Master Technology Corporation	(Note A)	Other liabilities - other	-	(8,431)	100.00	-	
Digital United (Cayman) Corporation	Digital United Information Technologies (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	-	16,015	100.00	-	
Far Eastern New Diligent Corporation	Far Eastern New Century Information Technology (Beijing) Corporation	(Note A)	Investments accounted for using the equity method	-	61,955	89.56	-	
Far Eastern Tech-info Corporation (Shanghai)	Far Eastern New Century Information Technology (Beijing) Corporation	(Note A)	Investments accounted for using the equity method	-	664	0.96	-	
Far Eastern New Diligent Corporation	Far Eastern Tech-info Corporation (Shanghai)	(Note A)	Investments accounted for using the equity method	-	55,602	58.33	-	
Far Eastern Info Service (Holding) Corporation	Far Eastern Tech-info Corporation (Shanghai)	(Note A)	Investments accounted for using the equity method	-	39,721	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 investor.
 - D. The vice chairman of investee is the chairman of FENC.
 - E. The chairman of the investee is FENC's chairman.
 - F. Parent company.
 - G. Financial assets under asset management contracts can be sold in the open market by the investee, Oriental Securities Corporation.
 - H. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Corporation.
 - I. A foreign owned company.
 - J. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.
 - K. New Diligent Hong Kong Corporation was established on December 4, 2014. The investment amount had not been remitted to the investee as of March 31, 2017.

(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 THREE MONTHS ENDED MARCH 31, 2017
(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	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares	Amount
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\$ 48,230	(Note B)	US\$ 20,000	-	\$ -	\$ -	\$ -	US\$ (1,150)	(Note B)	US\$ 67,080
Far Eastern General Contractor Corporation	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,393	\$ 168,000	19,144	\$ 209,000	34,537	377,096	377,000	96	-	-	-

Notes: A. Subsidiary.

B. A foreign owned company.

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 THREE MONTHS ENDED MARCH 31, 2017

(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 % to Total
			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	\$ 2,278,920	23	Based on contract	-	-	\$ -	-	\$ (783,148)	(26)	
	Worldwide Polychem (HK) Corporation	(Note A)	Sale	(651,639)	(6)	Based on contract	-	-	-	-	785,375	11	
	Far Eastern Industries (Shanghai) Corporation	(Note A)	Sale	(336,897)	(3)	Based on contract	-	-	-	-	255,280	4	
	Far Eastern Industries (WuXi) Corporation	(Note A)	Sale	(131,505)	(1)	Based on contract	-	-	-	-	48,354	1	
	Oriental Resources Development Corporation	(Note A)	Purchase	127,175	1	Based on contract	-	-	-	-	(54,889)	(2)	
	Oriental Union Chemical Corporation	(Note D)	Purchase	400,536	4	Based on contract	-	-	-	-	(112,380)	(4)	
Far Eastern Apparel (Holding) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Purchase	771,581	50	Based on contract	-	-	-	-	(591,413)	(57)	
	Far Eastern Apparel (Suzhou) Corporation	(Note C)	Purchase	240,038	16	Based on contract	-	-	-	-	(133,774)	(13)	
	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Sale	(120,004)	(8)	Based on contract	-	-	-	-	108,381	16	
	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Purchase	522,126	34	Based on contract	-	-	-	-	(312,115)	(30)	
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	(771,581)	(67)	Based on contract	-	-	-	-	591,413	66	
Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	336,897	6	Based on contract	-	-	-	-	(255,280)	(8)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	1,126,170	21	Based on contract	-	-	(840,470)	(85)	(320,682)	(10)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	205,310	4	Based on contract	-	-	-	-	(205,310)	(6)	
	Far Eastern Polychem Industries Corporation	(Note C)	Sale	(1,863,428)	(33)	Based on contract	-	-	-	-	413,111	19	
	Wuhan Far Eastern New Material Corporation	(Note C)	Sale	(171,371)	(3)	Based on contract	-	-	-	-	337,752	15	
Far Eastern Industries (Suzhou) Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	340,726	45	Based on contract	-	-	(273,037)	(100)	(114,874)	(59)	
	Oriental Industries (Suzhou) Corporation	(Note C)	Sale	(691,881)	(92)	Based on contract	-	-	387,902	98	256,652	87	
Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	1,863,428	95	Based on contract	-	-	-	-	(413,111)	(90)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(254,524)	(12)	Based on contract	-	-	-	-	218,349	20	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(1,126,170)	(42)	Based on contract	-	-	840,470	42	320,682	74	
	Far Eastern Industries (Suzhou) Corporation	(Note C)	Sale	(340,726)	(13)	Based on contract	-	-	273,037	14	114,874	26	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(2,278,920)	(56)	Based on contract	-	-	-	-	783,148	52	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(205,310)	(5)	Based on contract	-	-	-	-	205,310	14	
Oriental Industries (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	Purchase	691,881	43	Based on contract	-	-	(387,902)	(100)	(256,652)	(39)	
	Oriental Textile (Holding) Corporation	(Note C)	Sale	(775,617)	(42)	Based on contract	-	-	-	-	558,746	44	
Oriental Textile (Holding) Corporation	Oriental Industries (Suzhou) Corporation	(Note C)	Purchase	775,617	96	Based on contract	-	-	-	-	(558,746)	(95)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note % to Total
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	\$ (522,126)	(92)	Based on contract	-	-	\$ -	-	\$ 312,115	89	
	Far Eastern Apparel (Holding) Corporation	(Note C)	Purchase	120,004	24	Based on contract	-	-	-	-	(108,381)	(35)	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Corporation	(Note C)	Purchase	254,524	94	Based on contract	-	-	-	-	(218,349)	(62)	
Wuhan Far Eastern New Material Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	171,371	58	Based on contract	-	-	-	-	(337,752)	(84)	
Worldwide Polychem (HK) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	651,639	95	Based on contract	-	-	-	-	(785,375)	(95)	
Far Eastern Industries (WuXi) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	131,505	20	Based on contract	-	-	-	-	(48,354)	(8)	
Far Eastern Apparel (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	(240,038)	(49)	Based on contract	-	-	-	-	133,774	50	
Oriental Resources Development Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(127,175)	(67)	Based on contract	-	-	-	-	54,889	62	
Far EasTone Telecommunications Corporation	ARCOA Communication Corporation	(Note C)	Cost of telecommunications services, marketing expenses and cost of sales	2,559,129	18	Based on contract	-	-	-	-	(759,679)	(6)	
	New Century InfoComm Corporation	(Note C)	Operating revenue	(117,600)	(1)	Based on contract	-	-	-	-	795	-	
			Cost of telecommunications services	676,025	6	Based on contract	-	-	-	-	(616,321)	(5)	(Note E)
New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	(Note C)	Operating revenue	(676,025)	(24)	Based on contract	-	-	-	-	616,321	46	(Note F)
			Cost of telecommunications services	117,600	6	Based on contract	-	-	-	-	(795)	-	
ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	(Note C)	Operating revenue	(2,559,129)	(65)	Based on contract	-	-	-	-	759,679	69	

Notes: A. From FENC to subsidiary.

B. From the subsidiary to FENC.

C. Between subsidiaries.

D. The consolidated company's investee which accounted for under the equity method.

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

(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		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Corporation	(Note B)	\$ 785,375	3.55	\$ -	-	\$ 225,560	\$ -
	Far Eastern Industries (Shanghai) Corporation	(Note B)	255,280	4.64	-	-	142,711	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	783,148	10.65	-	-	776,660	-
	Far Eastern Industries (Shanghai) Corporation	(Note D)	205,310	4.40	-	-	131,317	-
Far Eastern Polychem Industries Corporation	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	218,349	5.10	-	-	55,866	-
Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Vietnam) Corporation	(Note D)	108,381	6.08	-	-	24,127	-
Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	312,115	5.34	-	-	178,809	-
Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Corporation	(Note D)	413,111	20.57	-	-	413,111	-
	Wuhan Far Eastern New Material Corporation	(Note D)	337,752	1.95	-	-	53,733	-
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	591,413	5.83	-	-	291,011	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note D)	1,161,152	3.16	-	-	215,565	-
	Far Eastern Industries (Suzhou) Corporation	(Note D)	387,911	3.30	-	-	231,414	-
Oriental Industries (Suzhou) Corporation	Oriental Textile (Holding) Corporation	(Note D)	558,746	6.08	-	-	265,311	-
Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	(Note D)	644,554	3.61	-	-	473,779	-
Far Eastern Apparel (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	133,774	5.87	-	-	109,948	-
Far Eastern Construction Corporation	Far Eastern Department Stores Corporation	(Note E)	114,067	(Note F)	-	-	-	-
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	(Note D)	106,269	(Note G)	-	-	92,317	-
	ARCOA Communication Corporation	(Note D)	126,743	10.81	-	-	84,236	-
New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	(Note D)	4,209,359	(Note H)	-	-	332,746	-
ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	(Note D)	759,679	11.24	-	-	759,679	-

(Continued)

Notes: A. For the receivables from the financing to affiliates, please refer to Table 5.

B. From FENC to subsidiary.

C. From the subsidiary to FENC.

D. Between subsidiaries.

E. The consolidated company's investee which accounted for under the equity method.

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

H. The turnover rate was unavailable as the receivables from related parties were mainly due to financing provided for Q-ware by NCIC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

(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	\$ 785,375	Based on agreement	-
		Worldwide Polychem (HK) Corporation	1	Sales	651,639	Based on agreement	1
		Far Eastern Industries (Shanghai) Corporation	1	Accounts receivable	255,280	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	1	Sales	336,897	Based on agreement	1
		Far Eastern Industries (WuXi) Corporation	1	Sales	131,505	Based on agreement	-
1	Yuan Ding Investment Corporation	Kai Yuan International Investment Corporation	3	Other receivables	402,000	Based on agreement	-
		Kai Yuan International Investment Corporation	3	Interest revenue	2,074	Based on agreement	-
		An Ho Garment Corporation	3	Other receivables	414,000	Based on agreement	-
		An Ho Garment Corporation	3	Interest revenue	1,508	Based on agreement	-
2	Far Eastern Polychem Industries Corporation	Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	218,349	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	254,524	Based on agreement	1
		Far Eastern Investment (Holding) Corporation	3	Other receivables	220,350	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	3	Other receivables	9,099	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	3	Interest revenue	1,223	Based on agreement	-
		Far Eastern Ishizuka Green Pet Corporation	3	Interest receivables	53	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	396,630	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	18,260	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	1,705	Based on agreement	-
3	Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	2	Accounts receivable	783,148	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	2,278,920	Based on agreement	5
		Far Eastern Industries (Shanghai) Corporation	3	Accounts receivable	205,310	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Sales	205,310	Based on agreement	-
4	Far Eastern Investment (Holding) Corporation	Far Eastern Polytex (Holding) Corporation	3	Other receivables	57,627	Based on agreement	-
		Far Eastern Polytex (Holding) Corporation	3	Interest receivables	448	Based on agreement	-
		Far Eastern Polytex (Holding) Corporation	3	Interest revenue	342	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Other receivables	382,158	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest receivables	25	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest revenue	2,879	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Other receivables	192,975	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest receivables	52,739	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	3	Other receivables	242,640	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Other receivables	148,617	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Interest receivables	1,485	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	Interest revenue	\$ 883	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	1,643,370	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Other receivables	1,304,190	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	420	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest revenue	8,843	Based on agreement	-
		Worldwide Polychem (HK) Corporation	3	Other receivables	24,264	Based on agreement	-
		Far Eastern New Apparel (Vietnam) Corporation	3	Other receivables	400,356	Based on agreement	-
5	Far Eastern Polytex (Holding) Corporation	Far Eastern New Century (China) Investment Corporation	3	Other receivables	75,322	Based on agreement	-
6	Yuan Ding Corporation	Far Eastern Electronic Commerce Corporation	3	Other receivables	270,000	Based on agreement	-
		Far Eastern Electronic Commerce Corporation	3	Interest receivables	261	Based on agreement	-
		Far Eastern Electronic Commerce Corporation	3	Interest revenue	643	Based on agreement	-
		Ding Ding Hotel Corporation	3	Other receivables	300,000	Based on agreement	-
		Ding Ding Hotel Corporation	3	Interest receivables	290	Based on agreement	-
		Ding Ding Hotel Corporation	3	Interest revenue	787	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Other receivables	90,990	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest receivables	82	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest revenue	82	Based on agreement	-
7	Oriental Textile (Holding) Corporation	Far Eastern New Century (China) Investment Corporation	3	Other receivables	749,190	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	2,435	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	2,496	Based on agreement	-
8	Far Eastern Apparel (Holding) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Other receivables	151,650	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	3	Accounts receivable	108,381	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	3	Sales	120,004	Based on agreement	-
9	Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	312,115	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	522,126	Based on agreement	1
10	Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Corporation	3	Accounts receivable	413,111	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Sales	1,863,428	Based on agreement	4
		Wuhan Far Eastern New Material Corporation	3	Accounts receivable	337,752	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Sales	171,371	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	1,322,100	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	7,114	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest receivables	12,441	Based on agreement	-
11	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	591,413	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	771,581	Based on agreement	2
		Oriental Industries (Suzhou) Corporation	3	Other receivables	791,087	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	5,395	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Other receivables	114,582	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest revenue	64	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	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	3	Accounts receivable	\$ 320,682	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Notes receivable	840,470	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Sales	1,126,170	Based on agreement	2
		Far Eastern Industries (Suzhou) Corporation	3	Accounts receivable	114,874	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Notes receivable	273,037	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Sales	340,726	Based on agreement	1
13	Far Eastern Industries (WuXi) Corporation	Oriental Industries (Suzhou) Corporation	3	Other receivables	600,868	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest receivables	1,657	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	3,514	Based on agreement	-
14	Oriental Industries (Suzhou) Corporation	Oriental Textile (Holding) Corporation	3	Accounts receivable	558,746	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Sales	775,617	Based on agreement	2
		Far Eastern Industries (Suzhou) Corporation	3	Other receivables	1,040,876	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest receivables	2,386	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest revenue	5,453	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Other receivables	711,598	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Interest receivables	1,699	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Interest revenue	5,062	Based on agreement	-
15	Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	3	Accounts receivable	256,652	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Notes receivable	387,902	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Sales	691,881	Based on agreement	1
16	Far Eastern Apparel (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	3	Other receivables	1,015,289	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest receivables	2,184	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	5,724	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	133,774	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	240,038	Based on agreement	-
17	Far Eastern New Century (China) Investment Corporation	Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	275,623	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	1,156	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest receivables	1,072	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Other receivables	1,401,444	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Interest revenue	4,079	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Other receivables	4	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	26	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Other receivables	12,913	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Interest revenue	27	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Other receivables	24,181	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Interest revenue	56	Based on agreement	-
18	YDT Technology International Corporation	Yuan Ding Corporation	3	Other receivables	15,000	Based on agreement	-
		Yuan Ding Corporation	3	Interest revenue	65	Based on agreement	-
		Yuan Ding Corporation	3	Interest receivables	19	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)
19	FET Consulting Engineers Corporation	Yuan Ding Corporation	3	Other receivables	\$ 180,000	Based on agreement	-
		Yuan Ding Corporation	3	Interest receivables	190	Based on agreement	-
		Yuan Ding Corporation	3	Interest revenue	522	Based on agreement	-
20	Oriental Resources Development Corporation	Far Eastern New Century Corporation	2	Sales	127,175	Based on agreement	-
21	FEDP (Holding) Corporation	Far Eastern Polychem Industries Corporation	3	Other receivables	151,650	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	1,138	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest revenue	901	Based on agreement	-
22	Ding Integrated Marketing Service Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Other receivables	60,660	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest receivables	274	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest revenue	274	Based on agreement	-
23	Far Eastern Industries (Yangzhou) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Other receivables	220,350	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Interest receivables	1,039	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Interest revenue	1,132	Based on agreement	-
24	Far EasTone Telecommunications Corporation	ARCOA Communication Corporation	3	Accounts receivable	120,979	Based on agreement	-
		New Century InfoComm Corporation	3	Other receivables	105,474	Based on agreement	-
		New Century InfoComm Corporation	3	Telecommunications service revenue	115,893	Based on agreement	-
25	New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	3	Telecommunications service revenue	676,025	Based on agreement	1
		Far EasTone Telecommunications Corporation	3	Other receivables	4,143,388	Based on agreement	1
		Q-ware Communications Corporation	3	Other receivables	190,712	Based on agreement	-
26	ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	3	Sales	2,404,958	Based on agreement	5
		Far EasTone Telecommunications Corporation	3	Other operating revenue	137,238	Based on agreement	-
		Far EasTone Telecommunications Corporation	3	Accounts receivable	715,050	Based on agreement	-

Note A: How the Company and subsidiaries are identified:

1. The Company: 0.
2. Subsidiaries are started at 1 consecutively.

Note B: Flow of transaction:

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

Note C: The number presenting in this column is the ratio of ending balance to consolidated asset or the ratio of cumulative amount to consolidated revenue.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				March 31, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	22.33	\$ 15,341,791	\$ 238,351	\$ (22,264)	Gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,782,663	241,634	41,223	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,245,386	452,923	41,533	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,529	44,628	13	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	159,823	159,823	140,278	19.65	1,914,927	(10,357)	(2,035)	(Note A)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	810,000	810,000	135,000	16.83	1,879,040	34,092	5,738	(Notes A and E)
	Yuan Ding Investment Corporation	Taiwan	Investment	100,052	100,052	1,822,822	99.40	40,434,623	1,415,665	1,407,475	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$304 (Notes B and H)
	Far Eastern Resources Development Corporation	Taiwan	Real estate construction and selling	14,931,733	14,931,733	667,242	100.00	100,851,006	252,104	260,309	Including the adjustments of the transactions between subsidiaries \$8,205 (Note B)
	Far Eastern Polytex (Holding) Corporation	Bermuda	Investment	8,384,209	8,384,209	135	100.00	7,528,018	(14,393)	(14,393)	(Note B)
	Far Eastern Polychem Industries Corporation	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	6,700,325	(8,698)	(6,353)	(Note B)
	Yuan Tong Investment Corporation	Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,755,637	84,175	86,651	Including the adjustments of the transactions between subsidiaries \$2,476 (Note B)
	Kai Yuan International Investment Corporation	Taiwan	Investment	999,993	999,993	302,843	100.00	4,840,612	62,172	62,172	(Note B)
	Far Eastern Investment (Holding) Corporation	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	8,743,884	(2,048)	(2,048)	(Notes Band K)
	PET Far Eastern (Holding) Corporation	Bermuda	Investment	5,811,250	5,811,250	333	90.54	4,344,536	158,473	145,913	Including discounted amortization \$2,432 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	10,919,967	10,919,967	1,183,311	75.56	7,046,860	(163,437)	(115,087)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$8,406 (Notes B and H)
	Far Eastern Construction Corporation	Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	8,276,730	172,342	112,212	(Notes Band K)
	Yuan Ding Corporation	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,029,724	(28,208)	(8,600)	Including the adjustments of the transactions between subsidiaries \$1,874 (Notes B, I and K)
	An Ho Garment Corporation	Taiwan	Garment production and Investment	1,023	1,023	66,346	100.00	1,802,180	45,587	45,613	Including the adjustments of the transactions between subsidiaries \$26 (Note B)
	Ding Yuan International Investment Corporation	Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,578,414	28,224	28,244	Including the adjustments of the transactions between subsidiaries \$20 (Note B)
	FEDP (Holding) Corporation	Bermuda	Investment	676,315	676,315	244	50.43	155,488	(37,845)	(19,085)	(Note B)
Fu Kwok Garment Manufacturing Corporation	Taiwan	Garment production	9,088	9,088	3,999	99.96	309,070	20,510	20,502	(Notes B and K)	
Ding Ding Hotel Corporation	Taiwan	Hotel	393,651	393,651	19,772	19.00	(40,327)	(87,194)	(16,567)	(Note B)	
Far Eastern Textile Corporation	Taiwan	Textile production	1,000	1,000	100	100.00	1,449	1	1	(Note B)	
Yuan Ding Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	542,452	542,452	19,290	0.57	573,078	238,351	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,277,307	1,306,557	70,818	8.00	1,262,189	452,923	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	432,053	430,454	21,078	1.49	446,270	241,634	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,129,635	44,628	-	(Note A)
	Far EastTone Telecommunications Corporation	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	24,115,149	2,836,246	-	(Note B)
	Far Eastern Polychem Industries Corporation	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,473,176	(8,698)	-	(Note B)
	Far Eastern Apparel (Holding) Corporation	Bermuda	Investment	2,179,442	2,179,442	111	100.00	3,027,120	144,654	-	(Note B)
	Da Ju Fiber Corporation	Taiwan	Sale of polychemical products	263,790	263,790	46,418	41.86	1,588,942	9,256	-	(Note A)
	Far Eastern Apparel Corporation	Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	183,141	(17,200)	-	(Note B)
	Yuan Faun Corporation	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	121,306	137	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	3,830	45.50	61,625	241	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	391,134	2,502	-	(Note A)
	Far Eastern Fibertech Corporation	Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,236,155	25,046	-	(Note B)
	Oriental Resources Development Corporation	Taiwan	Medical materials manufacturing and wholesale and waste recycling and processing	338,188	338,188	34,242	70.00	328,161	11,890	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				March 31, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
	Liquid Air Far East Corporation	Taiwan	Industrial gas production and selling	\$ 504,806	\$ 504,806	86,615	35.00	\$ 1,909,668	\$ 375,000	\$ -	(Note A)
	Freudenberg Far Eastern Spunweb Corporation	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	236,293	103,811	-	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	255,424	255,424	185,247	25.96	2,635,360	(10,357)	-	(Note A)
	Yuan Ding Corporation	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,075,233	(28,208)	-	(Notes B and K)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	936,249	20,331	-	(Note A)
	Oriental Textile (Holding) Corporation	Bermuda	Investment	7,142,602	7,142,602	110	100.00	7,639,420	101,454	-	(Note B)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	796,491	796,491	119,653	14.92	1,579,153	34,092	-	(Notes A and E)
	Yu Yuan Investment Corporation	Taiwan	Investment	673,704	673,704	98,198	18.96	235,452	(9,259)	-	(Note A)
	Far Eastern General Contractor Corporation	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	22,653	10,352	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	415,679	415,679	81,374	5.20	493,493	(163,437)	-	(Note B)
Far Eastern Investment (Holding) Corporation	FETG Investment Antilles N.V.	Antillem	Investment	US\$ 6	US\$ 6	6	100.00	1,503,536	(65,742)	-	(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	191,239	999	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	12,540	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Corporation	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100.00	502,057	20,863	-	(Notes B and D)
	Worldwide Polychem (HK) Corporation	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	91,826	(13,718)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34.00	1,601	-	-	(Notes A and D)
	Far Eastern Polytext (Vietnam) Corporation	Vietnam	Chemical fiber and textile production	US\$ 70,000	US\$ 50,000	-	100.00	2,034,544	(35,754)	-	(Notes B and D)
	Far Eastern New Apparel (Vietnam) Corporation	Vietnam	Garment production	US\$ 9,000	US\$ 9,000	-	100.00	63,815	(41,428)	-	(Notes B and D)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	189,739	500	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50.00	191,239	999	-	(Notes B and C)
Ding Yuan International Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	375,512	375,512	13,222	0.39	426,929	238,351	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	98,105	96,904	5,103	0.36	111,463	241,634	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	40,372	40,372	1,093	0.23	9,144	44,628	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	676,265	684,551	27,365	3.09	655,851	452,923	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	38,457	38,457	920	0.03	42,158	2,836,246	-	(Note B)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	90,000	90,000	18,000	2.24	232,198	34,092	-	(Notes A and E)
	Yu Ding Industry Corporation	Taiwan	Department store operations	95,624	95,624	12,315	13.20	316,359	8,502	-	(Note A)
	Fu Kwok Garment Manufacturing Corporation	Taiwan	Garment production	50	50	1	0.03	79	20,510	-	(Note B)
Kai Yuan International Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	483,448	483,448	20,207	0.60	641,690	238,351	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,166,150	2,836,246	-	(Note B)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	757,871	801,854	32,273	3.64	653,077	452,923	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	519,473	519,473	20,672	1.46	571,820	241,634	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	468,589	(5,878)	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	937,257	20,331	-	(Note A)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	90,000	90,000	18,000	2.24	232,398	34,092	-	(Notes A and E)
Far Eastern Polychem Industries Corporation	PET Far Eastern (Holding) Corporation	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	458,170	158,473	-	(Note B)
	FEDP (Holding) Corporation	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	152,837	(37,845)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	634,321	(17,440)	-	(Note B)
Far Eastern Construction Corporation	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	513,576	238,351	-	(Note A)
	Far Eastern General Contractor Corporation	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,084,944	10,352	-	(Note B)
Far Eastern Apparel Corporation	Asia Cement Corporation	Taiwan	Cement production	16,246	16,246	469	0.01	13,653	238,351	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	6,353	6,353	90	-	6,113	2,836,246	-	(Note B)
	Yu Ding Industry Corporation	Taiwan	Department store operations	29	29	8	0.01	104	8,502	-	(Note A)
Far Eastern General Contractor Corporation	Far Eastern Technical Consultants Corporation	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	5,353	2,991	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	1,577,835	(65,527)	-	(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	466,720	2,211	-	(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	SGD -	SGD -	-	99.00	(43)	-	-	(Notes B and D)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				March 31, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
An Ho Garment Corporation	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	\$ 748,158	\$ 748,158	40,818	1.25	\$ 1,101,771	\$ 2,836,246	\$ -	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	223,277	238,351	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	256,653	452,923	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	10,483	10,483	370	0.03	11,289	241,634	-	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	113,076	113,076	7,688	1.08	103,346	(10,357)	-	(Note A)
	Yu Ding Industry Corporation	Taiwan	Department store operations	111,997	111,997	14,618	15.66	277,207	8,502	-	(Note A)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	67,285	67,285	9,681	1.21	130,158	34,092	-	(Notes A and E)
	Yuan Ding Investment Corporation	Taiwan	Investment	148,994	148,994	5,502	0.30	165,693	1,415,665	-	(Note B)
Yuan Faun Corporation	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,851	1,277	-	(Note B)
Fu Kwok Garment Manufacturing Corporation	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,599	2,836,246	-	(Note B)
Yuan Tong Investment Corporation	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,873,304	2,836,246	-	(Note B)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.80	1,240,304	241,634	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,662,699	452,923	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,579	0.85	1,009,453	238,351	-	(Note A)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	90,000	90,000	18,000	2.24	231,200	34,092	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Corporation	Taiwan	Electronic toll collection service	787,104	787,104	35,934	11.98	332,479	(81,915)	-	(Note B)
	Liquid Air Far East Corporation	Taiwan	Industrial gas production and selling	20	20	1	-	27	375,000	-	(Note A)
	Sino Belgium (Holding) Corporation	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(317,837)	(31,042)	-	(Note B)
	Freudenberg Far Eastern Spunweb Corporation	Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	27	103,811	-	(Note A)
	Malaysia Garment Manufactures Pte. Corporation	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	160,004	2,211	-	(Note B)
Yuan Ding Corporation	YDT Technology International Corporation	Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	276,546	(6,096)	-	(Note B)
	Ding Integrated Marketing Service Corporation	Taiwan	Marketing	558,000	558,000	41,633	60.00	192,366	(18,903)	-	(Note B)
	Far Eastern Technical Consultants Corporation	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	52,919	2,991	-	(Note B)
	YDC (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 200	US\$ 200	-	17.70	8,275	978	-	(Notes B and C)
	Ding Hotel Corporation	Taiwan	Hotel	645,021	645,021	64,502	61.99	(131,735)	(87,194)	-	(Note B)
	Far Eastern Electronic Commerce Corporation	Taiwan	Information software, department stores, convenience stores and nonstore retailing	239,130	239,130	23,913	53.08	(267,731)	(53,626)	-	(Note B)
	FET Consulting Engineers Corporation	Taiwan	Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business	822,701	822,701	85,000	100.00	463,598	(13,185)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	183,786	238,351	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	115,139	2,836,246	-	(Note B)
	Yu Yuan Investment Corporation	Taiwan	Investment	411,187	411,187	129,637	25.02	1,098,363	(9,259)	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	84	1.00	548	241	-	(Note A)
	Yu Ding Industry Corporation	Taiwan	Department store operations	22,676	22,676	2,419	2.59	45,477	8,502	-	(Note A)
	FEDS Asia Pacific Development Corporation	Taiwan	Department store operations	100,000	100,000	10,650	5.00	131,522	35,168	-	(Note A)
	Far Eastern Electronic Toll Collection Corporation	Taiwan	Electronic toll collection service	977,650	977,650	44,796	14.93	409,055	(81,915)	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taiwan	Electronic stored value card	300,000	300,000	21,772	20.00	145,326	(62,759)	-	(Note B)
Ding Integrated Marketing Service Corporation	Far Eastern Electronic Commerce Corporation	Taiwan	Information software, department stores, convenience stores and nonstore retailing	745	745	79	0.18	(909)	(53,626)	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taiwan	Electronic stored value card	225,150	225,150	16,340	15.01	109,064	(62,759)	-	(Note B)
	DDIM (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	-	46.13	(30,889)	(25,910)	-	(Notes B and D)
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	British Virgin Islands	Investment	384,970	384,970	-	53.87	(36,071)	(25,910)	-	(Notes B and D)
YDT Technology International Corporation	Everest Textile Corporation	Taiwan	Chemical fiber production	10,161	10,161	120	0.03	1,163	44,628	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	51,673	51,673	2,764	0.19	95,149	241,634	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,082	238,351	-	(Note A)
	YDC (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 930	US\$ 930	-	82.30	38,478	978	-	(Notes B and C)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				March 31, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastone Telecommunications Corporation	New Century InfoComm Corporation	Taiwan	Type I, II telecommunications services	\$ 22,249,283	\$ 22,249,283	2,100,000	100.00	\$ 27,276,752	\$ 421,561	-	(Note B)
	ARCOA Communication Corporation	Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	1,324,330	39,923	-	(Note B)
	KGEx.com Corporation	Taiwan	Type II telecommunications services	2,440,457	2,440,457	78,896	99.99	888,948	18,408	-	(Note B)
	Hiiir Digital Marketing Corporation	Taiwan	Electronic information providing services	537,260	537,260	53,726	89.54	(173,512)	(73,024)	-	(Note B)
	Yuan Cing Corporation	Taiwan	Call center services	-	-	2,000	100.00	33,744	2,898	-	(Notes B and L)
	Far Eastern Info Service (Holding) Corporation	Bermuda	Investment	92,616	92,616	1	100.00	(49,700)	(38)	-	(Note B)
	O-music Corporation	Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	8,089	(114)	-	(Note B)
	Q-ware Communications Corporation	Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(78,829)	(2,471)	-	(Note B)
	Far Eastern Electronic Toll Collection Corporation	Taiwan	Electronic toll collection service	2,542,396	2,542,396	118,251	39.42	671,998	(81,915)	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taiwan	Electronic stored value card	450,000	450,000	32,658	30.00	217,984	(62,759)	-	(Note B)
	Ding Integrated Marketing Service Corporation	Taiwan	Marketing	139,500	139,500	10,408	15.00	47,811	(18,903)	-	(Note B)
	Alliance Digital Technology Corporation	Taiwan	Electronic information providing services	60,000	60,000	6,000	14.40	31,525	(13,475)	-	(Note A)
	Far Eastern Electronic Commerce Corporation	Taiwan	Information software, department stores, convenience stores and nonstore retailing	80,893	80,893	6,691	14.85	(74,425)	(53,626)	-	(Note B)
	ARCOA Communication Corporation	DataExpress Infotech Corporation	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	179,879	3,026	-
New Century InfoComm Corporation	New Diligent Corporation	Taiwan	Investment	1,060,000	1,060,000	106,000	100.00	626,062	(6,373)	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	117,452	8,461	-	(Note B)
	Digital United (Cayman) Corporation	Cayman Islands	Investment	132,406	132,406	4,320	100.00	31,590	1,175	-	(Note B)
	Far Eastern Electronic Commerce Corporation	Taiwan	Information software, department stores, convenience stores and nonstore retailing	28,922	28,922	2,392	5.31	(26,606)	(53,626)	-	(Note B)
New Diligent Corporation	Ding Integrated Marketing Service Corporation	Taiwan	Marketing	46,500	46,500	3,469	5.00	15,937	(18,903)	-	(Note B)
	Sino Lead Enterprise Corporation	Hong Kong	Telecommunications services	125	125	-	100.00	134	(13)	-	(Note B)
	Far Eastern New Diligent Corporation	British Virgin Islands	Investment	330,598	330,598	-	100.00	44,327	(7,648)	-	(Note B)
DataExpress Infotech Corporation	New Diligent Hong Kong Corporation	Hong Kong	Investment	-	-	-	-	-	-	-	(Notes B and J)
	Linkwell Tech. Corporation	Taiwan	Sale of communications products	10,000	10,000	-	100.00	38,810	(790)	-	(Note B)
	Home Master Technology Corporation	Taiwan	Sale of communications products	10,000	10,000	-	100.00	(8,431)	(15)	-	(Note B)

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. A foreign owned 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 Table 13.

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 March 31, 2017.

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

L. The ending balance of the investment is zero in 2016 because the amount of reduction in capital were over the original investing value.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(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, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of March 31, 2017 (Note C)	Accumulated Repatriation of Investment Income as of March 31, 2017	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.	\$ 8,286,920	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 40,602	100.00	\$ 40,602	\$ 8,191,754	\$ 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.	901,572	2	1,010,901	-	-	1,010,901	25,448	100.00	25,448	1,387,654	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.	2,121,841	2	2,018,430	-	-	2,018,430	14,941	100.00	14,941	2,897,070	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products.	6,618,739	2	2,976,148	-	-	2,976,148	(275,624)	61.35	(169,095)	2,580,703	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.	1,627,387	2	1,342,854	-	-	1,342,854	85,624	100.00	85,624	2,483,325	92,719	Notes H and S
Far Eastern Industries (Suzhou) Corporation	Production and sales of fiber and non-fiber polyester products	1,737,987	2	1,765,319	-	-	1,765,319	(23,110)	100.00	(23,110)	90,852	-	Note K
Wuhan Far Eastern New Material Corporation	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	753,807	2	724,110	-	-	724,110	2,760	100.00	2,760	919,096	-	
Oriental Industries (Suzhou) Corporation	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	4,824,989	2	4,957,248	-	-	4,957,248	87,333	100.00	87,333	5,369,910	-	Note H
Far Eastern New Century (China) Investment Corporation	Investment	2,735,344	2	2,795,325	-	-	2,795,325	(38,086)	100.00	(38,086)	1,838,934	-	
Sino Belgium Beer (Suzhou) Corporation	Brewery	1,679,764	2	1,763,952	-	-	1,763,952	(36,930)	100.00	(35,920)	(216,155)	-	Note L
Martens Beers Trading (Shanghai) Corporation	Brewery	345,536	2	231,475	-	-	231,475	(2,850)	100.00	(2,850)	11,731	-	Note L

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of March 31, 2017 (Note C)	Accumulated Repatriation of Investment Income as of March 31, 2017	Note
					Outflow	Inflow							
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	\$ 6,404,919	2	\$ 4,181,323	\$ -	\$ -	\$ 4,181,323	\$ 14,804	60.00	\$ 8,882	\$ 3,876,465	\$ -	
Far Eastern Industries (Yangzhou) Corporation	PA and its by-product production	1,361,333	2	1,436,190	-	-	1,436,190	381	100.00	381	1,375,314	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,596,599	2	1,962,908	-	-	1,962,908	598,658	50.00	299,329	1,737,949	-	
Shanghai Yuan Zi Information Technology Corporation	Software development, equipment maintenance and consulting	56,013	3	-	-	-	-	76	100.00	76	59,651	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	83,733	3	-	-	-	-	1,411	100.00	1,411	124,610	-	
Suzhou An Ho Apparel Corporation	Garment production	4,407	3	-	-	-	-	11	100.00	11	47,993	-	
Yuan Ding Enterprise (Shanghai) Corporation	Chemical products, machinery and equipment lubricants wholesale, commission agents and foreign trade	1,128,192	3	-	-	-	-	(22,520)	100.00	(22,520)	757,960	-	
Tong Da Air Industry (Yangzhou) Corporation	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,813,366	2	1,020,489	-	-	1,020,489	50,590	50.00	25,295	949,898	-	
Yuan Ding Integrated Information Service (Shanghai) Corporation	Computer software and internet software design and development	663,907	2	598,270	-	-	598,270	(26,030)	100.00	(26,030)	(67,693)	-	Note M
Speedy (Shanghai) Digital Tech. Corporation	Intelligent control equipment and security monitoring products and services	28,819	2	24,220	-	-	24,220	1,098	100.00	1,098	45,519	-	Note N
Digital United Information Technologies (Shanghai) Corporation	Research and design of computer system	94,023	2	94,023	-	-	94,023	5,552	100.00	5,552	16,015	-	Note P
Far Eastern New Century Information Technology (Beijing) Corporation	Electronic information providing services	348,795	2	312,399	-	-	312,399	(8,222)	90.52	(7,443)	62,619	-	Note Q
Far Eastern Tech-info Corporation (Shanghai)	Computer software, data processing and provision of network information service	181,980	2	198,771	-	-	198,771	(83)	100.00	(83)	95,323	-	Note O
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	34,182	-	-	34,182	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2017	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 Tand U)	\$19,840,318	\$22,617,924	\$ -

(Continued)

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, Far Eastern Apparel (Holding) Corporation, Oriental Textile (Holding) Corporation, FEDP (Holding) Corporation, Far Eastern Polytex (Holding) Corporation, Sino Belgium (Holding) Corporation, YDC (Virgin Islands) Corporation, DDIM (Virgin Islands) Corporation, Far Eastern Info Service (Holding) Corporation, Digital United (Cayman) Corporation and Far Eastern New Diligent Corporation.
 3. Other.
- B. Recognition of gains/losses was based on the percentage of holding shares from unreviewed financial statements
- C. The ending balance of long term investment.
- D. As of March 31, 2017, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Corporation.
- E. As of March 31, 2017, 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 March 31, 2017, 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 March 31, 2017, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Corporation remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Corporation and Far Eastern Apparel (Holding) Corporation.
- H. As of March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Corporation.
- I. As of March 31, 2017, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Corporation remitted through an FENC subsidiaries, Oriental Textile (Holding) Corporation.
- J. As of March 31, 2017, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through an FENC subsidiaries, PET Far Eastern (Holding) Corporation and Far Eastern Polytex (Holding) Corporation.
- K. As of March 31, 2017, 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 March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.
- M. As of March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Corporation, Ding Integrated Marketing Services Corporation and FET Consulting Engineers Corporation.
- N. As of March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Corporation.
- O. As of March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Corporation.
- P. As of March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Corporation.
- Q. As of March 31, 2017, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Corporation.
- R. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.
- S. As of March 31, 2017, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Corporation remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Corporation.
- T. Investment amounts authorized by Investment Commission, MOEA were included by US\$744,755 thousand and RMB6,695 thousand, calculated based on the ending exchange rates USD@30.33 and RMB@4.407, was the original investment from Far Eastern Polytex (Holding) Corporation and approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10320431180, there is no cap on the amount of the Corporation's investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(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			
	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Corporation	8,198 (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			
	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 (Suzhou) 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	
Oriental Industries (Suzhou) Corporation	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	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Corporation	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Corporation FEDP (Holding) Corporation	4,800	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Corporation	754 (Note G) 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			
	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			
Wuhan Far Eastern New Material Corporation	Yuan Ding Investment Corporation	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Corporation	43,000	43,000			
	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 (China) Investment Corporation (Note A)	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Corporation	RMB 6,695				RMB 6,695
	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	4,304				
	Yuan Tong Investment Corporation Yuan Tong Investment Corporation	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Corporation Sino Belgium (Holding) Corporation	1,500	1,500			
		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	2014.08.25	No. 10300210860 (Note M)	PET Far Eastern (Holding) Corporation	66,000	66,000			
Yuan Ding Enterprise (Shanghai) Corporation	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Corporation	1,000	1,000			
		2016.12.08	No. 10500282440 (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	2014.01.28	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	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Corporation	8,100	8,100			
	Ding Integrated Marketing Service Corporation	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) Corporation	New Diligent Corporation	2012.11.19	No. 10100496420	Far Eastern New Diligent Company Corporation	4,000	4,000			

(Continued)

- 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 March 31, 2017, FENC paid US\$138,000 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 Oriental Industries (Suzhou) Corporation.
- 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.
- 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 December 31, 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.
- 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.

(Concluded)