2015 ANNUAL REPORT
FAR EASTERN NEW CENTURY

2015

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ISPO AWARD 2016/17

競變 邁向智能新紀元
Rising to a Smarter Future

遠東集團
FAR EASTERN GROUP

FENC annual report is available at http://www.fenc.com and http://mops.twse.com.tw

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Corporate Website

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

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I. Letter to Shareholders

Dear Shareholders,

Despite 2015 being a year of turbulent changes both politically and economically, with increasing competition in international trade, geopolitical tensions, plunging oil prices and fluctuations in exchange rates, Far Eastern New Century (FENC, the Company), we have dedicated ourselves to following our global perspective, flexible investment strategies and prudent asset management policies to meet challenges with resilience and thus consolidated our position globally.

Although the U.S. economy began to show the first green shoots of recovery, in much of the rest of the world the overarching message was one of a lack of growth momentum and economic stagnation. Not only did China's economic growth decelerate, but emerging economies also experienced a slowdown, Japan's growth remained sluggish and the Eurozone saw its austerity measures still firmly in place. With oil prices slipping to new lows, major oil exporting countries were confronted with dangerous fiscal deficits and currency volatility risks, and the slumping demand for raw materials forced energy and commodity prices into a downward spiral. Economic growth in the Middle East was stunted by political turmoil and refugees fleeing war-torn countries swarmed into Europe, posing enormous economic and political challenges for the European Union. All this took place against a backdrop of the spread of MERS and the global threat of armed terrorism.

In 2016, the world also entered an era characterized by new forms of collaboration and competition. On the political front, November's U.S. presidential election has the potential to reshape the world's political landscape in unexpected ways and despite its economic retrenchment, China's global presence will continue to expand with President Xi Jinping attending key international summits and meeting world leaders. The so-called Brexit campaign for the UK to leave the European Union is placing further stress on the unity of an EU already hit hard by economic woes. In Taiwan, the political environment will be altered by the country's embrace of its first female president in May.

On the economic front, the uncertain future path of the Federal Funds Rate has put the U.S. recovery under pressure, whilst in China businesses are currently facing overcapacity, weakening demand and increasingly adverse conditions for international trade. Consequently, the Chinese central bank has cut both the reserve-requirement ratio and key interest rates for banks several times in concerted attempts to prevent a hard landing for the "world's factory". Aiming to elevate its manufacturing sector, the country has aggressively promoted the Made in China 2025 initiative and the One Belt One Road strategy, and established the Asian Infrastructure Investment Bank in Beijing. Moreover, the IMF has agreed to include the RMB in the currency basket of Special Drawing Rights (SDR), thereby boosting the global circulation of the currency and strengthening China's influence on the world economy. Last year the global economy was shaken by both plummeting oil prices and a divergence between the monetary policy stances in the United States and other major advanced economies, which is ongoing.

In spite of the political and economic issues, the world is moving toward the development of renewable energy, epitomized by the agreement at Paris Climate Change Conference. In response to Industry 4.0, there have been burgeoning trends in adopting IoT technologies, smart robotics and the use of big data. On the trade front, the Regional Comprehensive Economic Partnership (RCEP), the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) are strengthening economic ties among countries. Taiwan, however, is not a signatory to any of these agreements, so will not benefit from zero tariffs in these free trade areas. In the face of these challenges, FENC has established vertically integrated production networks in Taiwan, China, Southeast Asia and Japan, and expanded our production sites in countries such as Vietnam, that are members of the aforementioned partnerships, in the hope of enhancing our competitiveness and enlarging our future role in the region.

With our commitment to running our businesses with integrity, FENC has won high praise for innovation and corporate governance both at home and abroad. The DynaFeed, a revolutionary smart garment system with bio-sensing technology and an IoT platform, was awarded the ISPO Asian Gold Winner at the globally prestigious ISPO Textrends Exhibition in Munich in 2016. We are the first textile manufacturer to be granted such an accolade. Meanwhile, the Company was rated A++, the top tier, by the Taiwan Stock Exchange in the “Information Disclosure and Transparency Ranking Award”. In 2015, FENC won a Gold Award in the “Corporate Sustainability Report Awards,” ranking first in the Manufacturing Industry category, and also received the “Growth Through Innovation Award” for developing the world’s first 100% bio-based PET bottle. Throughout the challenges ahead, we will continue to surpass ourselves as one of the leading enterprises in Taiwan.

Operating Results

The world economy stumbled last year. In order to stay competitive, FENC’s management team leveraged our global core Production Business—petrochemical, polyester and textiles, invested in a diversified portfolio of businesses to achieve synergistic growth and adopted forward-thinking policies to boost our assets value. In 2015, the Company’s consolidated revenue and net income reached NT$217.9 billion and NT$14.69 billion, respectively. The net income attributable to shareholders of the Company is NT$8.04 billion, translating into a basic EPS of NT$1.61. The 22nd term Board of Directors have proposed a cash dividend of NT$1 per share. Operating results by business segments are outlined below:

Production Business – Going Global with Integrated Business Segments

FENC’s Production Business is composed of the petrochemical, polyester and textiles businesses, which are fully vertically integrated to give the Company a competitive edge in the industry. In order to strengthen our advantage, we have not only upgraded our businesses in Taiwan but continue to expand our reach overseas. In addition to production sites in Taiwan and China, we have expanded our investment in Vietnam as our third production base. Together, the three bases are expected to help us transform into a world-class enterprise with a global vision.

- ***Upstream Petrochemical Business***

Our petrochemical business produces the major raw material, PTA, of the Company’s production process. Although the global PTA capacity is oversupplied, the Company carefully monitored PTA’s feedstock price trends, and mobilized resources effectively based on our up-, mid- and downstream strategies to ensure optimal operations. Looking forward, when market conditions are more favorable, Oriental Petrochemical (Taiwan and Shanghai) for PTA, and Far Eastern Union Petrochemical (Yangzhou) for another raw material, MEG, plan to utilize new cost efficient lines to replace their old ones. Economies of scale and the adoption of smart technologies in factories will ensure reductions in production costs and the real time management of inventory.

- ***Midstream Polyester Business***

With our production sites in China, Taiwan and Southeast Asia, FENC is one of the leaders of the polyester industry in terms of our scale, brands and innovation. Globally, the Company is the largest recycled PET producer and the third largest nonwoven fibers supplier by capacity. In Asia, while we rank

among the top three largest solid-state polymer producers, our output of PET sheets and nylon 6.6 are second to none. In addition to Taiwan and China, we have expanded into Japan, Vietnam and other ASEAN markets in order to gain an edge in regional trade. Designated by international brand names as a major supplier, and also a partner in development projects, the Company has been devoting many resources to R&D and seeking breakthroughs in smart materials. As a green conscious company, we succeeded in developing the world's first Bio-PET bottle, the materials for which are derived entirely from plants. Containing Coca-Cola, the eco-friendly bottles made their first public appearance at Expo Milan 2015 and immediately drew global attention. For all the challenges in the business environment, we have introduced smart production, increased the breadth of our product mix and further integrated our industrial chains as well as re-balanced our focus on domestic and international markets, so as to consolidate our position as one of top polyester producers in the industry.

- ***Downstream Textiles Business***

Supported by integrated supply chains, our textiles business is internationally known for cutting edge technologies in smart textiles, green materials, and functional fibers/fabrics. Our three production bases are located in Taiwan, China and Vietnam. In our Taiwan base, we are targeting the development of new materials and technologies. In China, the production process is vertically integrated and the location is close to the end market. In Vietnam, we have been planning to build a production line that runs from producing yarn, knitting, dyeing and finishing to manufacturing ready-to-wear garments. Vitally, the Company can enjoy duty-free access to all TPP markets by complying with the "yarn forward" rule. Our strong global network will continue to showcase Taiwan's textile products around the world.

Diversified Investment – Branching out to Achieve Synergies

FENC has transformed into an industrial holding company spanning polyester, textiles, telecommunications, petrochemicals, cement, shipping, retail, financial services, transportation, construction and hotels. With the aim of sharing resources and thus prospering as a whole, we also facilitate the transformation of our subsidiaries' businesses and obtain stable investment income. Our major investment is Far EasTone Telecommunications Co., Ltd. (FET). With the aim of expanding into 4G mobile applications and IoT markets, FET provides the fastest 4G tri-band internet connections in Taiwan, and has seen the number of its 4G service subscribers growing fast. In 2015, the telecom operator ranked top in terms of revenue growth in the industry, generating consistent profits for FENC. In retail, the "City" series of shopping malls run by Far Eastern Department Stores Ltd. (FEDS) achieved remarkable performance. Our network of malls has given us a huge advantage in analyzing consumer behavior and identifying regional competitors to both increase our business scope and reap higher profits. In the cement sector, Asia Cement Corporation (ACC) continues to raise its profile as a green-conscious brand in an effort to boost its value. FENC will continually expand its businesses to create more value for our shareholders.

Property Development – Various Projects to Monetize Land Assets

Far Eastern Resources Development Co., Ltd. (FERD) was established to manage FENC's significant amount of land holdings with various plans to monetize our existing land and properties. Our development projects encompass the construction of office buildings, residential housing projects, a telecom park, a hypermarket and a spa resort. Of 570,000 pings of total land holdings throughout Taiwan,

210,000 pings are classified as investment properties; the most valuable properties are clustered in the Taipei metropolitan area and around transportation hubs. Far Eastern Metro Towers (Taipei City), Taipei Far Eastern Telecom Park (New Taipei City) and Mega Tower - the highest skyscraper in New Taipei City, and Yilan Spa Resort are all the regional landmarks in smart buildings. The development project Taipei Far Eastern Telecom Park has commenced, increasing land values in the area and bringing a stable rental income from TPKA offices. Two R&D buildings and a data center scheduled to be constructed in the near future are expected to bring in further revenue. A premium residential project will break ground as soon as construction permits are granted. Our Yilan Spa Resort project is also in the pipeline, with clearing and grading being performed at the site. These projects will add value to our assets and generate substantial returns on our property development business.

Business Goals and Prospects

Over the years, FENC has endeavored to pursue progress and breakthroughs by innovating products and developing new technologies. We aspire to transform our businesses, create a more valuable brand image and achieve sustainable development in the following ways.

A. Innovative Thinking

FENC's core competence lies in our R&D capabilities, and our in-house Far Eastern Group R&D Center brings together the best and brightest minds to realize our vision. In line with the Company's sustainable growth plan, the R&D center has striven to develop value added products that differentiate us from our competitors. We have also formed strategic alliances with top global brands to develop functional materials that fulfill the market demand, setting product design trends for major brand clients and downstream manufacturers. This approach is aimed at creating higher profits and a competitive niche for the Company. We not only partner with major brands, but also collaborate with academic institutions on innovative material projects. To achieve the Company's long-term goals, we will pool resources and focus on our areas of expertise to strengthen our R&D capabilities. Earlier this year, our revolutionary smart clothing DynaFeed received an ISPO Gold Award and won international recognition. This perfect combination of textiles and IoT network is a testament to our strength in innovation.

B. Superior Technology

Ready for Industry 4.0 Facing the challenges of Industry 4.0, FENC continues to employ new technologies to improve management. We have adopted smart manufacturing facilities and processes, established smart supply chains, and introduced automation, computerization of manufacturing, virtualization, real-time monitoring and use of big data. Smart factories and smart production systems are incorporated into our latest integrated solutions.

Going Green To demonstrate our commitment to environmental protection, FENC has adopted green technologies and manufacturing processes and achieved numerous groundbreaking results. Many of our products have been certified as Green products. Our recycled PET (rPET), for instance, meets the FDA standards of the United States and EFSA standards of the European Union. In addition, our "Pro Green 100% rPET", a product completely made of recycled PET, won an award in a "Design Change C2C" contest held by the Environmental Protection Administration in 2015. Then there is our proprietary

technology TopAgro, a type of recycled fiber utilizing materials from rice stalk waste, which enables 100% reuse and recycle. Moreover, we have partnered with NIKE to develop a waterless dyeing technology that uses supercritical CO2 as a replacement for water. Through these efforts, we continue to promote the concept of “Reduce, Reuse and Recycle” as the first bottle-to-bottle company in Taiwan. Our advanced technologies have consolidated our position in the vanguard of the green industry.

C. Excellent Managerial Skills

Smart Management Our management team has launched smart management policies that integrate different functions, including investment, finance, accounting, information technology, legal compliance, human resources and public affairs, in order to ensure soundness in financial and accounting management, strengthen cost control and advance digital innovative technologies. In the ever-changing business world, we have implemented a risk warning system that facilitates internal control and the management of financial and operation risks. Key risk indicators and control measures have been put in place to ensure real-time comprehensive risk management. In addition, we have established a legal compliance review program across all business units to support headquarters’ administration and supply chain management. Our high standard of corporate governance has burnished our image globally.

High-caliber Talent Human capital is the most important asset of FENC; our professional teams drive the growth of the Company and strive to stay on top of current business trends. In addition to recruiting talents and experts, the Company facilitates rotation programs between our teams at home and overseas to raise the quality of our human resources. In order to ensure the sustainable development of the Company, we have implemented a program aimed at cultivating the successors to the Company’s top managers. Team members with outstanding performance and high potential are singled out as candidates for leadership training.

D. Bringing Happiness and Prosperity to Our Community

As giving back to society is one of our missions, FENC has spared no effort in fulfilling our social responsibilities under our Corporate Social Responsibility Principles as the foundation for sustainable development. We also published our second CSR report “Inventing - New Century” last year. In philanthropic initiatives focusing on medical, educational, technological, cultural and environmental programs, we have established three schools, two hospitals and four non-profit foundations. Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation sponsors the “Y. Z. Hsu Scientific Award”, one of the most important technological awards in Taiwan in innovative industrial research and development; while the Far Eastern Memorial Foundation was established to reward achievements in architecture, arts and culture. The Far Eastern Architectural Design Award offers the most attractive prize to winners among all architectural awards in Taiwan. Moreover, the Company is committed to environmental protection and has launched programs in water conservation, which are aligned with the goals of the United Nations’ “Water for Life Decade”. For example, in 2015 we cooperated with central and local government, the media, research institutes and museums to organize a water themed exhibition, “Taiwan Water, Fountain of Life”, that attracted more than 300,000 visitors. On the education front, Yuan Ze University has been listed by the UK’s Times Higher Education among the top 100 universities in BRIC and other emerging economies. In the area of healthcare, approximately NT$10 billion has been invested in the expansion of the Far Eastern Memorial Hospital. The phase II of the hospital began operations last September with a total of 1,650 hospital beds, providing a higher quality of medical services to the community.

Letter to Shareholders

Also notable is the great success Far Eastern Electronic Toll Collection Co. (FETC) has achieved in implementing the world's first and only distance-based and multi-lane free flow toll collection system, which covers almost 1,000 kilometers of highways in Taiwan. Now all road users in Taiwan can enjoy driving on the freeway without having to stop to pay tolls while the system helps conserve energy and reduce carbon emissions, by saving the time and oil that would otherwise be consumed when stopping the car. With a tolling accuracy rate of up to 99.97%, FETC received an ITS World Congress Hall of Fame - Industry Award in 2015, and attracted delegations from different parts of the world to learn from our experiences. We have signed a consulting agreement with Vietnam to introduce an ETC system that covers 2,400 kilometers of the country's highways from north to south, and also memoranda of cooperation with Kazakhstan and Belarus. Many other countries have also expressed interest in working in partnership with us.

With 66 years of experience in the industry, FENC will build on past success and continue to pursue innovation as a bellwether of the new era. As the world is shifting toward digital innovation, smart IoT and Industry 4.0, the Company has recognized connectivity changes everything and will adapt new disruptive technologies to our advantage. We will be aggressive, ambitious and accountable on our path to becoming a leader of smart industry and strive to create maximum value for our shareholders, employees and society at large.

Chairman
Douglas Tong Hsu

II. Company Profile

1. Date of Incorporation

13 January 1954

2. Company History

1942 • Yu-Ziang Hsu founded Far Eastern Knitting Factory Co., Ltd. in Shanghai to produce "Skyscraper"-brand underwear for sale throughout China.

1949 • The company was relocated to Taiwan, and installed its knitting factory in Banqiao, the outskirt of the Taipei City, where it continued producing and marketing knitted fabrics.

1953 • The name of the Company was changed to Far Eastern Knitting Co., Ltd.; meanwhile, the Taiwan Far Eastern Textile Co., Ltd. was founded in Banqiao for the purpose of establishing a weaving mill.

1954 • Far Eastern Knitting and Taiwan Far Eastern Textile were merged to form Far Eastern Textile Ltd. (FETL), which was located on Yungsui Rd. in Taipei.

1955 • Shirt production equipment was added, and the Company was the first one in the Republic of China to receive an order for the cotton yarn export.

1960 • An advanced apparel plant was established.

1963 • Cotton and chemical fiber facilities were installed for the rising demand of the Taiwan society and the synthetic fiber industry.

1965 • The third synthetic fiber textile plant was established, completing the vertical integration of FETL's processes from spinning to weaving, dyeing and finishing, and apparel production.

1966 • The head office was moved to Paoching Rd. in Taipei in July.

1967 • Permission for FETL shares listed on the Taiwan Stock Exchange was received in April.

1969 • A new garment factory was constructed at Hsinpu.

1970 • A new spinning plant was built at Hsinpu to produce yarns from polyester and acrylic fibers.

1972 • The Banqiao textile factory of Taiwan Textile and the Neili textile plant of Yunghsing Industries were procured and converted to FETL's Banqiao and Neili textile plants.

1974 • The Yilan apparel plant was built.

1978 • The Chungchou Textile Plant at Kuanyin in Taoyuan County was purchased and renamed as Kuanyin Textile Factory.
• Permission was received to acquire and merge Orient Chemical Fiber and establish a chemical fiber plant.

1982 • Permission was received to merge Eastern Manmade Fiber into FETL and established the Eastman Division, which in July of the next year was merged into the Textile Division.

1987 • The Hukou production site was established, and later yarn and fabric plants were constructed there.
• Ground-breaking took place in August for the Taipei Metro Tower; a multiple-purpose twin towers with 41 stories above ground and five below, containing offices, a shopping center, and a tourist hotel.

1988 • To create new applications for polyester filament, a joint investment was made together with Hong Ho Precision Textile Co. in the establishment of Everest Textile Co. to produce fine woven fabrics as a means of adding value to FETL products.

1993 • The Hsinpu Synthetic Fiber Plant of the Fiber Division received ISO-9001 certification from the D.N.V. company, being the first chemical fiber plant in Taiwan to be accredited with such certification.
• Construction of the Taipei Metro Tower completed in October and the head offices of FETL as well as of Asia Cement and other affiliated companies moved into the complex on Oct. 16 and 17, making this the headquarters of the Far Eastern Group.

1994 • The Yilan and Banqiao plants of the Apparel Division, and the Neili and Hukou plants of the Textile Division, were accredited with ISO-9002 certification.

1995 • DuPont-Far Eastern Co., Ltd. (renamed as Far Eastern Fibertech Co., Ltd.) was established in cooperation with DuPont of the United States for the production of high-tech nylon 66.
• A contract was signed with ICI for the establishment of ICI Far Eastern Ltd. (renamed as Oriental Petrochemical Corporation now) to construct a PTA plant at Kuanyin in Taoyuan County.

1996 • Permission was received in July from the Investment Commission, Ministry of Economic Affairs for a joint investment by FETL and its wholly-owned subsidiary Yuan Ding Investment Corp. in the establishment of Far Eastern Industries (Shanghai) Ltd. for the production and sale of polyester staple, polyester filament, and other products.

1997 • In January, Far EasTone Telecommunications Ltd (Far EasTone), which is 62.4% owned by FETL's subsidiary Yuan Ding Investment Corp., obtained island-wide DCS and northern-region GSM mobile phone licenses from the Directorate General of Telecommunications.

1998 • The FETL-invested Far Eastern Textile Industrial (Shanghai) Co., Ltd. began trial production in September.

Company Profile

2000
- Mr. Y. Z. Hsu, Far Eastern Group founder, passed away at the age of 90 in December and left behind the most valuable and cherished founding spirit of "Sincerity, Diligence, Thrift, and Diligence" as the Company's motto.

2001
- In March, FETL-invested NCIC launched its voice and data services with "Sparq" as the brand name.

2002
- In May, FETL started the installation of the ERP system with PricewaterhouseCoopers. This project helped promoting internal processing re-engineering, cost reduction and management of financial information.
- In October, a joint investment by FETL's subsidiaries and Far Eastern Department Stores ("FEDS") was formed to acquire the controlling interests of the SOGO Department Stores.

2003
- In September, FETL spun off its holdings of land and transferred such holdings as paid-in capital of the 100%-owned Far Eastern Resources Development Co., Ltd. ("FERD"), which became a vehicle specializing in developing and monetizing the existing land resources.

2004
- In April, FETL-invested company "Far Eastern Electronic Toll Collection Co., Ltd." has signed BOT contract with National Freeway Bureau.

2005
- In April, Far EasTone was approved by Taiwan Stock Exchange Corporation to become as a publicly listed company.

2006
- In February, the public highway electronic toll collection system was officially activated. This system was built by FETL-invested company "Far Eastern Electronic Toll Collection Co., Ltd.".
- In March, Oriental Petrochemical (Shanghai) Corporation invested by FETL commenced production, with a PTA production capacity of 650,000 tons/year to support the synthetic fiber business under Far Eastern group and other producers.

2007
- In January, FERD, fully owned by FETL, proposed to the government a change on the urban development plan, converting its Banqiao factory from production factory into a telecommunication-related specialized zone. The government had approved such proposal after a three-year evaluation and this land re-zoning plan was officially announced on 23 January 2007.

2008
- In March, Sino-Belgium Beer (Suzhou) Ltd. was established and invested by FETL. The factory was completed in April. In October, a beer "Martens 1758", manufactured for Belgium Martens beer company, was launched in the Shanghai market.
- In October, FETL obtained all shares of "Invista Far Eastern Petrochemicals Ltd."& "Far Eastern Invista Ltd." and renamed them " Oriental Petrochemical (Taiwan) Co. Ltd." & "Far Eastern Fibertech Co., Ltd.", respectively.

2009
- In October, in the Company's Extraordinary Shareholders' Meeting, shareholders presented had resolved and approved the renaming of the Company, from Far Eastern Textile Limited (FETL) to Far Eastern New Century Corporation (FENC), effective on the same date.

2010
- In January, new shares of FENC were listed on the Taiwan Stock Exchange.

2011
- In March, FENC constructed, operated and sponsored "FE EcoARK", a pavilion made of 100% recycled PET bottles, at the Taipei International Flora Expo. This architecture was the first of its kind in the world.
- In December, a wholly owned subsidiary of FENC has entered a joint venture with Sinopec Yizheng Chemical Fibre Company Limited to establish Far Eastern Yihua Petrochemical (Yanzhou) Corporation to conduct purified terephthalic acid (PTA) production.

2012
- In May, FENC founded Far Eastern Industries (Yangzhou) Ltd. and Far Eastern Union Petrochemical (Yangzhou) Ltd., via indirect investments and plans to build a new production site for polyester and ethylene glycol.

2013
- In April, FENC, through its subsidiary "Far Eastern Polychem Industries Ltd.", has entered into a joint venture with Ishizuka Glass Co., Ltd.("IGC"), to establish Far Eastern Ishizuka Green PET Corporation in Japan to conduct R-PET production and distribution business
- In May, 1st Global Sustainable Procurement (GSP) supplier awards was launched by Coca-Cola and FENC was awarded "2013 Supplier of the Year" out of 900 suppliers.
- In May, FENC issued Formosa and Yen bonds in the Taipei Exchange, successfully being the first manufacturing company in Taiwan to issue bonds denominated in both RMB and Yen.
- In May, Far Eastern New Century (China) Investment Co., Ltd., the subsidiary of Far Eastern New Century, obtained the right to the use of land through public auction for RMB 978 million(equivalent to NT$ 4.67biilion). The land is located at plot A09B – 02, World Expo Zone, Pudong New Area, Shanghai.

2014
- In April, FENC was awarded the "10th Annual Corporate Social Responsibility Awards - Global Views Excellent Service Awards" for the project "The Greenest Bottle, starts with a Genuine Heart"

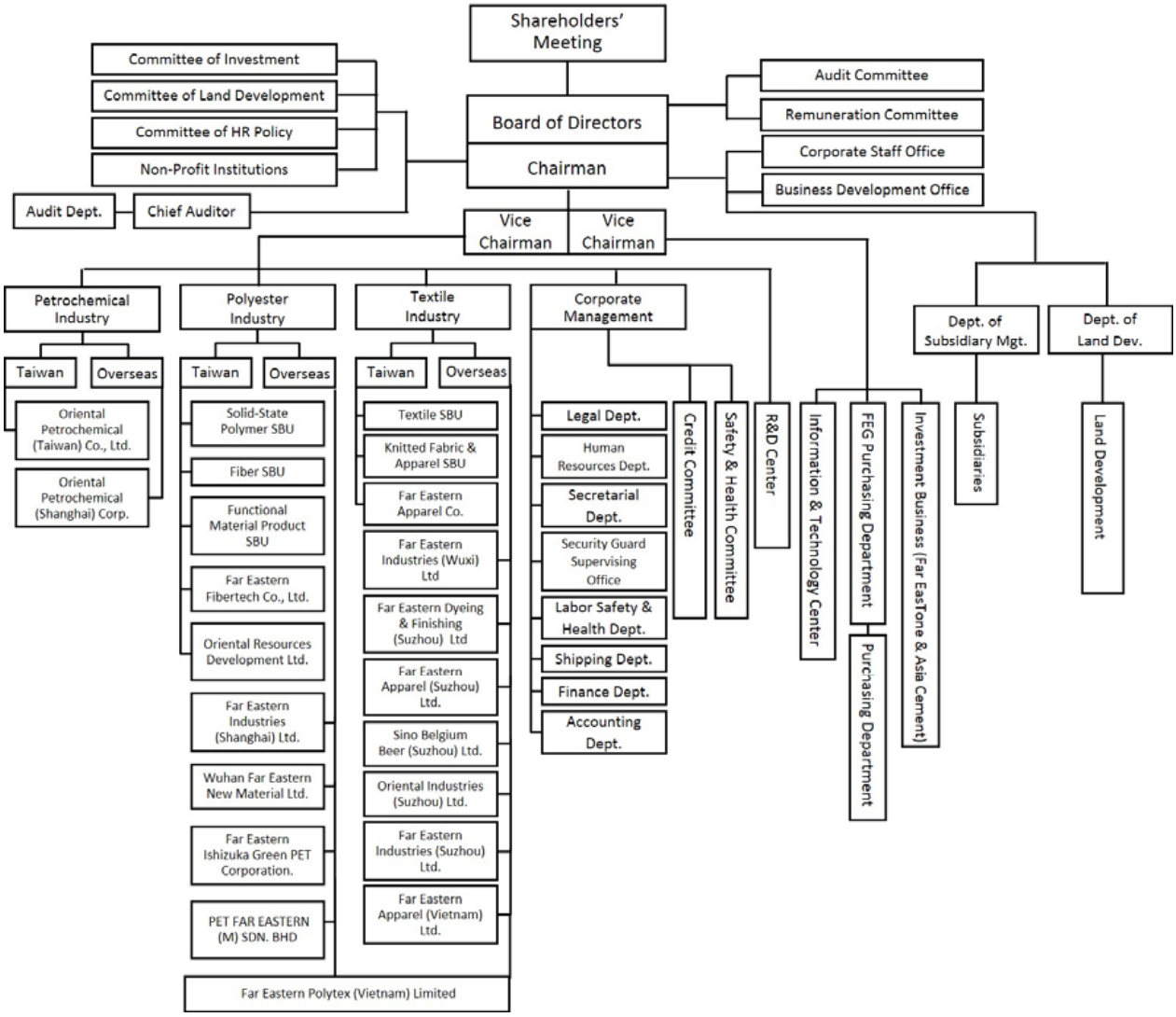
2015
- In April, FENC was awarded the highest "A++" ranking in the 12th Annual Information Disclosure and Transparency Rankings Evaluation among Listed Companies.
- In June, FENC, through its subsidiary "Far Eastern Investment (H) Ltd.", has established Far Eastern Polytex (Vietnam) Ltd. for a new vertically integrated polyester and textiles production base.
- In November, FENC won a Gold Award from Taiwan Institute for Sustainable Energy (TAISE) in "Taiwan Top 50 Corporate Sustainability Report Awards," ranking first in the Traditional Manufacturing category and also received the "Growth Through Innovation Award" in "Corporate Sustainable Performances" category for developing the world's first 100% bio-based PET bottle.

2016
- In February, DynaFeed, a FENC revolutionary smart garment system with bio-sensing technology and IoT platform, was awarded the ISPO Asian Gold Winner at the globally prestigious ISPO Textrends Exhibition.

III. Corporate Governance Report

1. Organization

1.1 Organization Chart



1.2 Affairs in Charge for Each Major Department

Department	Affairs in charge
Audit Department	Internal auditing
Petrochemical Industry	Production and sales of PTA
Polyester Industry	Production and sales of polyester chips, polyester staple fibers, polyester filament, polyester films and functional materials
Textile Industry	Printing, dyeing and finishing of yarns, fabrics and cloths; production and sales of miscellaneous natural, man-made, synthetic fiber yarns and fabrics, blended yarns and fabrics, and woven finished clothing and knitted finished clothing
Corporate Management	Arrange the planning and enforcement of the company's legal, human resources, general administration, shipping, security, labor safety and health, finance and accounting related matters
R&D Center	Research and development

2. Directors and Management Team

2.1 Directors

Book closure date: 30 April 2016

Title	Nationality or Record of Birth	Name	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Other positions in FENC and/or other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
						Share	%	Share	%	Share	%		Title	Name	Relation
Chairman	R.O.C	Douglas Tong Hsu	26 Jun 2015	3	23 Dec 1967	61,748,698	1.14	91,748,698	1.71	-	-	National Chiao Tung University, Taiwan, Honor Ph.D in Management University of Notre Dame, USA, MS. Columbia University, USA, Post graduate study in Economics △ Chairman of Asia Cement Corp.(ACC), Oriental Union Chemical Corp.(OUCC), U-Ming Marine Transport Corp.(U-Ming), Far Eastern Department Stores Ltd. (FEDS), Far EasTone(FET), and Vice Chairman of Far Eastern International Bank (FEIB)	Vice Chairman Vice Chairman Director Director Director	Johnny Shih Peter Hsu Raymond Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Brother Brother Daughter Sister
Vice Chairman	R.O.C	Johnny Shih Representative of Asia Cement Corporation	26 Jun 2015	3	9 Feb 1979	1,247,330,476 *2,287,458	23.77 0.04	1,272,277,085 *1,672,207	23.77 0.03	- 19,641,122	- 0.37	Columbia University, USA, Master in Computer Science △ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC, Independent Director of CTCI Corporation	Chairman Vice Chairman Director Director	Douglas Tong Hsu Peter Hsu Raymond Hsu Alice Hsu	Brother-in-law Brother-in-law Brother-in-law Sister-in-law
	R.O.C	Peter Hsu Representative of Asia Cement Corporation	26 Jun 2015	3	14 Apr 1976	1,247,330,476 *30,852,167	23.77 0.59	1,272,277,085 *31,469,210	23.77 0.59	- 637	- -	Stanford University, USA, Master in Operation Research △ Director of ACC & FET, Supervisor of U-Ming	Chairman Vice Chairman Director Director	Douglas Tong Hsu Johnny Shih Raymond Hsu Alice Hsu	Brother Brother-in-law Brother Sister
Director	R.O.C	Raymond Hsu Representative of Asia Cement Corporation	26 Jun 2015	3	14 Apr 1976	1,247,330,476 *23,301,921	23.77 0.44	1,272,277,085 *33,967,959	23.77 0.63	- 33,295,510	- 0.62	Australian Mining and Metallurgy College, Australia △ Chief auditor of FENC, Chairman of Fu Kwok Knitting & Garment Co., Ltd.	Chairman Vice Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Shih Peter Hsu Alice Hsu	Brother Brother-in-law Brother Sister
	R.O.C	Shaw Y. Wang Representative of Asia Cement Corporation	26 Jun 2015	3	10 May 1985	1,247,330,476 *387,614	23.77 0.01	1,272,277,085 *395,366	23.77 0.01	-	-	National Chung Hsing University, Taiwan, Business Administration Department National Taiwan University, Taiwan, the Executive Program in Business Administration △ Executive Director of Group Foundation, Supervisor of ACC, Executive Director of FEIB	-	-	-
	R.O.C	Richard Yang Representative of Far Eastern Department Stores Ltd.	26 Jun 2015	3	13 Jun 2006	19,572,912 *1,277,793	0.37 0.02	19,964,370 *1,379,348	0.37 0.03	-	-	American Graduate School of International Management △ Managing Director of Surfview Capital Ltd.	-	-	-
	U.S.A	Tonia Katherine Hsu Representative of Far Eastern Department Stores Ltd.	26 Jun 2015	3	13 Jun 2006	19,572,912 *-	0.37 -	19,964,370 *-	0.37 -	-	-	Sarah Lawrence College, New York, USA , BA (History, Humanities, Creative Arts) △ Sotheby's, New York, USA (Arts Administration, Asian Liaison)	Chairman	Douglas Tong Hsu	Father
	R.O.C	Kwan-Tao Li Representative of U-Ming Marine Transport Corp.	26 Jun 2015	3	13 Jun 2006	30,570,069 *-	0.58 -	31,181,470 *-	0.58 -	-	-	Kellogg-HKUST, MBA △ Chief Senior Counselor, Lee and Li, Attorney-at-law, Supervisor of ACC	-	-	-

Title	Nationality or Record of Birth	Name	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Other positions in FENC and/or other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
						Share	%	Share	%	Share	%		Title	Name	Relation
Director	R.O.C	Alice Hsu Representative of U-Ming Marine Transport Corp.	26 Jun 2015	3	20 Apr 1988	30,570,069 *24,130,108	0.58 0.46	31,181,470 *24,612,710	0.58 0.46	-	-	Sheridan College, Retail Management △ -	Chairman Vice Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Shih Peter Hsu Raymond Hsu	Brother Brother-in-Law Brother Brother
	R.O.C	Champion Lee Representative of Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation	26 Jun 2015	3	20 Apr 1988	8,326,703 *618,060	0.16 0.01	8,493,237 *618,060	0.16 0.01	-	-	Texas A&I University, USA, Master in Business Administration △ Supervisor of ACC, Director of FET & U-Ming	-	-	-
Independent Director	R.O.C	Bing Shen	26 Jun 2015	3	28 Jun 2012	-	-	-	-	-	-	Harvard University, USA, MBA △ Independent Director of FEIB, Director of CTCI Corporation	-	-	-
	R.O.C	Johnsee Lee	26 Jun 2015	3	28 Jun 2012	-	-	-	-	-	-	Illinois Institute of Technology, USA, Ph.D. △ Director of Taiwan Semiconductor Manufacturing Corp., Independent Director of Zhen Ding Technology Holding Limited, Everlight Electronics Co., Ltd. & San Fu Chemical Co., Ltd.	-	-	-

* represents the number of company shares owned by the individual representative.

Note 1: No Director holds company shares via accounts under others' names.

Note 2: For Directors are company entities, the company registry is R.O.C.

2.1.1 Major Shareholders of FENC's Directors are Institutional Shareholders

Book closure date: 30 April 2016

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders (%)
Asia Cement Corporation	Far Eastern New Century Corp. (22.33); Far Eastern Medical Foundation (5.40); Fubon Life Insurance Co., Ltd. (4.34); Cathay Life Insurance Co., Ltd. (2.35); Far Eastern Department Stores Ltd. (1.81); Labor Pension Fund Committee of Far Eastern New Century Corp. (1.51); Yuan Ze University (1.41); Shinkong Life Insurance Co., Ltd. (1.36); Labor Pension Fund (1.34); Yu Yuan Investment Co., Ltd. (1.29)
Far Eastern Department Stores Ltd.	Far Eastern New Century Corp. (17.06); Asia Cement Corp. (5.65); Yuan Ze University (4.75); Yuan Tong Investment Co., Ltd. (2.80); Cathay Life Insurance Co., Ltd. (2.48); Labor Pension Fund Committee of Far Eastern Department Stores Ltd. (2.22); Yu Yuan Investment Co., Ltd. (2.06); Oriental Securities Corporation (1.58); New Labor Pension Fund (1.54); Kai Yuan International Investment (1.46)
U-Ming Marine Transport Corp.	Asia Cement Corp. (39.25); Nan Shan Life Insurance Co., Ltd. (2.90); Cathay Life Insurance Co., Ltd. (2.62); Management Board of the Public Service Pension Fund (2.21); Labor Insurance Fund (1.95); Yuan Ding Investment Co., Ltd. (1.04); Yu Yuan Investment Co., Ltd. (0.94); Asia Investment Co., Ltd. (0.92); Vanguard Emerging Markets Stock Index Fund account in the custody of Standard Chartered Bank (0.92); Ya Li Transport Co., Ltd. (0.75)

2.1.2 Major Shareholders of the Major Shareholders that are Juridical Persons

Book closure date: 30 April 2016

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Far Eastern New Century Corp.	Please refer to page 52.
Yue Yuan Investment Co., Ltd.	Asia Cement Corp. (29.92); Yuan-Ding Co., Ltd. (25.02); Yuan Ding Investment Co., Ltd. (18.96); U-Ming Marine Transport Corp. (17.66); Ding Shen Investment Co., Ltd. (6.50); Yue Tung Investment Co., Ltd. (1.84) ; Yue Ding Investment Co., Ltd. (0.10)
Fubon Life Insurance Co. Ltd.	Fubon Financial Holding Co., Ltd. (100.00)
Yuan Ding Investment Co., Ltd.	Far Eastern New Century Corp. (99.40); An Ho Garment Co., Ltd. (0.30); Da Ju Fiber Co., Ltd.(0.30)
Kai Yuan International Investment Co., Ltd.	Far Eastern New Century Corp. (100.00)
Asia Investment Co., Ltd.	Asia Cement Corp. (100.00)
Ya Li Transport Co., Ltd.	Asia Cement Corp. (49.39); Yue Yuan Investment Co. Ltd. (40.00); Ding Yuan International Investment Co., Ltd. (10.00)
Oriental Securities Corporation	Yuan Ding Investment Co., Ltd. (25.96); Far Eastern Department Stores Ltd. (19.66); Far Eastern New Century Corp. (19.65); Asia Cement Corporation (18.93); Bai Ding Investment Co., Ltd. (13.61); An Ho Garment Co., Ltd. (0.83); Da Ju Fiber Co., Ltd. (0.51)
Nan Shan Life Insurance Co., Ltd.	Ruenchen Investment Holding Company account in the custody of First Financial Bank (76.46); Ruenchen Investment Holding Co., Ltd. (14.16); Yin-zong Tu (3.25); Ruenhwa Dyeing and Fabricating Co., Ltd. (0.28); Ruentex Industries Ltd. (0.15); Wen-der Kuo (0.11); Gping Investment Co., Ltd. (0.11); Nan Shan life insurance stock investment account in the custody of TaiShin Financial Bank (0.06); Pouchi Investment Co., Ltd. (0.05); Pouyi Investment Co., Ltd. (0.05); Pouhwan Investment Co., Ltd. (0.05); Pouhuei Investment Co., Ltd. (0.05)
Shinkong Life Insurance Co., Ltd.	Shinkong Financial Holding Co., Ltd. (100.00)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100.00)
Yuan Tong Investment Co., Ltd.	Far Eastern New Century Corp. (100.00)
China Life Insurance Co., Ltd.	KGI Securities Co., Ltd. (9.64); Government of Singapore account in custody of Citibank (Taiwan) (3.07); City of New York Group Trust account in custody of Deutsche Bank (2.69); Saudi Arabian Monetary Agency account in custody of J.P. Morgan Chase Bank (2.52); Videoland Inc. (2.35); Cathay Life Insurance Co., Ltd. (2.24); INVESCO Asian Equity Core Fund account in custody of HSBC Bank (Taiwan) Ltd. (1.54); Abu Dhabi Investment Authority account in custody of J.P. Morgan Chase Bank (1.48); New Labor Pension Fund (1.37); Norges Bank account in custody of Citibank (Taiwan) (1.32)

2.1.3 Professional Qualifications and Independence Analysis for Directors

Item / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five-Year Work Experience			Independence Criteria (Note 1)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	
Douglas Tong Hsu			V						V			V	V	None
Johnny Shih			V			V			V			V		1
Peter Hsu			V						V			V		None
Raymond Hsu			V						V			V		
Shaw Y. Wang			V			V	V		V		V	V		
Richard Yang			V	V		V	V	V	V	V	V	V		
Tonia Katherine Hsu			V	V		V		V	V			V		
Kwan-Tao Li		V	V	V		V	V				V	V		
Alice Hsu			V	V				V	V			V		
Champion Lee			V			V	V		V		V	V		
Bing Shen			V	V	V	V	V	V	V	V	V	V	V	1
Johnsee Lee			V	V	V	V	V	V	V	V	V	V	V	3

Note 1：Please tick the corresponding boxes if Directors have been any of the following during the two years prior to being elected or during the term of office.

(1) Not an employee of the Company or any of its affiliates.
(2) Not a Director or Supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an Independent Director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
(6) Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
(7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. Unless a member of the Remuneration Committee who has exercised Article 7 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter".
(8) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
(9) Not been a person of any conditions defined in Article 30 of the Company Act.
(10) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

Note 2：The Company re-elected its directors on 26 June, 2015.

2.2 President, Executive Vice President, Senior Vice President, and Managers of Departments and Branches

Book closure date: 30 April 2016

Title	Nationality	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
				Shares	%	Shares	%		Title	Name	Relation
President Petrochemical Industry	R.O.C	K. S. Wu	1 Jul 11	1,380	0.00	10	0.00	Chinese Culture University, Taiwan, Chemical Department △ Director of OUCC, Everest Textile & Oriental Petrochemical (Taiwan) Co., Ltd.(OPTC)	-	-	-
President Polyester Industry	R.O.C	Y. H. Tseng	1 Jul 11	151,177	0.00	0	0.00	Tung Hai University, Taiwan, Chemical Engineering Department △ Director of OUCC. and Yuan Faun Co., Ltd.	-	-	-
President Textile Industry	R.O.C	Eric Hu	1 Jul 11	277	0.00	0	0.00	Tung Hai University, Taiwan, Industrial Engineering Department △ Director of Everest Textile & Far Eastern Apparel	-	-	-
President Corporate Management	R.O.C	Humphrey Cheng	1 Jul 11	0	0.00	0	0.00	National Taiwan University, Taiwan, College of Management , EMBA △ Director of OUCC & FEIB	-	-	-
Chief Operating Officer Polyester Industry	R.O.C	Donald Fan	1 Jul 12	90,791	0.00	3,747	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Director of Far Eastern Industries (Shanghai) and PET Far Eastern (M) SDN BHD	-	-	-
Chief Operating Officer Polyester Industry	R.O.C	C. Y. Dai	1 Jul 12	186,058	0.00	0	0.00	Tamkang University, Taiwan, International Business Department △ Director of Far Eastern Industries (Shanghai), Wuhan Far Eastern New Material Ltd.	-	-	-
Chief Auditor Chairman Office	R.O.C	Raymond Hsu	1 Mar 96	33,967,959	0.63	33,295,510	0.62	Australian Mining and Metallurgy College, Australia △ Please refer to page 11.	-	-	-
Chief Auditor Group Auditing Department	R.O.C	Chun Min Ho	1 Aug 12	0	0.00	10,752	0.00	National Cheng Kung University, Taiwan, Accounting and Statistics △ -	-	-	-
Chief Auditor Group Auditing Department	R.O.C	Y.C. Yuan	12 Aug 14	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ -	-	-	-
Chief Financial Officer President Office	R.O.C	David Wang	1 Jul 12	7,113	0.00	67	0.00	Mississippi State University, USA, MBA △Chairman of Yuan Tong Investment, and Director of Kai Yuan International Investment	-	-	-
Executive Vice President President Office	R.O.C	Alan Tsai	1 Jul 12	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Operation Management △Chairman of Ding Yuan International Investment Co., Ltd, and Director of Yuan Ding Investment Co., Ltd.	-	-	-
Executive Vice President President Office	R.O.C	Emily Wu	1 Jul 12	0	0.00	0	0.00	University of Texas at Arlington, USA, Master in Accounting △Director of Yuan Cheng Human Resource Consultant and Supervisor of Yuan Faun Co., Ltd.	-	-	-
Executive Vice President R&D Center	R.O.C	Ru-yu Wu	1 Jan 05	219	0.00	0	0.00	University of Monash, Australia, Ph.D. △ Director of OUCC & Oriental Resources Development Co., Ltd.	-	-	-
Senior Executive Vice President Polyester Industry	R.O.C	T. H. Liu	1 Jul 12	47,533	0.00	373	0.00	Ta Tung University, Taiwan, Mechanical Engineering Department △ -	-	-	-
Executive Vice President Polyester Industry	R.O.C	B. C. Chang	1 Jul 12	453	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Industry Engineering △ -	-	-	-
Executive Vice President Polyester Industry	R.O.C	M. Y. Yeh	1 Sep 13	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ Director of Far Eastern Industries (Yangzhou) and Far Eastern Polytex (Vietnam) Ltd.	-	-	-
Executive Vice President Textile Industry	R.O.C	Judy Lee	1 Dec 15	0	0.00	0	0.00	National Taiwan University, Taiwan, Business Administration △ Director of Far Eastern Apparel (Suzhou) and Far Eastern Apparel (Vietnam) Ltd.	-	-	-

Title	Nationality or Record of Birth	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
				Shares	%	Shares	%		Title	Name	Relation
Executive Vice President Textile Industry	R.O.C	Kwen Lin Ho	1 Oct 07	0	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Director of Far Eastern Dyeing & Finishing (Suzhou) and Far Eastern Polytex (Vietnam) Ltd.	-	-	-
Executive Vice President Textile Industry	R.O.C	M. J. Wu	1 Oct 13	17,759	0.00	515	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Director of Oriental Industries (Suzhou) & Far Eastern Industries (Suzhou) Ltd.	-	-	-
Executive Vice President Textile Industry	R.O.C	Mingo A. Chen	1 Sep 15	1,051	0.00	693	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Director of Far Eastern Industries (Wuxi) and Far Eastern Polytex (Vietnam) Ltd.	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Jackson Wu	1 Oct 07	50,545	0.00	0	0.00	Chung Yuan Christian University, Taiwan, Master in Mechanical Engineering △ Supervisor of Far Eastern General Contractor	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Allen Sha	1 Apr 15	1,166	0.00	0	0.00	Tamkang University, Taiwan, Master in Department of Banking and Finance △ Director of Yuan Tong Investment & Kai Yuan International Investment	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Y.L. Chen	1 Apr 15	11,879	0.00	20,432	0.00	Tamkang University, Taiwan, Master in Business Administration △ -	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Y.S. Yang	1 Apr 15	0	0.00	0	0.00	National Chiao Tung University, Taiwan, PhD in Business & Management △ -	-	-	-
Senior Vice President President Office	R.O.C	David Shih	1 Nov 06	349	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, Industrial Management Department △ Director of OPTC	-	-	-
Vice Chief Auditor Audit Department	R.O.C	Mark Lu	11 Jan 91	43,165	0.00	8,458	0.00	University of Georgia, USA, Master in Accounting △ Supervisor of Yuan Ding Investment	-	-	-
Vice Chief Auditor Group Auditing Department	R.O.C	Rebecca Huang	1 Aug 12	6,149	0.00	0	0.00	National Chengchi University, Taiwan, EMBA In Accounting △ -	-	-	-
Senior Vice President Accounting Department	R.O.C	J.S. Dai	1 Oct 15	0	0.00	0	0.00	Fu Jen Catholic University, Taiwan, Master in Accounting △ Supervisor of Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Finance Department	R.O.C	Mike Wu	1 Sep 06	1,238	0.00	0	0.00	University of Oklahoma, USA, MBA △ Director of Shanghai Far Eastern IT and Supervisor of Far Eastern Industries (Wuxi)	-	-	-
Senior Vice President Finance Department	R.O.C	Jenny Ho	1 Jul 15	913	0.00	0	0.00	University of Reading, UK, Master in International Securities, Investment and Banking △ Director of Far Eastern Apparel & Fu Kwok Knitting & Garment Co., Ltd.	-	-	-
Senior Vice President Legal Department	R.O.C	Li-Chi Chen	1 Oct 07	0	0.00	0	0.00	National Taiwan University, Taiwan, College of Law △ Director of Far Eastern Apparel; Supervisor of Arcoa Communication	-	-	-
Senior Vice President Secretarial Department	R.O.C	Hans Kuo	1 Jul 12	0	0.00	0	0.00	Chinese Culture University, Taiwan, Department of Law △ -	-	-	-
Senior Vice President Human Resource Department	R.O.C	C. Y. Lin	1 Jun 09	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Labor Research △ Director of Yuan Cheng Human Resource Consultant	-	-	-
Senior Vice President Human Resource Department	R.O.C	William Hsu	12 Apr 10	0	0.00	0	0.00	University of Leicester, UK, MBA △ -	-	-	-
Senior Vice President R&D Center	R.O.C	C. W. Chu	1 Jul 07	1,738	0.00	0	0.00	National Taiwan University, Taiwan, Chemical Engineering Department △ -	-	-	-

Title	Nationality or Record of Birth	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
				Shares	%	Shares	%		Title	Name	Relation
Senior Vice President R&D Center	R.O.C	Ken Chang	1 Aug 12	0	0.00	0	0.00	National Tsing Hua University, Taiwan, PhD in Chemical Engineering △ -	-	-	-
Senior Vice President R&D Center	R.O.C	Y. T. Chang	1 Jul 13	0	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Senior Vice President R&D Center	R.O.C	Fanny Liao	1 Jun 14	0	0.00	0	0.00	The State University of New York, Stony Brook University, USA, PhD in Chemistry △ Director of Oriental Resources Development Co., Ltd. & Martens Beer (Shanghai) Ltd.	-	-	-
Senior Vice President Polyester Industry	R.O.C	Arthur Lee	15 Feb 07	5,964	0.00	0	0.00	Oklahoma City University, USA, MBA △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	C. T. Peng	1 Aug 10	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Chemical Engineering △ Director of Oriental Resources Development Co., Ltd.	-	-	-
Senior Vice President Polyester Industry	R.O.C	C. T. Chen	1 Nov 10	0	0.00	0	0.00	Yuan Ze University, Taiwan, Masters in Industrial Engineering △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	C. T. Chang	1 Jan 11	783	0.00	140	0.00	Yuan Ze University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	H. C. Ho	1 Jan 11	42,060	0.00	0	0.00	Chung Yuan Christian University, Taiwan, Chemical Engineering Department, △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	Y. J. Lou	1 Mar 11	35,046	0.00	27,388	0.00	Tatung University, Taiwan, Chemical Engineering Department △ Director of Worldwide Polychem (HK) Ltd. and Far Eastern Ishizuka Green PET Corporation.	-	-	-
Senior Vice President Polyester Industry	R.O.C	Eric Huang	1 Jul 12	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, PhD in Chemical Engineering △ Director of Far Eastern Fibertech Co., Ltd. and Oriental Industries (Suzhou)	-	-	-
Senior Vice President Polyester Industry	R.O.C	J. K. Tsai	1 Jul 12	37,187	0.00	11,257	0.00	National Open University, Taiwan, Sociology △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	S. Y. Lai	1 Oct 13	1,040	0.00	3,092	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ Director of Wuhan Far Eastern New Material Ltd. & Martens Beer (Shanghai) Ltd.	-	-	-
Senior Vice President Polyester Industry	R.O.C	M. L. Tsai	1 Sep 13	0	0.00	383	0.00	Feng Chia University, Taiwan, Master in Textile Engineering △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	K. S. Tsai	1 Jun 13	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ -	-	-	-
Senior Vice President Polyester Industry	R.O.C	Roder Chang	1 Dec 14	1,555	0.00	0	0.00	Feng Chia University, Taiwan, Master in Textile Engineering Department △ -	-	-	-
Senior Vice President Textile Industry	R.O.C	K.B. Lo	15 Mar 16	35	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ -	-	-	-
Senior Vice President Textile Industry	R.O.C	S.C. Lo	15 Mar 16	0	0.00	2,017	0.00	Feng Chia University, Taiwan, Master in Textile Engineering △ -	-	-	-
Senior Vice President Textile Industry	R.O.C	Tony Liang	1 Jan 09	31	0.00	133	0.00	Fu Jen Catholic University, Taiwan, Department of English Language & Literature △ Director of Far Eastern Apparel (Vietnam) Ltd. and Far Eastern New Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Textile Industry	R.O.C	Patrick Ho	15 Jul 14	0	0.00	1,092	0.00	National Taipei University of Technology, Taiwan, Chemical Engineering Department △ -	-	-	-

Title	Nationality or Record of Birth	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
				Shares	%	Shares	%		Title	Name	Relation
Senior Vice President Textile Industry	R.O.C	H.T. Lai	9 Jun 15	0	0.00	104	0.00	Fuhsing Institute of Technology, Taiwan, Chemical Engineering Department △ -	-	-	-
Senior Vice President Textile Industry	R.O.C	F.J. Chang	4 Jan 16	0	0.00	10,040	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ -	-	-	-
Senior Vice President Purchasing Department	R.O.C	C. C. Hong	1 May 11	0	0.00	0	0.00	Feng Chia University, Taiwan, Mechanical Engineering Department △ -	-	-	-
Senior Vice President Purchasing Department	R.O.C	Ryan Wu	1 May 11	0	0.00	0	0.00	Da-Yeh University, Taiwan, Master in Food Industry △ -	-	-	-

Note 1: Managers mentioned in table above do not hold the Company shares via accounts in others' names.

Note 2: There is no share warrant and share option issued by the Company to employees for purchasing shares.

2.3 Remuneration of Directors, President, and Executive Vice Presidents

2.3.1 Remuneration Paid to Directors

Unit: NT$ thousands

Title	Name	Remuneration								Ratio of total remuneration (I+II+III+IV) over net income (%)		Relevant compensation received by directors who are also employees												Ratio of total remuneration (I+II+III+IV+V+VI+VII) to net income (%)		Remuneration paid to Directors from an invested company other than the Company's subsidiary (X)
		Base Remuneration (I)		Severance Pay and Pension (II)		Directors' remuneration from distribution of earnings (III)		Operating Allowances (IV)				Salary, Bonuses, and Allowances (V)		Severance Pay and Pension (VI)		Employees' compensation from distribution of earnings (VII)				Exercisable Employee Stock Options (VIII)		Exercisable Employee Restricted Stock (IX)				
																A		B								
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	Cash	Stock	Cash	Stock	A	B	A	B	A	B	
Chairman	Douglas Tong Hsu	0	0	0	0	152,659	152,659	960	6,754	1.91%	1.98%	24,398	85,242	0	0	2,029	0	2,029	0	0	0	0	0	2.24%	3.07%	96,122
Director	Asia Cement Corporation																									
	Far Eastern Department Stores Ltd,																									
	U-Ming Marine Transport Corp.																									
	Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation																									
Independent Director	Bing Shen																									
	Johnsee Lee																									

Note:

1. Column A represents the Company; Column B represents all companies in the consolidated financial statement.
2. Operating allowances mentioned in the table above were the actual amount distributed in 2015. Directors' remuneration and Employees' compensation, approved by the Board Meeting on March 25 2016, are the proposed figures to be resolved by the upcoming 2016 Annual General Shareholders' Meeting.
3. A company car is assigned to Chairman Douglas Tong Hsu for business purpose. The acquisition cost of the said car is NT$6.508 million.
4. There is neither share bonus being issued nor share warrant and share option being issued by the Company or companies in the financial report to employees for purchasing shares.

5. Representative of Asia Cement Corporation: Johnny Shih, Raymond Hsu, Peter Hsu, Shaw Y. Wang; Representative of Far Eastern Department Stores Ltd,: Richard Yang, Tonia Katherine Hsu; Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li.; Representative of Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation: Champion Lee

Bracket	Name of Directors			
	Total of (I+II+III+IV)		Total of (I+II+III+IV+V+VI+VII+X)	
	The Company	Companies in the consolidated financial statement	The Company	Companies in the consolidated financial statement
Under NT$2,000,000	0	0	0	0
NT$2,000,000 ~ NT$4,999,999	Bing Shen, Johnsee Lee	Bing Shen, Johnsee Lee	Bing Shen, Johnsee Lee	Bing Shen, Johnsee Lee
NT$5,000,000 ~ NT$9,999,999	0	0	0	0
NT$10,000,000 ~ NT$14,999,999	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation: Champion Lee	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation: Champion Lee	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation: Champion Lee	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation: Champion Lee
NT$15,000,000 ~ NT$29,999,999	Douglas Tong Hsu Representative of Asia Cement Corporation: Johnny Shih, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	Douglas Tong Hsu Representative of Asia Cement Corporation: Johnny Shih, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	Representative of Asia Cement Corporation: Johnny Shih, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	0
NT$30,000,000 ~ NT$49,999,999	0	0	Douglas Tong Hsu	Representative of Asia Cement Corporation: Johnny Shih, Raymond Hsu, Peter Hsu, Shaw Y. Wang,
NT$50,000,000 ~ NT$99,999,999	0	0	0	Douglas Tong Hsu
NT$100,000,000 and over	0	0	0	0
Total	12	12	12	12

2.3.2. Compensation Paid to Presidents and Executive Vice Presidents

Unit: NT$ thousands

Title	Name	Salary (I)		Severance Pay and Pension (II)		Compensation and Allowances (III)		Employees' compensation from distribution of earnings (IV)				Ratio of total remuneration (I+II+III+IV) to net income (%)		Exercisable Employee Stock Option		Exercisable Employee Restricted Stock		Compensation paid to the President and Executive Vice President from an invested company other than the Company's subsidiary
		A	B	A	B	A	B	A		B		A	B	A	B	A	B	
								Cash	Stock	Cash	Stock							
President	K. S. Wu	54,973	56,107	0	0	70,940	70,940	4,304	0	4,304	0	1.62%	1.63%	0	0	0	0	11,300
	Y. H. Tseng																	
	Eric Hu																	
	Humphrey Cheng																	
Chief Auditor	Raymond Hsu																	
	Chun Min Ho																	
	Y.C. Yuan																	
Chief Operating Officer	Donald Fan																	
	C. Y. Dai																	
Chief Financial Officer	David Wang																	
Executive Vice President	Alan Tsai																	
	Emily Wu																	
	B. C. Chang																	
	T. H. Liu																	
	Kwen Lin Ho																	
	M. J. Wu																	
	M. Y. Yeh																	
	Judy Lee																	
	Mingo A. Chen																	
	Ru-yu Wu																	

Note:

1. Column A represents the Company; Column B represents all companies in the consolidated financial statement .
2. The Company and all companies in the consolidated financial statement neither issue shares nor issue warrants and options for purchasing common shares to employees as bonus.
3. A company car is assigned to all Presidents and Executive Vice Presidents for business purposes. The total rental for the said car is NT$372,000 per year.

Bracket	Name of Presidents and Executive Vice Presidents	
	The Company	Companies in the consolidated financial statement
Under NT$2,000,000	0	0
NT$2,000,000 ~ NT$4,999,999	0	0
NT$5,000,000 ~ NT$9,999,999	Raymond Hsu, Y. H. Tseng, Humphrey Cheng, K. S. Wu, Eric Hu, David Wang, Donald Fan , C. Y. Dai, Chun Min Ho, Y.C. Yuan, Alan Tsai, Judy Lee, Kwen Lin Ho, Ru-yu Wu, Emily Wu, T. H. Liu, B. C. Chang, M. J. Wu, M. Y. Yeh, Mingo A. Chen	Raymond Hsu, Y. H. Tseng, Humphrey Cheng, K. S. Wu, Eric Hu, David Wang, Donald Fan , C. Y. Dai, Chun Min Ho, Y.C. Yuan, Alan Tsai, Judy Lee, Kwen Lin Ho, Ru-yu Wu, Emily Wu, T. H. Liu, B. C. Chang, M. J. Wu, M. Y. Yeh, Mingo A. Chen
NT$10,000,000 ~ NT$14,999,999	0	0
NT$15,000,000 ~ NT$29,999,999	0	0
NT$30,000,000 ~ NT$49,999,999	0	0
NT$50,000,000 ~ NT$99,999,999	0	0
NT$100,000,000 and over	0	0
Total	20	20

2.3.4 Compensation Paid to Managers

Unit:NT$ thousands

Title	Name	Employee Compensation-in Cash	Ratio of Total Amount to Net Income(%)
President, Petrochemical Industry	K. S. Wu	4,304	0.05%
President, Polyester Industry	Y. H. Tseng		
President, Textile Industry	Eric Hu		
President, Corporate Management	Humphrey Cheng		
Chief Operating Officer, Polyester Industry	Donald Fan		
Chief Operating Officer, Polyester Industry	C. Y. Dai		
Chief Auditor, Chairman Office	Raymond Hsu		
Chief Auditor, Group Auditing Department	Chun Min Ho		
Chief Auditor, Group Auditing Department	Y.C. Yuan		
Chief Financial Officer, President Office	David Wang		
Executive Vice President, President Office	Alan Tsai		
Executive Vice President, President Office	Emily Wu		
Executive Vice President, R&D Center	Ru-yu Wu		
Senior Executive Vice President, Polyester Industry	T. H. Liu		
Executive Vice President, Polyester Industry	B. C. Chang		
Executive Vice President, Polyester Industry	M. Y. Yeh		
Executive Vice President , Textile Industry	Judy Lee		
Executive Vice President , Textile Industry	Kwen Lin Ho		
Executive Vice President , Textile Industry	M. J. Wu		
Executive Vice President , Textile Industry	Mingo A. Chen		
Senior Vice President, Corporate Staff Office	Jackson Wu		
Senior Vice President, Corporate Staff Office	Allen Sha		
Senior Vice President, Corporate Staff Office	Y.L. Chen		
Senior Vice President, Corporate Staff Office	Y.S. Yang		
Senior Vice President, President Office	David Shih		
Vice Chief Auditor, Audit Department	Mark Lu		
Vice Chief Auditor, Group Auditing Department	Rebecca Huang		
Senior Vice President, Finance Department	Mike Wu		
Senior Vice President, Finance Department	Jenny Ho		
Senior Vice President, Accounting Department	J. S. Dai		
Senior Vice President, Legal Department	Li-Chi Chen		
Senior Vice President, Secretarial Department	Hans Kuo		
Senior Vice President, Human Resource Department	C. Y. Lin		
Senior Vice President, Human Resource Department	William Hsu		
Senior Vice President, R&D Center	C. W. Chu		
Senior Vice President, R&D Center	Ken Chang		
Senior Vice President, R&D Center	Y. T. Chang		
Senior Vice President, R&D Center	Fanny Liao		
Senior Vice President, Polyester Industry	C. C. Fan		
Senior Vice President, Polyester Industry	Arthur Lee		
Senior Vice President, Polyester Industry	C. T. Peng		
Senior Vice President, Polyester Industry	C. T. Chen		
Senior Vice President, Polyester Industry	C. T. Chang		
Senior Vice President, Polyester Industry	H. C. Ho		
Senior Vice President, Polyester Industry	Y. J. Lou		
Senior Vice President, Polyester Industry	Eric Huang		
Senior Vice President, Polyester Industry	J. K. Tsai		
Senior Vice President, Polyester Industry	S. Y. Lai		
Senior Vice President, Polyester Industry	M. L. Tsai		
Senior Vice President, Polyester Industry	K. S. Tsai		
Senior Vice President, Polyester Industry	Roder Chang		
Senior Vice President, Polyester Industry	K. B. Lo		
Senior Vice President, Textile Industry	S. C. Lo		
Senior Vice President, Textile Industry	Tony Liang		
Senior Vice President, Textile Industry	Patrick Ho		
Senior Vice President, Textile Industry	H. T. Lai		
Senior Vice President, Textile Industry	F. J. Chang		
Senior Vice President, Purchasing Department	C. C. Hong		
Senior Vice President, Purchasing Department	Ryan Wu		

Note ：There are no shares being issued by the Company to pay for employee bonuses.

2.4 Remuneration Paid to Directors, Compensation Paid to Presidents and Executive Vice Presidents

2.4.1 The Ratio of Total Remuneration Paid by the Company and by All Companies Included in the Consolidated Financial Statements for the Two Latest Fiscal Years to Directors, Presidents and Vice Presidents of the Company over Net Income:

Year	The Ratio of Total Paid Remuneration over Net Income	
	The Company	Companies in the consolidated financial statement
2015	3.86%	4.70%
2014	2.82%	3.55%

2.4.2 The Policies, Standards, Structures for the Payments of Remuneration, the Procedures for Determining Remuneration, and the Correlations with Business Performance:

Pursuant to Company Act and the Article 26 of the "Articles of Incorporation of Far Eastern New Century Corporation", 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of Directors, to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as Directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be referenced.

3. Corporate Governance

3.1 Board of Directors

Total five meetings were convened by the Board of Directors in 2015. (Two Board Meetings of the 21st term; Three Board Meetings of the 22nd term) Attendance of each Director and Supervisor is as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate (%)	Remarks	
Chairman	Douglas Tong Hsu		5	0	100	Re-elected	Elections of Directors: 26 June 2015
Director	Asia Cement Corp.	Johnny Shih	4	1	80	Re-elected	
		Peter Hsu	5	0	100	Re-elected	
		Raymond Hsu	5	0	100	Re-elected	
		Shaw Y. Wang	5	0	100	Re-elected	
	Far Eastern Department Stores Ltd.	Richard Yang	5	0	100	Re-elected	
		Tonia Katherine Hsu	5	0	100	Re-elected	
	U-Ming Marine Transport Corp.	Kwan-Tao Li	4	1	80	Re-elected	
		Alice Hsu	4	0	80	Newly-elected (Note)	
	Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation	Champion Lee	4	1	80	Newly-elected (Note)	
	Independent Directors	Bing Shen	4	1	80	Re-elected	
		Johnsee Lee	4	1	80	Re-elected	
		Bao-Shuh Paul Lin	1	0	50	Resigned	
Supervisor	U-Ming Marine Transport Corp.	T. H. Chang	2	0	100	Tenure Expired	
Note: Previous Supervisors.							

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks

Other required disclosure:

(1) Should any circumstance described in Article 14-3 of the Securities and Exchange Act and any resolution on which an independent director had a dissenting or qualified opinion occur in board meetings, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of all independent directors, and measures the Company had in responding to such opinions shall be specified: None

(2) Should there be any director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such director, the contents of the said resolution, the reasons such director has personal interests, and the voting results shall be specified: Not applicable

(3) Targets and measures of this and previous years established to improve the functionality of the Board of Directors and their execution results (for instance, the establishment of the audit committee, the improvement of information disclosure, and so forth): The Company announces the resolutions of every Board of Director's meeting on its website, and purchases liability insurance for its Directors and Supervisors, as to improve the Company's operational transparency and protect the shareholders' rights. The Audit Committee established in accordance with regulations after the re-election of Directors in 2015.

3.2 Audit Committee:

Total two meetings were convened by the Audit Committee in 2015. Attendance of each Independent Director is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Bing Shen	2	0	100	The Company established the Audit Committee on 26 June 2015.
Committee member	Johnsee Lee	2	0	100	

Other required disclosure:

(1) Should any circumstance described in Article 14-5 of the Securities and Exchange Act and any resolution on which the Audit Committee had a dissenting or qualified opinion occur with the approval of two thirds or more of the entire Board of Directors, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of the Audit Committee, and measures the Company had in responding to such opinions shall be specified: None

(2) Should there be any independent director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such independent director, the contents of the said resolution, the reasons such independent director has personal interests, and the voting results shall be specified: None

(3) Communications between Independent Directors and the chief internal auditor and CPA of the Company (for instance, the ways and topics that the aforesaid parties discuss on the financial and business situations of the Company, and the conclusions of their discussions):

1. Internal audit department shall submit reports to the Audit Committee for review and examination periodically. Should unusual matters occur during the auditing process, the chief internal auditor shall report to the Audit Committee immediately. In addition, quarterly reports of the auditing results shall be submitted to the Audit Committee meetings. None of the unusual situations above happened in 2015. The Audit Committee shall maintain thorough and sufficient communications with the chief internal auditor.
2. The CPA of the Company shall commute the quarterly reports of the auditing results in the quarterly Audit Committee meetings. Should unusual matters occur, the CPA shall report to Audit Committee members immediately. None of the unusual situations above happened in 2015. The Audit Committee shall maintain thorough and sufficient communications with the CPA of the Company.

3.3 Corporate Governance Execution Results and Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and
	Yes	No	Summary	
(1) Has the Company formulated and disclosed its own corporate governance best-practice principles in accordance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company has formulated "Corporate Governance Principles" and disclosed them through the company website and the Market Observatory Post System (MOPS) at the Board Meeting, Nov. 11, 2014.	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and
	Yes	No	Summary	
(2) Shareholding Structure & Shareholders' Rights a. Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues, and practically implemented such procedures?	V		The Company has established communication channel (e.g. the Audit Committee and Audit Department email addresses) for its shareholders and stakeholders. The Company has handled shareholder proposals, doubts, disputes, and litigation-related issues in accordance with "Procedures for the Audit Committee's Email Management" and "Audit Department Misconduct Reporting and Resolution Procedures on Handling Employees or Stakeholders"	None
b. Has the Company kept a list of major shareholders and a list of ultimate owners of these major shareholders?	V		The Company, at all time, keeps updated information of major shareholders and the ultimate owners of these major shareholders. If change in ownership occurs, the Company follows the relevant regulations to disclose related information.	
c. Has the Company established and operated a risk management mechanism and "firewall" between the Company and its affiliates?	V		The Company has assigned risk control of accounts receivable to the Credit Committee. To manage the potential risk and establish a "firewall" between the Company and its affiliates, the Company and its affiliates have already established and implemented "Procedures for Acquisition and Disposition of Assets", "Procedures for Lending of Capital to Others", and "Procedures for Endorsements and Guarantees".	
d. Has the Company established internal rules to prohibit company insiders from trading securities using information not disclosed to the market?	V		The Company has established the "Procedures for Handling Material Inside Information", the "Code of Ethics" and the "Best Practice Principles of Ethical Corporate Management" to prohibit company insiders from trading securities using information not disclosed to the market, and has advocated the following: A. New managers be given a copy of the "Procedures for Handling Material Inside Information" when they sign the declaration statement. B. The Company promotes the "Procedures for Handling Material Inside Information" to its managers on an intermittent basis and prohibits company insiders from trading securities using information not disclosed to the market or to disclose information prohibited by insider trading-related laws. C. The Company advocates the "Procedures for Handling Material Inside Information" to managers and employees when they sign the confidentiality agreement during initial hiring.	

Corporate Governance Report

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and
	Yes	No	Summary	
(3) Composition and Responsibilities of the Board of Directors a. Have members of the Board of Directors formulated diverse policies and implemented them accordingly?	V		The Company has adopted the Board of Directors member nomination and selection system which references the opinions of the Independent Directors, evaluates the educational background of each member, and complies with the "Election Procedures of Director" and the "Corporate Governance Principles" to ensure that diverse and independent stakeholder opinions have been taken into consideration.	None
b. In addition to establishing a Remuneration Committee and an Audit Committee, has the Company voluntarily established other types of functional committees?	V		A. "Credit Committee": Audits credit ratings of domestic sales and export customers, and approves credits granted. Implements control of customer credits and account receivables in order to achieve the "Zero Bad Debt" management target for the year. B. "The Supervisory Committee of Information Safety": In charge of promotions and coordination of information security matters. C. "Safety and Health Committee": Practically implements occupational safety and health control matters.	
c. Has the Company established a Board performance assessment method, and have performance evaluations been conducted annually?	V		The Company has in place the "Remuneration Committee" whereby an Independent Director serves as the convener to assist the Board of Directors in establishing, among other items, the performance evaluation of Directors and remuneration-related policies, systems, standards, and structures, the relevant performance evaluations, and the Directors' remuneration payout methods.	
d. Has the Company evaluated the independence of CPAs on a regular basis?	V		The Company and its subsidiary Far EasTone's Board of Directors annually evaluate the independence of its CPAs. 2015 CPAs' independence evaluation was approved by the Board of Directors on 25 March 2016.	
(4) Has the company established a stakeholder communication channel, a company website dedicated to stakeholders, and appropriately responded to the main social responsibility issues which are critical to stakeholders?	V		The Company has established a "Stakeholder's Contact Information" list as well as a communication channel for shareholders, stakeholders, and the relevant company units on its company website. We have designated appropriate departments to communicate with stakeholders, at any time, on a case by case basis.	None
(5) Has the Company commissioned professional stock service agents to handle shareholder affairs?	V		The Company and its subsidiary, Far EasTone have commissioned Oriental Securities Corporation to be the professional stock services agent in assisting and handling shareholder-related matters.	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and
	Yes	No	Summary	
(6) Information Disclosure a. Has the Company set up a corporate website to disclose information on financial, business and its corporate governance?	V		The Company and its subsidiary Far EasTone have set up multiple-language (traditional Chinese/simplified Chinese/English) websites: www.fenc.com & www.fareastone.com.tw, respectively. Both corporate websites disclose the most updated information on financial, business and corporate governance.	None
b. Has the Company adopted other information disclosure channels (i.e. English website; designated appropriate personnel to be in charge of Company information collection and disclosure, implemented the spokesperson system, uploaded the investor conference presentations on the Company's website, etc.)?	V		The Company and its subsidiary Far EasTone have established a spokesperson system, including a spokesperson and a deputy spokesperson. Both managers undertake their deeds precisely based on the Company's requirements. The Company's website is set up in multiple-language (traditional Chinese/simplified Chinese/English), and has designated appropriate persons to collect the Company's information. Investor conferences are held as needed, and the relevant information is disclosed on the Company's website and the M.O.P.S. website operated by the Taiwan Stock Exchange.	
(7) Does the Company have other critical information which can help others to understand the implementation of corporate governance (including, but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director and Supervisor training status, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors and Supervisors?	V		Please refer to page 39 Section Eight: "Others" in regard to critical information that can help others to understand the implementation of corporate governance from the Company and its subsidiary.	None
(8) Has the Company issued a self-assessment governance report or commissioned other professional institutions to issue governance evaluation reports on its behalf? (If yes, please elaborate on the Board of Director opinions; self-assessment or external-assessment results; and the key shortcomings, recommendations, or improvement progress.)	V		The Company has completed a self-assessment governance report, and results have been posted on the company website.	None

3.4 The Composition of the Remuneration Committee

a. Information of the Remuneration Committee Members

Role	Condition / Name	With work experience for more than 5 years and the following professional qualification requirements			Conform to Independent（Note1）								Number of Other Public Companies in Which the Individual is Concurrently Serving as Remuneration Committee Member	Remarks
		An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a professional capacity that is necessary for company business	Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business	1	2	3	4	5	6	7	8		
Independent Director	Bing Shen			✓	✓	✓	✓	✓	✓	✓	✓	✓	1	-
Others	Min-The Yu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	1	-
	J. W. Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-

Note 1: ✓ indicates qualified members during the two years before being elected or during the term of the appointment.
(1) Not an employee of the Company or any of its affiliates.
(2) Not a director or supervisor of the Company or any its affiliates. (Unless the person is an independent director of the Company, or any subsidiary in which the Company holds, directly or indirectly, more than 50 percent of the voting shares.)
(3) Not an individual shareholder who holds shares, together with those held by the person's spouse, minor children, or held under others' names, in an aggregate amount of one percent or more of the total outstanding shares of the Company or ranks among the top ten shareholders who are natural persons in terms of the share volume held.
(4) Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any the persons in the preceding three subparagraphs.
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total outstanding shares of the Company or ranks among the top five corporate shareholders in term of share volume held.
(6) Not a director, supervisor, executive officer, or shareholder holding five percent or more shares of a specific company or institution and who also has financial or business dealings with the Company.
(7) Not a professional, or owner, partner, director, supervisor, or executive officer and the spouse thereof of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting or consulting services to the Company or to any affiliates of the Company.
(8) Not has any of the circumstance in the subparagraphs of Article 30 of the Company Act.

b. Executive Status of the Remuneration Committee:

The Company has established the Remuneration Committee on August 19, 2011 and the number of the committee members is three. The tenure of current 3rd term Remuneration Committee is from June 26, 2015 to June 25, 2018. The Remuneration Committee held 3 times (A) and the attendance status of members in Recent Year is disclosed as follows:

Title	Name	Times of Attendance (B)	Times of Attendance by Proxy	Percentage of Attendance (%) (B/A)	Remark
Convener	Bing Shen	3	0	100%	The 3rd term Remuneration Committee
Committee member	Min-Teh Yu	2	0	67%	
	J. W. Huang	3	0	100%	

3.5 Measures the Company Takes to Fulfill Corporate Social Responsibilities and Their Execution Results:

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
a. Implementation of Corporate Governance (a) Has the Company established a CSR (corporate social responsibility) policy and assessed the effectiveness of its implementation?	V		In order to fulfill their corporate social responsibilities, the Company and its subsidiary, Far EasTone, have formulated CSR policies with an aim of developing the economy, society and the environment in a balanced and sustainable manner. Since the policies were approved by the Board, all departments have performed related tasks based on their function under the supervision of the Corporate Staff Office.	None

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(b) Does the Company hold CSR training on an ongoing basis?	V		The Company's Human Resources Development Center organizes routine educational training on corporate governance for the Directors, managers and employees. The Company's subsidiary, Far EasTone, recruits CSR experts on an annual basis to share current trends during CSR Committee meetings and at senior-level management meetings.	None
(c) Has the Company established a dedicated (or non-dedicated) unit to promote CSR, which is authorized to handle senior-management level affairs by the Board of Directors, and sends feedback on its handling to the Board?	V		The Company instituted a functional CSR Committee in 2012. The committee is composed of four units, which mirror Company's four businesses, with unit members from different departments and divisions. There are three dedicated officers from the Corporate Staff Office who plan and promote CSR projects, whilst the committee members execute the projects, report on sustainability performance and communicate with stakeholders. There are 151 CSR committee members including a cross-unit Energy Task Force. The Company's subsidiary, Far EastTone, has established "FET CSR Committee". The Company and its subsidiaries periodically report on CSR implementations and results to senior-level management or the Board of Directors in order to incorporate CSR as one of the Company's core values.	
(d) Has the Company established a reasonable remuneration policy, which incorporates ethical conduct into the performance evaluation system of employees, and clearly carries out an effective reward and discipline system?	V		The Company and its subsidiary have set clear-cut standards for employee performance evaluation, educational training, as well as rewards and discipline. A remuneration committee is in place to assist the Board in stipulating performance evaluation and reward policies, institutions, standards and structures for Directors and managers. Related performance evaluations, salaries, bonuses, profit sharing plan, and reward payment methods for Directors and employees are regularly evaluated by the "Remuneration Committee" and recommended for discussion at the board meeting.	
b. Sustainability Managements (a) Is the Company committed to enhancing the effectiveness of utilizing various resources and consuming recycled materials as feedstock to minimize the adverse impact on the environment?	V		Specific efforts that the Company and its subsidiaries make to conserve the environment include, but are not limited to, consuming recycled materials as feedstock, e.g. recycled PET bottles; re-utilizing the residuals from the production process as raw materials; collecting the residual fuel and the emission of heat and steam to reduce the consumption of energy; reclaiming water usage; and optimizing the production processes. As part of its commitment to enhancing the effectiveness of utilizing various resources, and to minimize energy wastage.	None

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(b) Has the Company established an appropriate environmental management system according to its industry characteristics?	V		In 2010, the Company and its subsidiaries set up a crossed subsidiaries and inter-departmental "Energy Task Force". The responsibilities include examining energy-related topics from the parent company's governance perspective. The team sets up an energy-saving project team and assesses the feasibility of energy-saving measures; and it steers corporate strategy towards energy-saving implementations that facilitate and promote appropriate measures in response to government policies. All these efforts are geared toward lowering the pace of global climate change, reducing greenhouse gas emissions, and fulfilling the Company's social responsibility of protecting our world's environment.	None
(c) Has the Company paid attention to the impact from climate changes on its business operations, carried out assessments on greenhouse gases, and set up corporate strategies to save energy and to reduce the emission of carbon and greenhouse gas?	V		1. The subsidiaries of FENC and its production facilities have set up appropriate management mechanisms that are in line with different local government requirements for greenhouse gas management (e.g., the carbon trading mechanism in Shanghai). Members of the Energy Task Force discuss, implement, and carry out management policies on-site and review their performance with related departments. For instance, monthly meetings are held to discuss the conditions of energy consumption, energy-saving targets, and the practical implementation of measures designed to save energy and to reduce the emission of carbon, etc. 2. In 2015, the Company's Hukou Mill implemented the Climate Change Risk Identification and Adaptation Plan to identify, analyze and sort climate change-related risks to formulate an adaptation action plan and analyze potential opportunities accordingly. 3. The Company has developed a comprehensive inventory of greenhouse gas emissions and performed verification tasks. Hsinpu Chemical Fiber Plant and Kuanyin Chemical Fiber Plant have taken the initiatives to comply with the government's greenhouse gas reduction policies by signing a 5-year plan with the Industry Development Bureau to make voluntary efforts to reduce 50,000 tons of CO2 emissions from 2016 to 2020. Far EasTone has established an energy management committee and related policies to promote energy preservation.	

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			4. In 2015, the Company's (Taiwan) total GHG (carbon dioxide) emissions is 750kt-CO2e.	
c. Promote Common Goods and Public Welfare (a) Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights?	V		The Company and its subsidiaries comply with all pertinent labor regulations and the International Bill of Human Rights, and have established and adjusted internal management systems accordingly. For instance, we do not, and will not, recruit children under the age of 15, or legal child labor who are 15 but have not reached the age of 16. We ensure that our recruitment policy does not discriminate based on gender, ethnicity, age, marital status, and/or family conditions, and our practices ensure the equality of salaries, recruitment conditions, trainings, and career advancement opportunities. Furthermore, we will continue to follow the current stipulations of the law so as to ensure the legal rights of our employees.	None
(b) Has the Company established employee grievance mechanisms and channels, and handled these grievances appropriately?	V		The websites of the Company and its subsidiaries all contain email contact details which are channeled to our Audit Committee and Audit Department; all such emails are handled by dedicated personnel.	
(c) Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?	V		In order to construct a safe working environment that benefits both sides of the industrial relationship, the Company has undertaken several measures: Maintaining safe working conditions: requiring stringent safety and health standards starting from the purchasing of machinery, tools, and materials, as well as stringent supervision during the installation of machinery and tools; periodic inspection of various production environments according to the law, and any condition that does not meet the standard will be immediately excluded or modified; appropriate protective equipment will be set up depending on the risk factors associated with the workplace; Maintaining the health of employees: in addition to conducting health checkups to prevent workplace hazards with government officials, the Company also routinely arranges health checkups for its employees and collaborates with the Group's hospital to undertake healthcare management depending on the results of the checkups. Each plant is equipped with the required medication, healthcare materials and simple medical supplies; some plants have also contracted doctors and medical personnel to provide routine services.	

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(d) Has the Company established a routine communications mechanism of the employees, and provides notice of operational changes that may pose a significant impact on its employees in a fair and appropriate manner?	V		The Company and its subsidiaries host routine Labor-management meetings to promote company policies and to undertake two-way communications with staff members in order to maintain harmonious relations with employees. In addition to the routinely-scheduled meetings, the Company provides emails for submitting suggestions; designated personnel handle suggestions and comments from staff members. The Company's electronic documentation system is comprehensive, and announcements of significant events are made through this system so that all company personnel will be aware of the events in the shortest time possible.	None
(e) Has the Company established an effective career developmental plan for its employees?	V		The Company and its subsidiaries value the educational training and career development of its employees. In addition to offering managerial capability training to its employees, such as corporate management and factory management courses, the Company has also planned systematic and on-going basis programs to facilitate employees in pursuing further education that enhance their competencies and strengthen individual and corporate competitiveness.	
(f) Has the Company established consumer rights protection policies and complaint-filing procedures in terms of R&D, purchasing, manufacturing, operations, and customer service?	V		The Company and its subsidiaries ensure that products and service quality are in compliance with government regulations and industry standards. The Company has implemented "Customer Quality Complaint Handling Standards," and handles written complaints from clients via electronic means. The corporate website also provides public information on the Company's business scope, offers a newsletter, and an email facility is in place to receive feedback. These measures allow customers to quickly grasp significant information on the Company and to immediately provide feedback should there be problems.	
(g) For the marketing and labels on products and services, does the Company comply with related laws, regulations, and international standards?	V		The Company and its subsidiaries' product information is disclosed and proactively communicated in detail through the corporate websites, storefronts, and other channels. In addition, the marketing and labels for products and services are all processed according to related regulations and international standards.	

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(h) Prior to conducting business with suppliers, has the Company evaluated whether such suppliers have had past records where they made an impact on the environment and on society at large?	V		The Company and its subsidiaries have in place "Code of Ethics", "Supplier Code of Conduct" and "Supplier CSR Commitment Declaration," which specifically sets forth principles and expectations regarding ethics, compliance, health, safety and security. Suppliers' evaluation records are used as a reference in supplier selection process.	None
(i) Do the Company's contracts with its primary suppliers contain any immediate termination or cancellation clauses when suppliers violate their corporate social responsibility policies, and pose a significant impact on the environment and society?	V		In terms of signing contracts with suppliers, the Company and its subsidiaries have listed clauses relating to compliance with the labor laws and include reference to repercussions for environmental damages caused. We stipulate that our suppliers and vendors endeavor to maintain corporate social responsibility.	
d. Improvement in Information Disclosure Does the Company include the disclosure of corporate social responsibility related information with significance and reliability on the corporate website and the M.O.P.S. website operated by the Taiwan Stock Exchange?	V		The latest information regarding the Company's corporate social responsibilities will be disclosed on the Company's website. (csr.fenc.com). In addition, relevant information is conveyed to interested parties via investors' conferences, shareholders' meetings, and services provided by investor relationship personnel. The Company has published its corporate social responsibility report, disclosed the implementation of corporate social responsibility, and make public related information on its website. The stakeholders can download our Company's corporate social responsibility report in order to understand our commitment and action on sustainable governance and social responsibilities, as well as our effort and persistence on various CSR topics.	None
e. If the company has set up the principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference: To develop the economy, society and environment in a balanced and sustainable manner, the Company and its subsidiary, Far EasTone, have implemented the CSR policies with the Board's approval. The Company endeavors to fulfill its social responsibilities through research and development, participating in philanthropic activities and pursuing environmental certification. In addition, the Company mobilizes its resources to strengthen corporate governance, promote environmental protection and give back to society. Information about the efforts is available on the Company's website and the M.O.P.S website operated by the Taiwan Stock Exchange.				
f. Please state any other important information that would facilitate better understanding of the Company's status in fulfilling corporate social responsibilities: (a) Working environment and employee safety precautions (Please refer to page 74) (b) Environment protection regulations, measures, and compliance (1) Sustainability policy				

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	

i. Compliance with the law and other related regulations
ii. Continual improvement process and committed pollution prevention
iii. Constant industrial waste minimization and increase resource utilization rate
iv. Provide regular training and raise employee environmental awareness and behavior
v. Constant recycling and promotion of environmental consciousness
vi. Convey environmental performance to stakeholders through appropriate channels

(2) The Company is dedicated in conserving the global environment through the following ways:

i. Reduce: Reduce the consumption of energy in the production process through continual R&D efforts. Launch and promote light-weighted PET bottles to reduce the consumption of materials
ii. Recycle: Develop up-to-date recycling technology, increase the scale and scope of recyclable products, and create more applications for recycled materials
iii. Replace: Replace fossil fuels with alternative energies. Utilize the waste of crops and indigestible crops as materials to replace petrochemical-based plastics

(3) Material results

i. Tpark, a land development project under construction, utilizes a globally renowned soil-water balance method and a water recycling system to build an eco-environment. A massive space of green area is also planned in this project. Tpark would be a perfect demonstration of advanced technology and environmental conservation.
ii. Utilizing a multifaceted energy conservation approach, the Company implemented several energy conservation proposals, including the reduction in fuel oil, electricity, and natural gases. In 2015, the savings in total energy usage in comparison with the previous year were approximately 608,400 GJ of fuel/year, a reduction in GHG emission of 74,022t- CO_2e/year, or an energy cost savings of NT$ 190 million/year.

(c) Community welfare, social services, and social welfare:

Our Company contributes to society through participation in Environmental Protection, Art & Culture, Technology, Education, and Sports. They are described as follows:

(1) **Environmental Protection:** In 2015, the Company staged an exhibition entitled "Taiwan Water, Fountain of Life" to raise people's awareness of water resources and to promote efforts to conserve water in response to extreme weathers.

(2) **Art & Culture:** "Far Eastern Architectural Design Award", "FE Architecture Rookie Awards", and the "Taiwan Word of the Year" event co-hosted with United Daily News, are held annually.

(3) **Technology:** "Y. Z. Hsu Scientific Awards" are held annually to commend outstanding individuals in emerging science and technology.

(4) **Education:** "Y. Z. Hsu Competition – Taiwan Young Student Physicists' Tournament" & "International Young Physicists' Tournament" are held in order to give Taiwanese students further opportunities to integrate internationally

(5) **Athletics:** The Hsinpu Chemical Fiber Plant routinely hosts the Marathon National Cup, which incorporates local cultural characteristics and invites all citizens of the Hsinchu County to participate. Each year, thousands of athletes enthusiastically sign up for this marathon, which has now become one of the most important marathons in Taiwan.

g. If the Company's reports of corporate social responsibility have/has been accredited by relevant accreditation institutions, please elaborate:

The "2015 Corporate Social Responsibility Report" published by the Company was written with reference to the AA1000 standards and the requirements of the Global Reporting Initiative (GRI) G4 Comprehensive Option. This report has been assured by the third party SGS Taiwan at a Type 1, Moderate level assurance.

3.6 Implementation of the Code of Business Conduct

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
a. Establishment of Business Conduct Policy and Plans (a) Does the Company demonstrate business conduct policy and practice in the corporate guidelines and external documents? Have the Board of Directors and management committed to actively implement such policy?	V		The Company and its subsidiary, Far EasTone, have established "Code of Ethics" & "Best Practice Principles of Ethical Corporate Management". In order to promote awareness, the policies are available for access through channels such as intranet, company publications, facility labels and various meetings, etc. All employees are required and trained to comply with our "Code of Ethics" & "Best Practice Principles of Ethical Corporate Management" throughout daily operations.	None
(b) Has the Company established and implemented an unethical conduct prevention plan, which stipulates operational processes, provides guidelines for conduct, discipline for violations of rules, and an appeal system in each case?	V		To establish an ethical corporate culture and to prevent unethical conduct, the Company hosts education/training seminars aperiodically for its employees and to remind the stakeholders of the Company to follow and respect the moral and ethical standards of the Company. Related procedures and standards are disclosed on the Company's website (www.fenc.com).	
(c) Has the Company taken any precautionary measures to prevent corruption or high-risk illegal business activities, based on Paragraph 2 in Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"?	V		The procedures and guidelines of the Company and its subsidiaries should at least contain the following matters: (1) Standards for determining if improper benefits have been offered or accepted. (2) Procedures for offering legitimate political donations. (3) Procedures and the standard amounts for offering charitable donations or sponsorship. (4) Rules for avoiding work-related conflicts of interests, and how such conflicts be reported and handled. (5) Rules for preserving confidentiality of trade secrets and business sensitive information obtained in the ordinary course of business. (6) Regulations and procedures for dealing with vendors, clients, and business transaction counterparties suspected of Misconducts. (7) Operational procedures for violations of "Best Practice Principles of Ethical Corporate Management". (8) Disciplinary measures for offenders.	

Corporate Governance Report

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
b. Implementation of the Code of Business Conduct (a) Does the Company evaluate the ethical conduct records of its counterparties and specify "Ethical clauses" in business contracts?	V		1. The Company and its subsidiaries require that suppliers provide the assurance to comply with its rules regarding social activities, such as entertainment and the offering of gifts. If such rules are violated, all rights and cooperation with the supplier will be terminated. 2. The Company's subsidiaries, Far EasTone, also requires suppliers to sign "Code of Conduct for Far EasTone Supplier Chain Social Responsibility" within the commercial document data sheet provided to suppliers as a way of encouraging all stakeholders to comply and respect with Far EasTone's "Ethical Corporate Management Best Practice Principles".	None
(b) Has the Company established dedicated units under the supervision of the Board of Directors to promote corporate ethical management and which regularly report to the Board on their implementation status?	V		1. The Company's human resources department has set up "Code of Ethics" & "Best Practice Principles of Ethical Corporate Management" and incorporated them into employment guidelines. With oversight from the Legal Department, the "Legal Compliance Team" is established to conduct corporate ethical management, including "Business Corruption Self-Assessments", during quarterly compliance reviews. The implementation status is subsequently reported to the Board of Directors. 2. The Business Control Department of the Company's subsidiary, Far EasTone, is the unit responsible for encouraging ethical management and regularly reports the status of its implementation to the Board of Directors.	
(c) Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?	V		1. The Company abides by the principle of zero-tolerance for malpractices. If an employee of the Company takes advantage of his/her position in the Company to advance his/her or a third party's interests, and such actions lead the Company to incur losses by any means, the employee not only will be discharged from the Company, but also will be required to unconditionally compensate the Company for any losses caused. 2. Any of the Company employees found to be in violation of the ethical management rules shall be disciplined in accordance with the reward and disciplinary rules of the Company, subject to the severity of the case. Once discharged from the Company, such a person is not allowed to ever be re-employed by the Company or by any of its affiliates.	

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
			3. The Company has an appeal system in place to provide those who violate the rules with a channel to appeal for remedy, subject to the related rules.	None
(d) Does the Company establish an effective operation of the accounting and internal control systems, and periodically conduct internal audits by internal auditors, or audit by CPA?	V		The Company has set up rigorous accounting systems and dedicated department. Financial statements are audited (or reviewed) by CPA and announced in compliance with legal requirement to ensure the accuracy and transparency of the financial information. At the Company, apart from establishing the Audit Department and related internal audit systems, we review and revise these systems periodically to ensure their effectiveness, so as to enforce the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and "Best Practice Principles of Ethical Corporate Management". Internal auditors of the Company shall also periodically examine the results of compliance with the foregoing, and prepare audit reports submitted to the Board of Directors and the Audit Committee.	
(e) Does the Company periodically conduct internal and external training on ethical management?	V		1. To instill an ethical corporate culture and prevent misconduct behaviors, our Company undertakes educational trainings for the employees from time to time. To our stakeholders, we put in effort to promote compliance with ethical and integrity standards. The relevant regulations, guidelines and operational procedures are publicly-disclosed on the Company's website (www.fenc.com). 2. Our subsidiary, Far EasTone, makes use of e-Paper to conduct educational training on "The Code of Ethics" & "The Code of Business Conduct".	
c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct. (a) Has the Company established a specific complaints and rewards system through convenient channels for lodging complaints? And does the Company assign dedicated personnel to attend to the matter?	V		1. FENC has multiple communication channels for stakeholders to report instances of misconduct, such as bribery and corruption. There are measures are in place to conduct independent investigation into the alleged misconduct and escalate the matter to higher levels of authority. The company's suppliers, clients and stakeholders can file a complaint via email to the Supplier Team of the FEG Purchasing Department, the contact of each division or the Audit Committee and Audit Department. More contact information is provided in the stakeholders' section on the Company's website (www.fenc.com).	None

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
			2. For complaints that do not specify the details of procurement malpractices, FENC will audit the scope of the matter that is related to the complaint. If internal control defects and management issues are found, a remedy will be proposed immediately. At the same time, disciplinary action for those responsible for the misconduct will be proposed.	None
(b) Has the Company established standard operating procedures for investigating and handling complaints in a confidential manner?	V		For any violation of the ethical management rules being found, employees of our Company and its subsidiaries shall proactively report to the Audit Committee, the management, head of internal auditor, human resources department, and other appropriate authorized managers. The Company shall strictly preserve the identity of the whistle-blower and the content of the report.	
(c) Does the Company adopt measures to protect whistle-blowers from reprisals for having filed the complaint report?	V		The Company ensures that the whistle-blower's identity and the contents of the complaint are kept confidential in order to protect the whistle-blower from retaliation for having filed the complaint.	
d. Improvements in Information Disclosure Does the Company disclose the principle and the practice of business conduct related information on the corporate website and M.O.P.S. website operated by the Taiwan Stock Exchange?	V		The Company and its subsidiaries, Far EasTone & ARCOA have set up multiple-language (traditional Chinese/simplified Chinese/English) websites to disclose the related information on "Best Practice Principles of Ethical Corporate Management".	None
e. If the Company has established its own guidelines for the "Code of Business Conduct" according to Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please state the discrepancies (if any) between actual operation and policy: None				
f. Other important information revealing the Company's ethical operations (e.g. review and revision of the Company's code of business conduct): The Code of Procurement is added to the FENC's procurement system to provide important information, such as the Company's prohibition of child labor, bribery and corruption as well as laws and regulations related to environmental protection, in order to ensure compliance from suppliers. The Company also provides suppliers with an avenue to lodge a complaint if any of their rights and interests is harmed in the procurement process. Both the Company's employees and the Company's suppliers are observed in high-standard code of ethics. Suppliers bribing the Company's employees or the Company's employees asking bribes from suppliers shall be referred to a court of law.				

3.7 Methods for Searching the Rules and Relevant Regulations of Corporate Governance

The Company's website: www.fenc.com, subsidiary Far EasTone's website: www.fetnet.net, and the Market Operation Observe System by the Taiwan Stock Exchange: http://mops.twse.com.tw/

3.8 Others

3.8.1 Directors of the Company shall exercise a high degree of self-discipline. A director may present his/her opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the Company. The Company's appointed personnel will review and revise accounting and internal audit systems periodically to ensure their effectiveness and prepare audit reports to be submitted to the Board of Directors. "Sincerity, Diligence, Thrift, Prudence and Innovation" is the motto of the Company, and also the code of conducts for each employee of the Company.

3.8.2 Employee Rights and Interests, Employee Care: (Please refer to page 73)

3.8.3 Investor Relations, Vendor Relations and Rights of Interest-conflicting Parties: To operate in accordance with the related policies or guidelines.

3.8.4 Risk Management Policies and Risk Measurement Standard Implementation Progress: (Please refer to page 109)

a. Company's risk management organization: (Please refer to page 9)

(a) Established the "Credit Committee": the committee is in charge of the review of the credit situation of domestic and foreign customers, and decides the credit ratings and credit allowances for such customers based on the review results. The committee is also in charge of the continual monitor and control of each credit account and account receivables, in order to achieve the target of "zero bad debt".

(b) Established the "The Supervisory Committee of Information Safety": the committee is in charge of preventing business information from being misappropriated or being released to irrelevant parties.

b. The Company has obtained the approval of the "Procedures for Handling Material Inside Information" in the 5th Board Meeting of the 20th term on Dec. 21, 2009 and proceeded to promote as follows:

(a) Provide "Procedures for Handling Material Inside Information" to new managers upon signing the security agreement.

(b) The Company promotes the "Procedures for Handling Material Inside Information", and the "Insider Trading" related information posted on TWSE website to remind managers upon the declaration of shareholding variation.

(c) The Company's employees and managers have to sign a security agreement upon coming on board and be aware of the Company's "Procedures for Handling Material Inside Information".

3.8.5 Customer Policy Implementation Progress: To operate in accordance with related policies or guidelines.

3.8.6 The Company's purchase of liability insurance for Directors: the Company purchases liability insurance for the Company's directors, in order to reduce their risk of legal and financial liabilities that may arise during day to day operations.

3.8.7 Professional licenses granted to those who are responsible for the financial information transparency of the Company and its subsidiaries by regulatory authorities:

Category	Department / Licenses	The Company	Subsidiaries
Accounting / Taxation	CPA ROC	17	11
	CPA China	1	-
	CCIA	-	5
	CIA	7	8
	CCTA	-	1
	CPB	15	10
Finance	CFA	1	-
	Securities Investment Analyst	4	1
	Senior Securities Specialist	15	4
	Futures Specialist	6	3
	Foreign Exchange Trading Personnel	2	-
	Trust Specialist	14	1
	Financial Planning Personnel	8	-
Real Estate	Realtor	1	-
	Land Administration Agent	1	-
Insurance	Non-Life Insurance Salesman	3	-
Labor Safety	CISA	1	-

3.8.8 Training for Board of Directors, Presidents, and Executive Vice Presidents:

Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
Chairman	Douglas Tong Hsu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
Directors	Johnny Shih	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Shaw Y. Wang	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Raymond Hsu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Peter Hsu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		20 Oct 15	20 Oct 15	Taiwan Corporate Governance Association	External Audit & Internal Control from the Director's or Supervisor's perspective	3
	Tonia Katherine Hsu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Richard Yang	16 Sep 15	16 Sep 15	Securities & Futures Institute	Directors and Supervisors (Including Independent) on Board Practices	3
		15 Sep 15	15 Sep 15	Taiwan Academy of Banking and Finance	Corporate Governance Forum – Legal Liabilities of Directors and Supervisors	3
	Kwan-Tao Li	22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Dec 14	22 Dec 14	Taiwan Corporate Governance Association	Trend of CSR and Sustainable Governance	3
	Alice Hsu	22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		13 Mar 15	13 Mar 15	Taiwan Corporate Governance Association	Best Corporate Governance Practice and Strategic Vision for Sustainable Development	3
	Champion Lee	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
Independent Directors	Bing Shen	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		6 Nov 15	6 Nov 15	Taiwan Corporate Governance Association	Group Governance	3
	Johnsee Lee	2 Dec 15	2 Dec 15	AVCJ Taiwan	2015AVCJ Taiwan Forum – Private Equity & Venture Capital	8.7
		27 Aug 15	27 Aug 15	Securities & Futures Institute	Public Companies Integrity Management and Corporate Social Responsibility Forum	3
President	Eric Hu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Y. H. Tseng	22 Dec 14	22 Dec 14	Taiwan Corporate Governance Association	Trend of CSR and Sustainable Governance	3
		22 Dec 14	22 Dec 14	Taiwan Corporate Governance Association	Trend of CSR and Sustainable Governance	3

Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
President	K. S. Wu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Humphrey Cheng	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
Executive Vice President	C. Y. Dai	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Ru-yu Wu	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Sep 15	22 Sep 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Kwen Lin Ho	23 Dec 15	23 Dec 15	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		22 Dec 14	22 Dec 14	Taiwan Corporate Governance Association	Trend of CSR and Sustainable Governance	3
	Alan Tsai	17 Sep 15	17 Sep 15	Accounting Research & Development Foundation	Accounting Staff's Awareness to Corporate Fraud Prevention and Case Study	3
		11 Sep 15	11 Sep 15	Accounting Research & Development Foundation	Legal Liabilities and Case Study on trading stock of the Company itself	3

3.9 In Recent Years until the Annual Report Being Published, Violation of Internal Control Policies by Employees: None

3.10 Internal Control System Execution Status

3.10.1 Internal Control Report

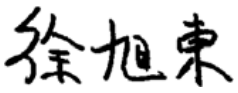
Far Eastern New Century Corporation
The Declaration of internal Control System

Date: 25 March 2016

Based on the self-examination results of the internal control system for the year of 2015, Far Eastern New Century Corporation (the Company) therefore declares the following:

1. Board of Directors and the management of the Company understand that it is their responsibility to establish, implement, and maintain an internal control system, and such a system has been established. The purpose to establish the aforesaid system is to reasonably assure 1) the operating results and operating efficiencies (including profit, performance, and the safeguard of assets); 2) the reliability, instantaneity and transparency of the financial reports, and 3) the compliance of the relevant laws and regulations.
2. An internal control system, regardless how perfectly the system is being designed, can have its defects. A system that can reasonably assure the achievements of the three purposes mentioned in the preceding paragraph is considered as effective and useful. In addition, changes in the business environment and situation may, as a result, hinder the effectiveness of an adequate system. However, the internal control system of the Company has included a self-examination mechanism; the Company will make immediate corrections considering the materiality when material errors are detected.
3. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with “Guidelines for the Establishment of Internal Control Systems by Public Companies” (the Guidelines). The Guidelines are made to exam the following five items during the internal control process: 1) Control Environment, 2) Risk Evaluation and Management, 3) Control Activities, 4) Information and Communication, and 5) Monitoring processes. Details of each area being examined can be found in the Guidelines.
4. Based on the items mentioned in the preceding paragraph, the Company has evaluated the design of the internal control system and the effectiveness of the implementation of the aforesaid system.
5. The Company management declares that the internal control system (including Subsidiary Governance) has effectively assured that the following objectives have been reasonably achieved during the assessment period:
   (1) The effectiveness and efficiency of business operations;
   (2) The reliability, timeliness, transparency, and regulatory compliance of the financial reports;
   (3) The compliance of the relevant laws/regulations.
6. This Declaration is a significant content in the annual report and prospectus of the Company, and it is available to the general public. If it contains false information or conceals any material contents, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the ROC Securities and Exchange Act.
7. The Board of Directors has approved the Declaration of Internal Control System in the board meeting held on 25 March 2016. All of twelve Directors present consented to the Declaration, and no dissenting opinion was expressed.

Far Eastern New Century Corporation

Chairman: Douglas Tong Hsu 

Corporate Management President: Humphrey Cheng

3.10.2 The investigative report of Entrusting CPA to examine the internal control system: None.

3.11 In Recent Years until the Annual Report Being Published, Major Resolutions of Shareholders' Meeting and Board Meetings:

3.11.1 Shareholders' Meeting

	Date	Resolutions of Shareholders' Meeting	Execution
2015 Annual General Shareholders' Meeting	June 26, 2015	**Reporting items:** 2014 business operations 2014 financial statements Supervisor's review of 2014 business operations and financial statements The information of the corporate bonds issued in 2014	Not applicable
		Approval items: To accept 2014 business report and financial statements To approve the proposal for distribution of 2014 profits	5 August 2015 was settled as the ex-dividend date, and cash dividend was distributed on 28 August 2015.
		Proposed items: To approve the issuance of 2014 stock dividends from capital surplus	Stock dividends were issued on 28 August 2015 in accordance with the amended procedures.
		To approve the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"	
		To approve amending the company bylaw of "Election Procedures of Director and Supervisor for Far Eastern New Century Corporation"	
		To approve amending the company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation"	
		To approve amending the company bylaw of "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation"	
		To approve amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"	
		To elect Directors (including Independent Directors) of Far Eastern New Century Corporation	
		To approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act	

3.11.2 Board Meetings

Term	Date	Important Resolutions
12th Board Meeting of the 21st term	March 19, 2015	1. Approved 2014 financial statements (including stand-alone financial statements). 2. Approved the proposal for distribution of 2014 profits. 3. Approved the issuance of 2014 stock dividends from capital surplus. 4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation". 5. Approved amending the Company bylaw of "Election Procedures of Director and Supervisor for Far Eastern New Century Corporation". 6. Approved amending the Company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation". 7. Approved amending the Company bylaw of "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation". 8. Approved amending the Company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation". 9. Approved the proposal to elect Directors (including Independent Directors) of Far Eastern New Century Corporation. 10. Approved the proposal of convening 2015 Annual General Shareholders' Meeting. 11. Approved the proposal for 2015 operating budget and capital expenditure budget. 12. Approved the issuance of unsecured corporate bonds in year 2015.
13th Board Meeting of the 21st term	May 13, 2015	1. Approved the candidate list of the Company's Director (including Independent Director) nominees. 2. Approved the release of the relevant Directors from the non-competition restriction. 3. Approved the Company's 2014 Business report 4. Approved short-term financing loans extended to PET Far Eastern (Holding) Ltd. & Far Eastern Polychem Industries Ltd. 5. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd.
1st Board Meeting of the 22nd term	June 26, 2015	1. Approved the addition of "Audit Committee" and "Safety and Health Committee" under the Company's Organization Chart. 2. Approved the Company bylaw of "Audit Committee Charter". 3. Approved amending the Company bylaws of "Meeting Rules of Board of Directors", "Procedures for Handling Material Inside Information", "Remuneration Committee Charter", "Corporate Governance Principles", "Code of Ethics" and "Best Practice Principles of Ethical Corporate Management". 4. Approved the appointment of three members of the "Remuneration Committee". 5. Approved the details about cash dividend, stock dividend and ex-dividend date of the Company for 2014. 6. Elected of the Company's Chairman and Vice Chairmen
2nd Board Meeting of the 22nd term	August 11, 2015	1. Approved the change of auditing CPA (Certified Public Accountant) from Deloitte & Touche. 2. Approved the convener of the Audit Committee and Remuneration Committee, respectively and the Company's remuneration paid to the Independent Directors, Audit Committee and Remuneration Committee. 3. Approved the issuance of unsecured corporate bonds in year 2015.

Term	Date	Important Resolutions
3rd Board Meeting of the 22nd term	November 11, 2015	1. Approved the investment of 100% owned "FAR EASTERN NEW APPAREL (VIETNAM) LIMITED" via 100% owned subsidiary, FEIH. 2. Approved the amendments of the Company's internal audit system. 3. Approved the 2015 Audit Plan review and the 2016 Audit Plan.
4th Board Meeting of the 22nd term	March 25, 2016	1. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation" 2. Approved 2015 Employees' Compensation and Directors' Remuneration. 3. Approved 2015 financial statements (including stand-alone financial statements). 4. Approved the proposal for distribution of 2015 profits. 5. Approved the proposal to elect an Independent Director of Far Eastern New Century Corporation. 6. Approved the proposal of convening 2016 Annual General Shareholders' Meeting. 7. Approved the proposal for 2016 operating budget and capital expenditure budget. 8. Approved the issuance of unsecured corporate bonds in year 2016.
5th Board Meeting of the 22nd term	May 10, 2016	1. Approved the candidate of the Independent Director. 2. Approved 2015 business operations.

3.12 In recent years until the annual report being published, Dissenting Comments on Major BOD Resolutions from Directors and Supervisors: None

3.13 Resignation or Dismissal of Personnel Involved in Preparation of Financial Reports: None

4. Audit fees

4.1 Information of Audit Fees

4.1.1 Information of CPAs

Accounting Firm	Name of CPA		Audit Period	Note
Deloitte & Touche	Jing-Bin Shih	Shu-Chieh Huang	1 Jan 2015 – 30 Sep 2015	-
Deloitte & Touche	Jing-Bin Shih	Cheng-Hung Kuo	1 Oct 2015 – 31 Dec 2015	-

4.1.2 Audit Fees

Item / Amount (NT$)		Audit Fee	Non-audit Fee	Total
1	Under 1,999,999		V	
2	2,000,000 ~ 3,999,999			
3	4,000,000 ~ 5,999,999			
4	6,000,000 ~ 7,999,999	V		
5	8,000,000 ~ 9,999,999			V
6	10,000,000 and over			

Unit: NT$ thousands

Accounting Firm	Name of CPA		Audit Fee	Non-audit Fee				Audit period
				System Design	Registration	Human Resource	Other	Total	
Deloitte & Touche	Jing-Bin Shih	Shu-Chieh Huang	7,950	-	62	-	400	462	1 Jan 2015 – 30 Sep 2015
	Jing-Bin Shih	Cheng-Hung Kuo							1 Oct 2015 – 31 Dec 2015

Note: Service fees for tax reporting, legal consulting, and corporate bonds issuance.

4.2 In the Event that the CPA Firm is Changed and the Audit Fees Paid in the Year When the CPA Firm is Less than that Paid in the Preceding Year, Reduction of the Audit Fees, Percentage and Causes: None

4.3 In the Event that the Audit Fees Reduced by 15% Compared with that was Charged in the Preceding Year, Reduction of Audit Fees, Percentage and Causes: None

5. Information for Change of CPA

5.1 Regarding the Former CPA:

Date of Change	October 2015			
Cause and explanation	To maintain the independency of the CPA, the internal transfer and arrangement taking place in Deloitte & Touche.			
Specify whether appointer or CPA terminates or rejects the appointment	Concerned party Circumstance		CPA	Appointer
	Terminate the appointment voluntarily		✓	
	Reject (refuse to accept) the appointment			
The comments and causes for issue of the audit report other than unqualified opinions within the latest two years	None			
Disagreement with the issuer	Yes		Accounting principles or practices	
			Disclosure of financial statement	
			Scope or steps of audit	
			Others	
	No	✓		
	Note			
Other information to be disclosed (to be disclosed according to Item 1-4 of paragraph 5 of Article 10 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers")	None			

5.2 Regarding the Succeeding CPA:

Name of Office	Deloitte & Touche
Name of CPA	CPA Cheng-Hung Kuo
Date of appointment	October 2015
Accounting measures or principles with respect to certain transactions prior to the appointment and inquiries and result as to the comments likely to be issued with respect to the financial statements	_
Succeeding CPA's written opinion towards the disagreement with the former CPA	_

5.3 The Former CPA's Response to the Issues Referred to Item 1 and Item 2-3 of Paragraph 5 of the Article 10 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"

Not applicable

6. The Company's Chairman, Presidents, and Managers Responsible for Finance or Accounting Who Have Held A Position in the CPA Office or its Affiliates Within the Latest Year

None

7. Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of the Company Shares or More

7.1 Shareholding Variation

Unit: Shares

Title	Name	2015		From Jan 1 2015 to Apr 24 2016	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Chairman	Douglas Tong Hsu	1,210,758	-	30,000,000	-
Vice Chairman	Johnny Shih	45,749	-	(661,000)	-
Vice Chairman	Peter Hsu	617,043	-	-	-
Director	Asia Cement Corporation	24,946,609	250,000,000	-	-
	Shaw Y. Wang	7,752	-	-	-
	Raymond Hsu	10,666,038	-	-	-
	Far Eastern Department Stores Ltd.	391,458	-	-	-
	Richard Yang	101,555	-	-	-
	Tonia Katherine Hsu	-	-	-	-
	U-Ming Marine Transport Corporation	611,401	-	-	-
	Kwan-Tao Li	-	-	-	-
	Alice Hsu	482,602	-	-	-
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	166,534	-	-	-
	Champion Lee	12,118	-	-	-
	Bing Shen	-	-	-	-
	Johnsee Lee	-	-	-	-
Manager	Y. H. Tseng	2,964	-	-	-
	Eric Hu	5	-	-	-
	K. S. Wu	27	-	-	-
	Humphrey Cheng	-	-	-	-
	Donald Fan	1,780	-	-	-
	C. Y. Dai	3,648	-	-	-
	Raymond Hsu	10,666,038	-	-	-
	Chum Min Ho	-	-	-	-
	Y.C. Yuan	-	-	-	-
	David Wang	139	-	-	-
	Alan Tsai	-	-	-	-
	Emily Wu	-	-	-	-
	Ru-yu Wu	4	-	-	-
	T. H. Liu	932	-	-	-
	B. C. Chang	8	-	-	-
	M. Y. Yeh	-	-	-	-
	Judy Lee	-	-	-	-
	Kuen Lin Ho	-	-	-	-
	M. J. Wu	-	-	-	-
	Mingo A. Chen	20	-	-	-
	Jackson Wu	991	-	-	-
	Allen Sha	22	-	-	-
	Y.L. Chen	232	-	-	-
	Y.S. Yang	-	-	-	-
	David Shih	6	-	-	-
	Mark Lu	846	-	-	-
	Rebecca Huang	-	-	-	-
	J. S. Dai	-	-	-	-
	Mike Wu	24	-	-	-
	Jenny Ho	17	-	-	-
	Li Chi Chen	-	-	-	-
	Hans Kuo	-	-	-	-
	C. Y. Lin	-	-	-	-
	William Hsu	-	-	-	-
	C. W. Chu	34	-	-	-
	Ken Chang	-	-	-	-

Title	Name	2015		From Jan 1 2015 to Apr 24 2016	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Manager	Y. T. Chang	-	-	-	-
	Fanny Liao	-	-	-	-
	Arthur Lee	116	-	-	-
	C. T. Peng	-	-	-	-
	C. T. Chen	-	-	-	-
	C. T. Chang	15	-	-	-
	H. C. Ho	824	-	-	-
	Y. J. Lou	687	-	-	-
	Eric Huang	-	-	-	-
	J. K. Tsai	729	-	-	-
	S. Y. Lai	20	-	-	-
	M. L. Tsai	-	-	-	-
	K. S. Tsai	-	-	-	-
	Roder Chang	30	-	-	-
	K.B. Lo	-	-	-	-
	S.C. Lo	-	-	-	-
	Tony Liang	-	-	-	-
	Patrick Ho	-	-	-	-
	H. T. Lai	-	-	-	-
	F. J. Chang	-	-	-	-
	C. C. Hong	-	-	-	-
	Ryan Wu	-	-	-	-

7.2 Shareholding Transferred (While the Counterparty is a Related Party): Not applicable

7.3 Shareholding Pledged: Not applicable

8. Top Ten Shareholders Being the Related Party as Defined in Statement of Financial Accounting Standards

Book closure date: 30 April 2016

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Asia Cement Corporation Representative: Douglas Tong Hsu	1,272,277,085	23.77%	0	0.00	0	0.00	Oriental Institute of Technology	The same Chairman	See page 13 for details.
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
Oriental Institute of Technology Representative: Douglas Tong Hsu	257,651,603	4.81%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	N/A
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders being the related party as defined in statement of financial accounting standards No.6		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	193,310,445	3.61%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	N/A
							Oriental Institute of Technology		
							Yuan Ze University		
							Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
Far Eastern Memorial Foundation Representative: Chen Sun	167,611,863	3.13%	0	0.00	0	0.00	Asia Cement Corp.	Director of the Foundation is the Chairman of the aforesaid organizations.	N/A
							Oriental Institute of Technology		
							Yuan Ze University		
							Far Eastern Medical Foundation		
							Douglas Tong Hsu	The Chairman	
Yuan Ze University Representative: Douglas Tong Hsu	146,570,213	2.74%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	N/A
							Oriental Institute of Technology		
							Far Eastern Medical Foundation		
							Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
Cathay Life Insurance Corporation Representative: Hong-Tu Tsai	134,883,120	2.52%	0	0.00	0	0.00	None	None	See page 14 for details
Shinkong Life Insurance Corporation Representative: Tung-Chin Wu	124,839,156	2.33%	0	0.00	0	0.00	None	None	See page 14 for details
Nan Shan Life Insurance Corporation Representative: W. T. Kuo	124,284,953	2.32%	0	0.00	0	0.00	None	None	See page 14 for details
Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Asia Cement Corp.	The Chairman	N/A
							Oriental Institute of Technology		
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	The Director	
China Life Insurance Corporation Representative: M. Y. Wang	87,308,634	1.63%	0	0.00	0	0.00	None	None	See page 14 for details

9. Shareholding Proportion of FENC to Investees

Book closure date: 30 April 2016

Investees by equity method	The Company's Holdings		Direct and Indirect Holdings of Directors, and Managers of FENC		Total Holdings	
	Shares (Thousand)	%	Shares (Thousand)	%	Shares (Thousand)	%
Asia Cement Corp.	750,511	22.33	227,643	6.77	978,154	29.10
Far Eastern Department Stores Ltd.	241,770	17.65	170,457	12.44	412,227	30.09
Oriental Union Chemical Corp.	81,216	9.17	272,221	30.74	353,437	39.91
Far Eastern International Bank	79,778	2.63	527,473	17.39	607,251	20.02
Everest Textile Co., Ltd.	129	0.03	123,999	26.32	124,128	26.35
Yuan Ding Investment Co., Ltd.	1,822,822	99.40	5,502	0.30	1,828,324	99.70
Far Eastern Resources Development Co., Ltd.	557,354	100.00	0	0.00	557,354	100.00
Yuan Tong Investment Co., Ltd.	705,147	100.00	0	0.00	705,147	100.00
Far Eastern Investment (Holding) Ltd.	1,700	100.00	0	0.00	1,700	100.00
Far Eastern Polychem Industries Ltd.	830,815	73.04	306,644	26.96	1,137,459	100.00
Kai Yuan International Investment Co., Ltd.	302,843	100.00	0	0.00	302,843	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	1,183,311	75.56	100,749	6.43	1,284,060	81.99
Far Eastern Polytex (Holding) Ltd.	124	100.00	0	0.00	124	100.00
Yuan-Ding Co., Ltd.	186,929	37.13	243,474	48.37	430,403	85.50
Far Eastern Construction Co., Ltd.	198,791	65.11	2,769	0.90	201,560	66.01
Ding Yuan International Investment Co., Ltd.	205,000	100.00	0	0.00	205,000	100.00
Oriental Securities Co., Ltd.	140,278	19.65	467,906	65.56	608,184	85.21
PET Far Eastern (H) Ltd.	333	90.54	35	9.46	368	100.00
An Ho Garment Co., Ltd.	66,346	100.00	0	0.00	66,346	100.00
Pacific Liu Tung Investment Co., Ltd.	135,000	16.83	465,070	57.99	600,070	74.82
Fu Kwok Knitting & Garment Co., Ltd.	3,998	99.96	1	0.03	3,999	99.99
FEDP (H) Ltd.	244	50.43	240	49.57	484	100.00
Far Eastern Textile Limited	100	100.00	0	0.00	100	100.00
Ding Ding Hotel Co., Ltd.	19,772	19.00	78,787	75.72	98,559	94.72

IV. Capital Overview

1. Capital and Shares

1.1 Issued Shares

Unit: NT$ thousands, thousand shares

Month/ Year	Par value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Capital increased by assets other than cash	Other
Sep 11	10	6,000,000	60,000,000	4,897,217	48,972,174	Capitalization of share dividends	-	-
Sep 12	10	6,000,000	60,000,000	5,044,134	50,441,339	Capitalization of share dividends	-	-
Sep 13	10	6,000,000	60,000,000	5,145,017	51,450,165	Capitalization of share dividends	-	-
Sep 14	10	6,000,000	60,000,000	5,247,916	52,479,169	Capitalization of share dividends	-	-
Sep 15	10	6,000,000	60,000,000	5,352,875	53,528,752	Capitalization of share dividends	-	-

Note：Dates and letter numbers of capital increase approvals received from the regulatory authority:
25 July 2011 Financial Supervisory Commission Ruling Ref. No.1000033221
23 July 2012 Financial Supervisory Commission Ruling Ref. No.1010032696
17 July 2013 Financial Supervisory Commission Ruling Ref. No.1020027941
28 July 2014 Financial Supervisory Commission Ruling Ref. No.1030028503
09 July 2015 Financial Supervisory Commission Ruling Ref. No.1040025880

Unit: thousand shares

Type of Stock	Authorized Share Capital							Note
	Outstanding issued shares			Unissued Shares	Shares convertible from corporate bonds	Shares convertible from stock warrants	Total	
	Listed	Non-Listed	Total					
Common Stock	5,352,875	-	5,352,875	487,125	150,000	10,000	6,000,000	-

1.2 Shelf Registration: None

1.3 Composition of Shareholders

Book closure date: 30 April 2016

Types / Amounts	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Citizens	Security Trust Funds	Foreign Institutions & Foreign Persons	Total
Number	17	70	277	103,140	32	637	104,173
Number of shares owned	220,753,581	710,801,485	2,564,852,580	843,759,624	26,239,557	986,468,400	5,352,875,227
% holdings	4.12%	13.28%	47.91%	15.76%	0.49%	18.44%	100.00%

Capital Overview

1.4 Distribution Profile of Share Ownership

Book closure date: 30 April 2016

Shareholder Ownership	Number of shareholders	Number of shares owned	%
1 ~ 999	50,364	11,516,046	0.22%
1,000 ~ 5,000	35,098	77,087,496	1.44%
5,001 ~ 10,000	8,609	60,557,089	1.13%
10,001 ~ 15,000	3,628	43,096,103	0.81%
15,001 ~ 20,000	1,633	28,842,952	0.54%
20,001 ~ 30,000	1,602	38,568,883	0.72%
30,001 ~ 40,000	802	27,717,306	0.52%
40,001 ~ 50,000	450	20,198,392	0.38%
50,001 ~ 100,000	863	59,615,502	1.11%
100,001 ~ 200,000	471	65,878,643	1.23%
200,001 ~ 400,000	240	66,134,655	1.24%
400,001 ~ 600,000	93	45,766,054	0.85%
600,001 ~ 800,000	48	32,833,117	0.61%
800,001 ~ 1,000,000	27	24,133,955	0.45%
Over 1,000,001	245	4,750,929,034	88.75%
Total	**104,173**	**5,352,875,227**	**100.00%**

1.5 Preferred Shares: None

1.6 Major Shareholders

Book closure date: 30 April 2016

Shareholders	Total shares owned	Ownership %
Asia Cement Corporation	1,272,277,085	23.77%
Oriental Institute of Technology	257,651,603	4.81%
Far Eastern Medical Foundation	193,310,445	3.61%
Far Eastern Memorial Foundation	167,611,863	3.13%
Yuan Ze University	146,570,213	2.74%
Cathay Life Insurance Corporation	134,883,120	2.52%
Shinkong Life Insurance Corporation	124,839,156	2.33%
Nan Shan Life Insurance Corporation	124,284,953	2.32%
Douglas Tong Hsu	91,748,698	1.71%
China Life Insurance Corporation	87,308,634	1.63%

1.7 Net Worth, Earnings, Dividends, and Market Price Per Common Share

Items \ Year			2015	2014	From Jan 1 2016 to Mar 31 2016
Market price per share	Highest		34.95	35.00	28.50
	Lowest		24.25	29.40	22.75
	Average		29.60	32.20	25.63
Net worth per share	Before distribution		36.85	38.05	36.53
	After distribution		(Note 3)	36.65	(Note 3)
Earnings per share	Weighted average shares (thousand shares)		5,352,875	5,247,917	5,352,875
	Adjusted earnings per share (Note 1)		1.61	2.17	0.17
Dividends per share (Note 2)	Cash dividend		1.0	1.2	Not applicable
	Stock dividend	From retained earnings	-	-	
		From capital surplus	-	0.2	
	Accumulated undistributed dividend		-	-	
Return on Investment	Price / Earnings ratio (Note 4)		18.39	14.84	37.69
	Price / Dividend ratio (Note 5)		29.60	26.83	Not applicable
	Cash Dividend yield (Note 6)		3.38	3.73	

Note 1： The adjusted EPS is calculated based on the number of shares 1)after stock dividends are distributed, and 2)the number of shares held by associates are deducted as treasury stock.

Note 2：Distribution of profit generated from the preceding year.

Note 3： To be resolved by Year 2016 Shareholders' Meeting.

Note 4：Price/Earnings ratio = Average closing share price of the period/ Earnings per share.

Note 5：Price/Dividend ratio = Average closing share price of the period / Cash dividend per share.

Note 6：Cash dividend yield = Cash dividend per share / average closing share price of that year.

1.8 Dividend Policy and its Execution Results

1.8.1 Dividend policy under the Articles of Incorporation: Apart from paying all its income taxes in the case where there are profits for the current year, making up for accumulated losses in past years, and deducting legal reserve and special reserve required by law, the Company may distribute to the shareholders the remainder together with undistributed profits from previous years. The distribution of shareholders' dividend shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed aimed at maintaining the stability of shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the cash dividend is not less than 10% of the shareholders' dividend distributed in the same year.

For example, the cash dividend payout ratios over the past three years are not less than 10% of the shareholders' dividend distributed in the same year, which are in compliance with the Articles of Incorporation.

Unit: NT$/share

Year	EPS after Income Tax (Note)	Cash Dividend from Retained Earnings(A)	Stock Dividend from Capital Surplus (B)	Total Dividend (A+B=C)
2013	2.64	1.3	0.2	1.5
2014	2.17	1.2	0.2	1.4
2015	1.61	1.0	-	1.0

Note: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends distributed each year.

1.8.2 Proposed distribution of 2015 profits to be approved at the Shareholders' Meeting: Cash dividend of NT$ 1.0 per share is proposed to be distributed.

1.9 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2016 Annual General Shareholders' Meeting: Not applicable.

1.10 Employees' Compensation and Directors' Remuneration

1.10.1 Description regarding employees' compensation and Directors' remuneration in the Articles of Incorporation: According to the Company Act and the Article 26 in the Articles of Incorporation, 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of Directors, to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as Directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.

1.10.2 The discrepancy, if there is any, between the total amount of estimated employees' compensation, Directors' remuneration, stock dividends and total amount actually being paid: Treated as the changes at the accounting estimate, and such changes are adjusted in the year that annual general shareholders' meeting resolved.

1.10.3 Proposed employees' compensation and Directors' remuneration:

The 2015 employees' compensation and Directors' remuneration was resolved in the 4th meeting on 25 March 2016 by the 22nd term Board of Directors, and will be submitted to the 2016 shareholders' meeting. The amounts and forms are listed below:

a. Employees' compensation: NT$ 230,231,200 in cash

b. Directors' remuneration: NT$ 152,659,124 in cash

c. Regarding the amount of employees' compensation and Directors' remuneration in cash or in shares, the discrepancy, if there is any, between the estimated amount and the amount being actually paid, and the reason for such discrepancy: None

d. Proposed employees' compensation in shares as percentage of net income and total employees' compensation: Not applicable

1.10.4 The discrepancy, if there is any, between the total amount being actually paid as employees' compensation, remuneration for Directors and Supervisors for 2014 (including number of shares, dollar amount, and share price) and the amount of such compensation and remuneration being recognized should be stated, and the reason for such discrepancy:

a. Remuneration for Directors and Supervisors: Resolved amount is NT$ 203,145,170. The dollar amount actually being paid is NT$ 105,000,000.

b. Employees' compensation: Resolved amount is NT$ 270,860,227. The dollar amount actually being paid is NT$ 270,860,227.

The difference between the resolved amount and the amount actually being paid will be paid in the following years.

1.11 Share Buyback by the Company:

The Company did not buy back share in year 2015 and in year 2016 as of 30 April.

2. Corporate Bonds

Book closure date: 30 April 2016

Corporate Bond Type		1st Unsecured Bond 2011	2nd Unsecured Bond 2011	3rd Unsecured Bond 2011	1st Unsecured Bond 2012
Issue Date		27 May 2011	29 Sep 2011	15 Feb 2012	07 Jun 2012
Face value		NT$ 1,000,000	NT$ 1,000,000	NT$ 1,000,000	NT$ 1,000,000
Issuance and listing		OTC	OTC	OTC	OTC
Offering rate		Par	Par	Par	Par
Total amount		NT$ 3,800,000,000	NT$ 2,200,000,000	NT$ 6,000,000,000	NT$ 3,200,000,000
Coupon rate		1.50%	1.55%	1.36%	1.35%
Maturity		5 years Maturity date: 27 May 2016	5 years Maturity date: 29 Sep 2016	5 years Maturity date: 15 Feb 2017	5 years Maturity date: 07 Jun 2017
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		-	-	-	-
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao	N. C. Liao
CPA		Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang
Repayment		50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT$ 1,900,000,000	NT$ 1,100,000,000	NT$ 3,000,000,000	NT$ 3,200,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None	None
	Conversion rights	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Capital Overview

Corporate Bond Type		2nd Unsecured Bond 2012	1st Unsecured Bond 2013 (Tranche A)	1st Unsecured Bond 2013 (Tranche B)	2nd Unsecured Bond 2013
Issue Date		26 Nov 2012	16 May 2013	16 May 2013	28 Aug 2013
Face value		NT$ 1,000,000	RMB 1,000,000	JPY 10,000,000	NT$ 1,000,000
Issuance and listing		OTC	OTC	OTC	OTC
Offering rate		Par	Par	Par	Par
Total amount		NT$ 4,200,000,000	RMB 500,000,000	JPY 5,000,000,000	NT$ 3,000,000,000
Coupon rate		1.30%	2.95%	3-month JPY Libor + 1.10%	1.39%
Maturity		5 years Maturity date: 26 Nov 2017	3 years Maturity date: 16 May 2016	3 years Maturity date: 16 May 2016	3.5 years Maturity date: 28 Feb 2017
Guarantor		-	-	-	-
Trustee		Bank SinoPac	CTBC Bank	CTBC Bank	Bank SinoPac
Underwriter		-	-	-	-
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao	N. C. Liao
CPA		Ming-Hsing Cho Shu-Chieh Huang	Ming-Hsing Cho Shu-Chieh Huang	Ming-Hsing Cho Shu-Chieh Huang	Ming-Hsing Cho Shu-Chieh Huang
Repayment		50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT$ 4,200,000,000	RMB 500,000,000	JPY 5,000,000,000	NT$ 3,000,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None	None
	Conversion rights	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Corporate Bond Type		3rd Unsecured Bond 2013	1st Unsecured Bond 2014	2nd Unsecured Bond 2014	3rd Unsecured Bond 2014
Issue Date		23 Dec 2013	21 Aug 2014	4 Dec 2014	6 Feb 2015
Face value		NT$ 1,000,000	NT$ 1,000,000	NT$ 1,000,000	NT$ 1,000,000
Issuance and listing		OTC	OTC	OTC	OTC
Offering rate		Par	Par	Par	Par
Total amount		NT$ 2,800,000,000	NT$ 3,200,000,000	NT$ 2,200,000,000	NT$ 2,600,000,000
Coupon rate		1.45%	1.47%	1.47%	1.38%
Maturity		5 years Maturity date: 23 Dec 2018	5 years Maturity date: 21 Aug 2019	5 years Maturity date: 4 Dec 2019	5 years Maturity date: 6 Feb 2020
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		-	-	-	-
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao	N. C. Liao
CPA		Ming Hsing Cho Shu Chieh Huang	Ming Hsing Cho Shu Chieh Huang	Ming Hsing Cho Shu Chieh Huang	Ming Hsing Cho Shu Chieh Huang
Repayment		These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT$ 2,800,000,000	NT$ 3,200,000,000	NT$ 2,200,000,000	NT$ 2,600,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		Received a rating of “twA+” from Taiwan Ratings Corp. on 26 Jun 2015	N.A.	N.A.	N.A.
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None	None
	Conversion rights	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Capital Overview

Corporate Bond Type		1st Unsecured Bond 2015	2nd Unsecured Bond 2015	3rd Unsecured Bond 2015
Issue Date		25 May 2015	2 Oct 2015	16 Nov 2015
Face value		NT$ 1,000,000	NT$ 1,000,000	NT$ 1,000,000
Issuance and listing		OTC	OTC	OTC
Offering rate		Par	Par	Par
Total amount		NT$ 8,000,000,000	NT$ 5,200,000,000	NT$ 2,800,000,000
Coupon rate		1.39%	1.28%	1.25%
Maturity		5 years Maturity date: 25 May 2020	5 years Maturity date: 2 Oct 2020	5 years Maturity date: 16 Nov 2020
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		-	-	-
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao
CPA		Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang
Repayment		50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4th and 5th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT$ 8,000,000,000	NT$ 5,200,000,000	NT$ 2,800,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None

3. Preferred Shares

None

4. Issuance of Overseas Depository Receipts

Book closure date: 30 April 2016

Item		Content	
Date of issuance		25 Oct 1999 & 19 Nov 1999	
Place of issuance		Listed in Luxembourg Stock Exchange Traded in Asia, Europe, and US.	
Total amount of issuance		US$ 202,631,674	
Unit price of issuance		US$ 14	
Total number of units issued		14,473,691 units	
Source of underlying securities		New shares of capital increase, and original shares owned by Asia Cement Corp. and Far Eastern Department Stores Ltd.	
Amount of securities		Common Stock 144,736,910 shares	
Rights and obligations of subscribers		Same as common stock shareholders	
Trustee		None	
Depositary bank		The Bank of New York Mellon	
Custodian bank		Far Eastern International Bank	
Number of outstanding shares		33,112.90 Units	
Bearers of related charges incurred during issuance and holding period		Charges of GDR issuance shall be borne by sellers on a pro rata basis.	
Major terms of Depositary Agreement and Custodian Agreement		Voting rights can be exercised only if the owners hold at least 51% of the Depository receipts outstanding vote at the same manner in respect of one or more resolutions to be proposed at the Shareholders' Meeting.	
Unit market price	High	Low	Average
2015	US$15.71	US$15.04	US$15.33
30 April 2016	US$15.71	US$15.71	US$15.71

5. Employee Stock Options

None

6. Employee Restricted Stock Options

None

7. Share Issued for Merger or Acquisition

None

8. Fund Utilization Plans and Status

Uncompleted bond issues, private placement of securities, completed bond issues or private placement of securities in recent 3 years whose return of investment has not emerged: None

V. Operational Highlights

1. Business Activities

1.1 Business Scope

Far Eastern New Century and its subsidiaries have diversified businesses ranging from petrochemical, polyester, textiles, telecommunication, property development, investments, and others. Please refer to page 1 of "Letter to Shareholders" for more business information.

1.1.1 Sales Breakdown of Main Business Segments

Unit: NT$ thousands

Year / Business Segment	2015		2014	
	Amount	% of sales	Amount	% of sales
Petrochemical	29,975,557	13	40,382,481	16
Polyester	60,476,425	25	71,600,791	28
Textiles	32,260,334	14	35,830,111	14
Telecommunication	97,293,218	41	94,175,600	36
Property	6,643,614	3	6,505,886	2
Investment & Others	8,783,248	4	11,677,287	4

1.1.2 Current Products and Services Provided by the Company and Subsidiaries

- Pure Terephthalate Acid (PTA)
- Polyester chip, polyester staple fiber, polyester filament, solid-state polymer, drawn textured yarn, high denier industrial yarn, PET bottle preforms, PET bottles, PET sheets, and heat shrinkable PET films
- Cotton yarn, CVC yarn, polyester yarn, OE yarn and functional yarn
- Cotton fabrics, cotton blended fabrics, yarn-dyed fabrics, polyester fabrics, knitted fabrics and industrial fabrics
- Business suits from Hart Schaffner Mark(H.S.M), John Henry; shirts from Manhattan; beddings from Tonia Nicole, Charisma, La Mode; undergarments from FET, Active, Paul Simon, and men's undergarments from Punto Blanco
- Mobile services, internet access services, fixed line communications, sales of mobile communications equipment and accessories, maintenance services and logistics
- Shopping malls, residential buildings, public infrastructure, civil engineering and construction of roads, bridges, subways and electrical routing
- SavDerm wound care products, NuROs® bone graft substitutes, and Next Fill dental materials

1.1.3 Products and Services Planned to be Developed and Launched by the Company and Subsidiaries

- Functional fibers, fabrics made of specialty materials, waterproof and moisture-permeable films, bio-degradable plastic materials, high gas barrier plastic materials, functional bio-medical wound dressing and environmental friendly heat shrinkable PET films.
- Digital video, digital music, digital books, new payment platform(NFC), e-stores, new media & e-Commerce, and "Wearable Tech Products"
- Construct high quality official building for lease and residential products for sale, mass rapid transit (MRT), expressways, and public infrastructure.

1.2 Business Environment

1.2.1 Current Industry Situation and Prospects

1.2.1.1 Petrochemical business - Pure Terephthalate Acid (PTA)

In 2015, global PTA production increased to 57.39 million tons (Source on PTA: PCI) by 5% or 2.91 million tons from 2014. Similarly, global PTA demand rose by 5% or 2.57 million tons to 57.09 million tons. However, global PTA capacity reached 78.98 million tons with a capacity utilization rate of 73%, 4% down from the previous year. The oversupply of PTA, coupled with subdued crude oil prices, continued to depress PTA prices, causing substantial losses to the PTA industry.

The world's top five PTA producing countries are China, South Korea, India, the United States and Taiwan, accounting for approximately 80% of the global output. In 2015, China's PTA output went up by a significant 9% to 31.62 million tons from the previous year, making up more than half of the total global production. Meanwhile, Taiwan's annual output dropped for the fourth year in a row. Its output in 2015 was decreased by 30,000 tons to 2.51 million tons from 2014. From 2011 to 2015, China's compound annual growth rate (CAGR) is 16%, whilst Taiwan's CAGR is -18%. This indicates Taiwan's PTA players facing greater challenges came from their Chinese counterparts.

1.2.1.2 Polyester business

In 2015, the global polyester output amounted to 66.36 million tons (Source on PTA: PCI) with an annual growth rate of 5%, 1% up from the previous year. The five major polyester producing countries are China, India, the United States, South Korea and Taiwan. Whilst South Korea' s output declined in 2015, the increase in polyester production was evident in the other four countries. China's output rose by 1.98 million tons or 6% to 36.72 million tons, making up 55% of the global production. India's output increased by 7% to 5.87 million tons, accounting for almost 10% of the total global production.

Polyester is used to produce PET resins and polyester fibers (polyester filament and polyester staple fibers). According to 2015 global production data, 70% of the demand of polyester was used for polyester fibers, while 30% of it was used for PET resins.

- PET resins

PET resins can be classified into food-grade and industrial-grade resins by usage. Food-grade PET is primarily used to produce PET bottles to package water, carbonated beverages, and tea drinks. In addition, they can also be used to package fresh, frozen, and microwaveable heat-resistant food products.

Industrial-grade PET resins are widely used in an array of industries, including the automobile, agriculture, fishery, electronics, medical supplies, and transportation sectors, etc. Key products include seat belts, airbags, tire cords, conveyer belts, electronic product packaging materials, geotextiles, protective medical supplies, and fishing nets.

- Polyester fibers

According to statistics by the Japan Chemical Fibers Association, synthetic fibers account for 73% of the global fiber output in 2015 (4% up YOY), with the remaining 27% being natural fibers (cotton, wool, silk). In the same year, production of synthetic fibers grew steadily by 7% YOY, while that of natural fibers declined by 12% YOY (Cotton accounted major portion of natural fibers was dropped by 13% YOY). Polyester fibers account for the most within the synthetic fibers group, while the global production for polyester fibers accounts for 52.96 million tons and polyester fibers cover two major categories: polyester filament and polyester staple fibers.

In 2015, the global production volume for polyester filament increased by 9% to 36.81 million tons. China alone produced over 80% of the global volume, or 29.93 million tons, an increase of 13% YOY, ranked the first in the globe; India ranked the second place with the polyester filament production of 2.49 million tons. In 2015, polyester filament production was in decline throughout South Korea and Japan. Among them, Taiwan's production of 930,000 tons rose 1% YOY and accounted for 3% of global output.

The global production volume of polyester staple fibers in 2015 stood at 16.15 million tons, an increase of 7% YOY. Again, Asian countries dominated the global polyester staple fibers market by producing more than 85% of global output. China accounted for 65% of the global production volume with 10.52 million tons, an increase of 13% YOY. In Taiwan, the production volume decreased by 4% YOY to 530,000 tons, representing 3% of the global output.

1.2.1.3 Textiles business

- Cotton yarn and spinning business

In the 2014/2015 harvest season, global cotton production of 25.94 million tons exceeded consumption volume of 24.02 million tons. Production output was decreased by 0.27 million tons, making it the third consecutive annual drop. In contrast, consumption was up by 0.08 million tons, reflecting a rise for a third year in a row (Source on cotton: U.S. Dept. of Agriculture.) However, with production output greater than the volume of consumption, stocks continued to build up at the level of 24.42 million tons during the year of 2014/2015.

- Knitted fabrics and apparel

China is the largest export country for fabrics and apparel worldwide. In 2015, China's total fabric and apparel export value was US$283.8 billion, down 5% YOY (Source: Chinese Customs). On an individual basis, the export value of fabrics and apparel were US$109.5 billion and US$174.3 billion, and each segment declining by 2% and 6%.

China's 2015 export destinations for fabrics and apparel were primarily concentrated in the European Union, the United States, ASEAN, Middle East, and Japan; these regions accounted for a combined 64% of total value. Benefiting from the U.S. economic recovery and the strong U.S. dollar, China's exports of fabric and apparel products in 2015 to the United States increased by 7% (ranked the top one), while to the Middle East increased by 5% (ranked the second place); ASEAN declined for 1%. In contrast, the EU and Japanese export markets declined by 9% and 12% due to the sharp depreciation of the Euro and Japanese yen.

1.2.1.4 Telecommunication Business

- Personal mobile communication

Deregulation and loosened government controls have allowed telecommunications industries to move towards liberalization and greater competition. Total mobile users (including PHS) reached 26.54 million subscribers at the end of 2014, and the Mobile Phone Account Penetration Rate was over 113%. The services, promotions and handset programs among operators caused customers to apply for more than one.

With the rise of emerging fiber access to internet, FTTx will gradually replace ADSL as the mainstream for the next generation. Value added services to FTTx shall be key focus to ISPs per its 100~ 300M high speed download availability higher and more stable than ADSL. With the growing popularity of mobile devices such as smartphones and tablet PCs, 59 demands for wireless internet access from consumers have also risen correspondingly. In addition to the 3.5G HSPA services that competitors are currently offering, operators launched 4G LTE service in 2014 to increase customer satisfaction degree by providing better, speedy and wider internet bandwidth access.

- Corporate mobile communication

In recent years enterprises have been forced to have more prudent investments due to unexpected growth of the global economy such as slowed down recovery of developed countries and plunged growth of emerging developing countries. All of these have made operation of the corporate mobile communication market more challenging. Fortunately, the sales of smart mobile devices (mobile phone, tablet PC etc.) has boomed over the last two years. Smart-watches, smart glasses and other wearable devices are heating up in the market. Together with the prevalence of Mobile APPs, a new turning point was reached by the telecommunications industry.

The number of global 4G LTE subscribers is growing fast, making this service the mainstream for mobile communication technology in the next decade. On the other hand, the widespread broadband infrastructure and high bandwidth provided by mobile broadband services have motivated all kinds of applications and services. In particular, the HD video conferencing application constitutes the intersection of most potential and greatest development space for real-time transmission and mobility and the need for large data transmission flow. This includes teleconferencing within corporations and across borders, provision of health care through video and audio feeds, and video sharing. With the boom in 4G and every conceivable kind of high-speed transmission service to come, it can be expected that telecommunication service providers will provide service anytime anywhere at increased bandwidth, which will drive the growth of digital service revenue and bring new energy to the growth of corporate operations.

1.2.1.5 Property Business

In 2015 the property market reflected the uncertainty in the world economy. While post quantitative easing (QE) policies has led to a gentle economic recovery in the United States, while European countries and Japan have, in contrast, launched and expanded their quantitative easing policies to boost their domestic demand. Furthermore, as international crude oil prices remain in relative low level, the number of tourists visiting Taiwan increased and stimulated growth in the domestic tourism industry, and thus various parties are competing to increase investments in business travel hotels, shopping malls, and retail stores. In terms of the domestic housing market, 2015 presented a trend of declining prices and shrinking volumes due to the influence from selective credit controls and soaring price on land tax policy despite the mortgage rates maintaining relatively low.

1.2.1.6 Investment & Others Business

Due to the slowdown in the global economic growth, Taiwan's domestic investment and export were below expectation in 2015. Moving forward, Taiwan's economic recovery will still be impacted by China's "red supply chain", or the fast-growing cluster of mainland companies snatching market shares from their Taiwanese counterparts. In 2016, Taiwan's economic growth rate is estimated at 1.36% and CPI annual growth rate at 1.11%. Over the last year, Taiwan's export declined due to the slowdown of international trade and China's "red supply chain", whilst commodity prices benefited from falling energy prices and remained stable. Job market fared well with unemployment rate down by 0.2% from 2014. The global economy stumbled last year in part because the growth of emerging and developing economies remained lower than the long-term average, while China's economic soft touch down, the Eurozone's austerity measures and Japan's stagnant economy were also contributing factors. In amid of the domestic and global economic condition, the Company will continue to review and analyze the performance of its long-term investments regularly, manage and minimize the interest rate and exchange risk carefully, and exploit new business opportunities by uplifting and utilizing the group's synergies and resources. By doing so, the Company will maximize investment income and share the profits with its shareholders.

1.2.2 The Supply Chain Analysis

Originally, the textile industry's purpose was to provide the necessities of daily life. Today, this industry serves a greater purpose by infusing fashion, technology, and art, to cater to demands beyond our basic clothing needs. In the upstream of the supply chain lies polyester polymers which consume chemicals derived from crude oil. Moving down to the mid-stream, there are spinning, weaving, fabricating, dyeing and finishing production processes. And further down are the apparel, garments, and home furnishings end products. Please refer to pages 69-70 for a summary of the upstream, mid-stream, and downstream linkages of our company's industry.

1.2.3 Industry Trends and Competition

1.2.3.1 Petrochemical business – PTA

In 2016, global PTA production output is expected to grow 5% to attain 59.98 million tons, representing an increase of 2.59 million tons from the previous year. Worldwide PTA demand in 2016 is expected to grow by 5%, attaining 59.88 million tons. China is projected for 2016 to have newly-added PTA production of 1.82 million tons, far less than 8.41 million tons of 2015.

Capacity expansions for PTA have remained peak during 2011 to 2015 at a compound annual growth rate (CAGR) of 11%. Meanwhile, the capacity utilization rate dropped from 90% of 2011 to 73% of 2015. Forecasted PTA CAGR for the next five years (2016-2020) will fall to 3%. As a result, the PTA capacity utilization rate will rise to 79% by 2020 due to the effective control on the capacity expansions.

1.2.3.2 Polyester business

- PET resins

Both food-grade and industrial-grade PET resins will likely maintain growth momentum due to wide downstream applicability. PET resins have diverse usages, and can be found in all walks of life, including food, clothing, housing, and transportation. In addition, demand from emerging economies will uphold robust demand growth for both food-grade and industrial-grade PET applications. In 2016, the global PET resins production is estimated at 20.98 million tons (up by one million tons versus 2015) from newly-added production countries such as Turkey, China, Brazil and other countries.

FENC is a major supplier of food-grade and industrial-grade PET resins in Asia, and in recent years has worked actively toward the development of differentiated products with Green and high functionality. In terms of food-grade PET resins, the Company has focused on the development of green products and led the industry in launching food-grade Recycled-PET and Bio PET resins. Currently, the Company is one of the second largest producers of Recycled-PET and will continue to expand its production capacity in Taiwan and Japan. In addition, the Company partnered with the international beverage giant Coca-Cola to successfully develop the world's first 100% Bio-PET bottle with biomass materials in replace of gasoline and showcased in Milan World Expo 2015. The innovation is a testimony to the Company's strength in R&D and also the Company's success in vertical integration.

In regard to industrial-grade PET resins, the Company has endeavored to develop high-margin items including transportation-use textile products (e.g., tire cord, seat belts), as well as geotextiles and industrial conveyer belts, medical nonwoven, in order to maximize the benefits of this category of PET resins.

- Polyester fibers

Global production of polyester fibers in 2016 is estimated at 49.80 million tons, or 1.99 million tons (4% YOY) higher than in 2015. Moreover, growing production output on polyester filament and polyester staple fibers by 1.50 million tons and 0.49 million tons, respectively is mainly from China. (Source on polyester fibers: PCI.)

The Company is one of the largest producers on polyester staple fibers in Taiwan, ranking top three for its products of nonwoven polyester staple fibers in the world. In addition, the Company owns multiple production lines in Taiwan and China and provides raw materials for high value-added products in medical supplies, healthcare, sports, automotive, and household appliances to customers with internationally renowned brands. To consolidate its position as an industry leader, the Company will continue to expand its production capacity.

The Company is also the main polyester filament manufacturer in Taiwan and has production lines in both Taiwan and China. Products include POY, DTY, and HDI, etc. In addition, the Company stands as the primary supplier of nylon 6,6 products and leverages its diverse and comprehensive production lines to foster world-class competitiveness. Even aside from specialized products such as TopCool+®, TopHeat+®, and outlast fiber (thermal management fiber), the Company is also leading the industry in terms of development and applications for sustainability PET fiber. These include Bio-TopCool+® (sourced from bio-based 1,4

butanediol), polylactic acid (PLA) fibers (sourced from corn), and Top Green® recycled yarns (sourced from recycled PET bottles), and so on. Furthermore, Top Green® recycled yarns have been adopted among renowned brand names such as Nike, Adidas, Decathlon, H&M, etc. The Company has showcased its functional fabrics used in world-class sport events, and the future application on functional fabrics is expected.

1.2.3.3 Textiles business

- Cotton yarn and spinning business

Global cotton production and demand for the 2015/2016 season are estimated at 21.82 million tons and 23.78 million tons, with consumption output greater than the volume of production; stocks declined at 22.50 million tons during the year of 2015/2016. China's cotton production for the 2015/2016 harvest is estimated at 5.18 million tons, down by 1.35 million tons YOY, reflecting a drop for a third year in a row. As a matter of fact, In 2014 China cancelled the temporary cotton reserve policy that had been in place for three consecutive years. As a replacement, a direct subsidies method was adopted in order to gradually allow the market mechanism to once again determine cotton prices. This change in policy has reduced farmers' willingness to plant cotton. Current stock level of China’s cotton accounts for more than 14.00 million tons, expecting for years to digest.

The Company’s cotton mills in Taiwan and China focus on producing differentiated products. Its cotton reserves remain at an efficient level to ensure the profitability outperforms in the industry.

- Knitted fabrics and apparel

The United States is the world's largest apparel consuming country. Expectation of interest rate increased by the US Federal Reserve, driving the strong US dollar, should contribute to the expansion of global textiles imports. In addition, China’s growing domestic demand, increasing urbanization and the abolishment of one-child policy will also contribute to global consumption of textiles and apparel goods.

The Company's knitted fabrics and apparel business has had long-term cooperation with renowned international brands. Furthermore, the Company has focused on the supply chain for fast fashion to develop high value-added products with fuse style and functionality. Going forward, the Company will continue to differentiate from competitors through the advantages of vertical integration.

1.2.3.4 Telecommunication Business

- Entering a period of rapid development of 4G mobile Internet

The launch of 4G has led to a significant rise in mobile Internet speeds; and mobile video/audio and high-bandwidth use services will gradually become the main contributors of traffic volume. As a result of this, FET continues to aggressively deploy 4G; and has already reached out to 367 towns and achieved 99.45% population coverage.

There are currently several million subscribers utilizing smartphones, and they continue to drive the rise in date services. FET will continue to strengthen the development of relevant value-added services so that users can continue to enjoy a greater range of easy-to-use services.

In addition to acquire the spectrum of LTE 700MHz and 1800MHz, FET has this year also acquired 2600MHz license. FET will continue to optimize and improve LTE 700MHz and 1800MHz network coverage and will enhance the capacity and speed of bandwidth in high utilization areas by new hotspots setup with LTE 2600MHz.

- Beginning to implement NFV (Network Function Virtualization) technology

In recent years, an increasingly diverse range of communication services are coming to market, due in part to the rapid development of ICT industry. Some services require greater transmission throughput, and some generate multiple connections simultaneously. Faced with a rapidly changing market, FET is capable of providing diverse services via the characteristics of NFV technology:

- Network slicing: FET networks would support various type of services (for example, streaming, healthcare, fleet management, etc.) simultaneously, and cross-interference would not occur.
- Efficient use of hardware resources: Hardware resources would be no longer be committed to one specific network function, and instead they would become a shared resource pool for any functional use.
- Providing new services quickly: In the future, network functions would be deployed on commodity servers, and FET would not purchase the special equipment itself. This would greatly reduce the cost and time to build-up new services.

- FET would begin to implement NFV in 2016. The first step is to perform a trial to virtualize the selected core network functions. The whole network function would be completed by phase deployment.

■ Mobile device/Wearable device

The IDC report reveals that the number of wearable devices shipped worldwide reached 19.2 million by the end of 2014. That figure is more than three times the number from the previous year, and it is expected that the quantity will increase a further 133.4% to 45.7 million in 2015. By the year 2018, it is expected to increase to 111.9 million, with an annual compound growth rate of 78.4%. The quantity of Internet of Things (IoT) devices will reach 250 hundred million by 2020.

IDC's study includes three categories: complex accessories such as physical activity measurement devices, smart accessories such as smart watches, and smart wearable devices such as Google Glass. As such, FET is maintaining cooperation with wearables and IoT (Internet of Things) vendors to test and verify the performance and stability of wearable devices on FET's network, so that we can provide our customers with great experiences in the future.

■ More mature Mobile and Fixed Network Convergence

Users may access the information they need anywhere via any network and any device, which will accelerate and hasten the convergence of mobile networks and fixed networks. Starting from 2008, the Far EasTone and the NCIC have been undertaking progressive convergence of mobile and fixed networks gradually forming a single network backbone and access network.

■ Focus on segmentation marketing; create an easy mobile life for consumers

Far EasTone is proactively developing every aspect of the mobile services market. Last year (2014), Far EasTone strategized with its subsidiary, Hiiir Technology to debut the mobile life brand “friDay”. Taking advantage of each other’s expertise in mobile content, mobile commerce and social media, Far EasTone and Hiiir cooperated to deliver multiple mobile applications and services.

1.2.3.5 Property Business

By utilizing our group’s synergies and resources, we will exploit new business opportunities to accelerate our land development plan and further diversify our existing businesses. Recently, our priority is to develop both the high technology oriented Banqiao Tpark and the leisure oriented Yilan Spa Resort projects. By doing so, we will gradually unlock the hidden land value.

1.2.3.6 Investment &Others Business

Leveraging the Company’s resources, we have invested in other businesses, such as cement and retail markets. Asia Cement Corporation (ACC) is a world class cement producer with capacity across the Taiwan Straits. While maintaining its stable market share in Taiwan, ACC has seen remarkable revenue growth in the China market due to its current capacity expansion. Moreover, ACC signed a strategic partnership agreement with Anhui Conch Cement, and targets a top ten ranking among cement companies in China by taking advantage of China’s urbanization policy. Far Eastern Department Stores Ltd. (FEDS), with the innovative transformation of their long-term strategy, has been transforming its business model from traditional department stores to new-style shopping malls, which have more restaurants, cinemas and other recreational facilities to offer customers a holistic leisure experience. In order to protect its leading position in the retail business, FEDS continues its strategic plans to open new stores in Taiwan and China, concurrently developing its online shopping by implementing an online-to-offline retail strategy. With this bright business outlook from our affiliates, we expect to generate consistent profits within this diversified investment portfolio.

1.3 Technology Innovation and R&D Overview

1.3.1 R&D Expense in Recent Years

R&D expenses in 2015 & 2014 were NT$785.112 million and NT$753.249 million, respectively.

1.3.2 Successful Technology or Products from the Development

1.3.2.1 Petrochemical, Polyester & Textiles Business

Development of anti-fog hard coat resin; development of 2nd generation flexographic resin; development of Fluorine-free water repellent agent; enhancement of anti-fog APET sheet; film type pattern retarder film for 3D liquid crystal display; CNT transparent conductive film has patterned invisible property; acne dressing; dental bone graft.

1.3.2.2 Telecommunication Business

friDay Video; friDay PLAY; FET Navigation App; Digital Book: friDay Reading; Mobile Payment & Wallet; FET 4G mobile video conference; upgrade to the FET Cloud Email Service; FET Google Apps for Work; Far EasTone Securities 4-in-1 Real time Exchange Platform; IPLC Submarine Cable Investment and Installation; Alley; FriDay Shopping; Omusic.

1.3.2.3 Property Business

Implement the latest construction technology, which will reduce construction time, enhance construction quality, while reducing construction costs.

1.4 Long-term and Near-term Business Plans

1.4.1 Near-term Business Plan

1.4.1.1 Achieve Synergy through Vertical Integration

FENC has integrated its petrochemical, polyester and textiles businesses and streamlined the process from research and development to sales so as to provide clients with comprehensive services at one stop. With the well-established production network in Taiwan and China, the Company can bring in higher profits and lower operation costs by sharing resources across regions. Moreover, the Company is more capable of responding to the fluctuating feedstock prices to ensure optimal performance and gain a competitive edge over its competitors.

1.4.1.2 Adjust Product Mix

Due to the rising production capacity of the competitors in China, the market for commodity products has already become saturated. In order to prevent aggressive price wars, the Company has taken the initiative to explore the “blue ocean”, or the potential of untapped markets, and focus on researching, developing and selling differentiated products. Adjusting product mix in a timely manner, improving the self-sufficiency rate and increasing the levels of deep processing will ensure higher profit margins.

1.4.1.3 Penetrate into Potential Markets

In addition to fulfilling the needs to its existing clients, the Company seeks to expand its source of businesses. FENC has formed strategic alliances with global brands to develop high value-added products based on the demand of the market. Furthermore, the Company has monitored carefully on each market, devised marketing strategies accordingly and worked closely with sales and production teams to develop a global sales network.

1.4.2 Long-term Business Plan

1.4.2.1 Capitalize on Trans-Pacific Partnership (TPP) Opportunities

TPP Member countries consider a major market to Taiwan’s textiles and apparel goods because more than 30% of Taiwan’s textiles are exported. According to the “yarn-forward” rule, a supplier’s production process from yarn must be completed in TPP countries to enjoy duty-free access to the free trade area. Therefore, in order to capitalize the TPP opportunities, the Company has established factories in Vietnam that streamline the process from producing yarn, weaving, knitting, dyeing and finishing, and manufacturing apparels. This approach will further its vertical integration and maximize its advantages in trades.

1.4.2.2 Build Smart Factories

With the increasing adoption of Internet of Things (IoT), manufactures will utilize models that enable real-time, automated and highly efficient smart production. For this to happen, it is essential to integrate information from each member of the supply chain. If the members are only interested in maximizing their own profits, it is unlikely to exchange information and to achieve smart manufacturing together. As a vertically integrated company, FENC has an edge on collecting information effectively from its businesses. By building a platform to share information and to provide real-time production and sales analyses, the Company will be capable of enhancing production efficiency and achieving effective management, thereby further distinguishing from its competitors.

1.4.2.3 Promote Green Products

As people are more green-conscious nowadays, it has become increasingly vital for companies to promote products that can reduce the consumption of energy. To protect the environment, many global brands have pledged to take their responsibility by developing eco-friendly products. Likewise, FENC has long been researching and developing green materials and succeeded in developing products using Recycled-PET

and Bio-PET. These products have been recognized and adopted by many global brands. In the future, the Company will continue to ramp up its production and develop products for various applications.

1.4.2.4 Strengthen R&D Capabilities

The in-house R&D Center focuses on four areas such as polyester, fibers and fabrics, new materials, as well as energy and biotechnology with an aim of developing functional and energy-saving materials and developing materials to special specifications. Earlier this year, FENC's revolutionary smart garment system, DynaFeed, won ISPO Gold Award. The system uses an ultra-thin conductive carbon nanotubes polymer film to integrate information technology into apparel. This innovation is a statement to the Company's determination to lead the industry with cutting-edge technologies.

2. Overview of Market, Production, and Sales Market Analysis

2.1 Market Analysis

2.1.1 Sales Regions of the Company's Main Products (Services)

The major sales regions and the percentage sales of petrochemical, polyester, and textiles: Asia (59%), America (24%), Europe (11%), and others (6%).

2.1.2 Domestic Market Share of Major Products (KPI Value)

Products / Items	PTA		Polyester Staple Fiber		Polyester Filament	
	Production	Sales	Production	Sales	Production	Sales
FENC & Subsidiaries(tons)	644,212	639,351	229,078	220,505	81,805	63,201
Taiwan (tons)	2,620,542	2,615,341	531,529	504,552	942,805	619,400
Market Share(%)	24.6%	24.4%	43.1%	43.7%	8.7%	10.2%

Source: Department of Statistics, Ministry of Economic Affairs & FENC

2015 Market share of mobile subscribers by carriers: Chunghwa Telecom at 35.8%, Taiwan Mobile at 28.9%, Far EasTone at 28.5%, Taiwan Star Telecom (VIBO) and Asia Pacific Telecom,combined at 6.8%.

2.1.3 Future Supply/Demand Situation and the Prospects of the Market

2.1.3.1 Petrochemical, Polyester & Textiles Business

The Company's polyester business chain uses the polyester business as the basis to construct and integrate the operating structure for upstream petrochemical raw materials and downstream applications. This structure not only avoids operational risks inherent in raw material fluctuations, but also satisfies the customers' one-stop procurement demands. The objective is to establish competitive differentiation versus peers through low operating risks and high-quality services.

Looking ahead, the world economic growth is expected at 3.2% in 2016, including 1.9% of advanced countries and 4.1% of emerging countries (Source: International Monetary Fund). Benefiting from the gradual recovery from global economy, the polyester industry will fuel up its growth momentum. It is estimated that the polyester utilization rate will recover to 75% and the production will grow up by 5%, indicating a healthy developments for the overall polyester business chain.

In addition to focusing on its existing market, the Company is proactive in taking advantages of various business opportunities, such as proposals presented by China's 13th Five-Year Plan, the lifting of financial sanctions on Iran, and the upcoming Rio 2016 Olympics in Brazil. The Company will continue to focus on differentiation, offer high value-added and green products, strive to make itself the first priority as a partner for global brands and create greater values for the industry.

2.1.3.2 Telecommunication Business

As the market comes to a mature stage, operators usually place the focus on value-added services and heavy users. Take leading international mobile operator Vodafone for example – with market growth slowing, it decided to shift its focus from general consumers to enterprise customers. The Company continuous to cooperate with enterprise application service suppliers of various industries to actively promotes enterprise ICT integration services, cloud applications and IoT applications.

2.1.3.3 Property Business

With a bulk ratio cap regulation being implemented in July 2015, and the tax reforms consolidating housing and property putting into effect at the beginning of 2016, the government has grown rigorous on the housing policy. The residential real estate market is likely to face continual speculations from buyers and an oversupply due to the difficulty in reducing vacancy rate. In 2016, the market is going through a period of price adjustment because the housing prices have remained too high, the consumers in general have become conservative and there has been a slight increase in the price of raw materials. However, with easier access to mortgage, growing interest in old houses renewal and the new government affirming its commitment to investing in social housing, we are likely to see a small decrease in housing prices and products targeting the moderate masses will become the focus of feature market. Prime real estate locations in midtown and locations surrounding public transit facilities will be resistant to price drops. Green and smart buildings that place a premium on safety and security will stand out. Although hospitality properties have benefited from Taiwan's tourism, but their prices are polarizing. As cross-strait relations continue to affect Taiwan's tourism, more significant quarterly changes in the number of Chinese visitors to Taiwan are expected. Therefore, enhancing the tourists' traveling experience and providing them with added-value services are essential to increase the competitiveness of properties.

2.1.4 Competitive Advantages, Disadvantages, and the Company's Measures to Counteract Negative Factors

A. Competitive advantages

(1) Know-how accumulated over the past 60 years

(2) Vertical integration of up-, mid- and downstream production

(3) Diverse R&D and innovation capabilities

B. Positive factors

(1) Increasing polyester applications

(2) Growing environmental awareness

(3) Accelerating integration of technologies into functional textiles

C. Negative factors

(1) Gradually losing its cost advantages in China

(2) Global overcapacity

(3) Taiwan's slow progress in signing FTAs

D. Company's measures to counteract negative factors

(1) Adjusting product mix, increasing self-sufficiency rate and the percentage of differentiated products

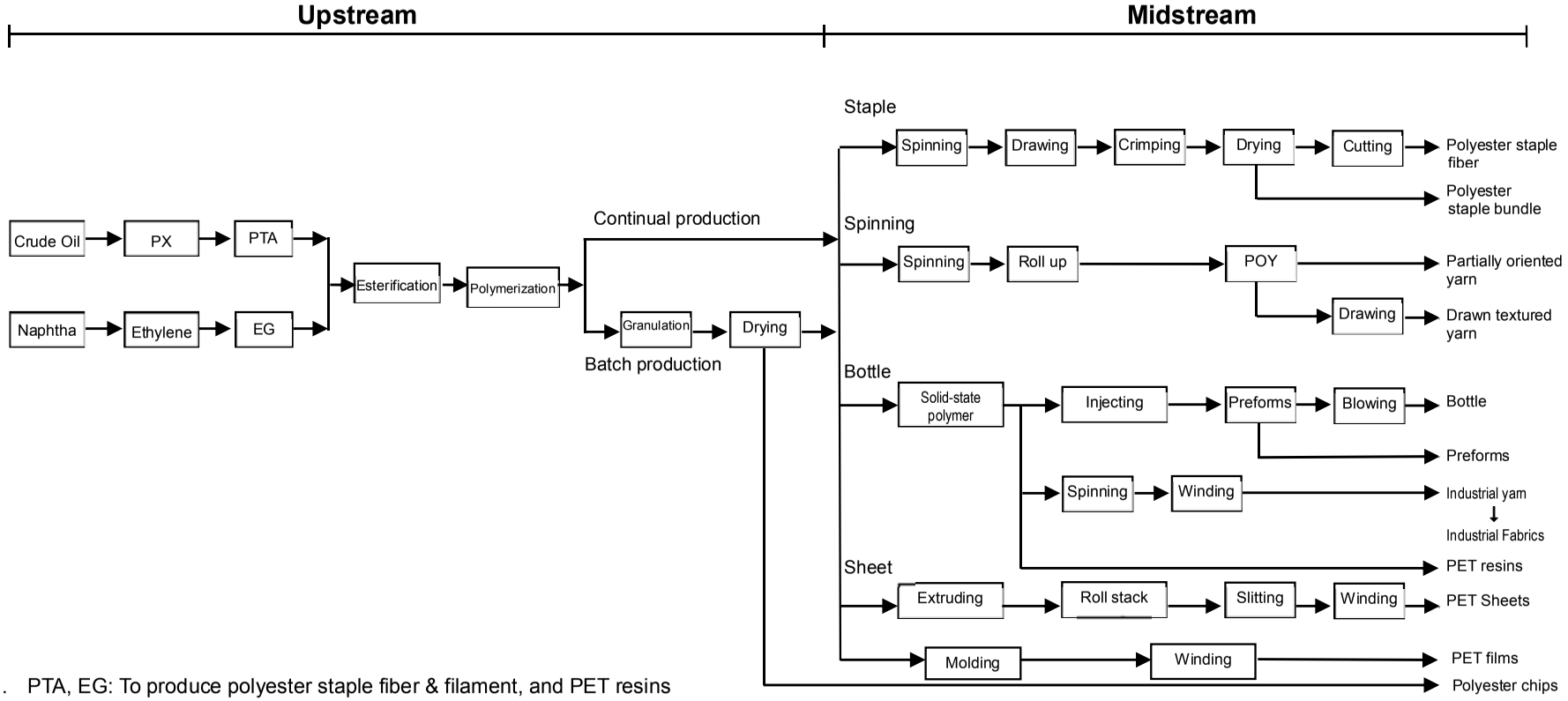
(2) Partnering with global brands to market the products worldwide

(3) Accelerating R&D to capitalize functional textiles and green products

(4) Mitigating operation risks across various production sites and sales regions

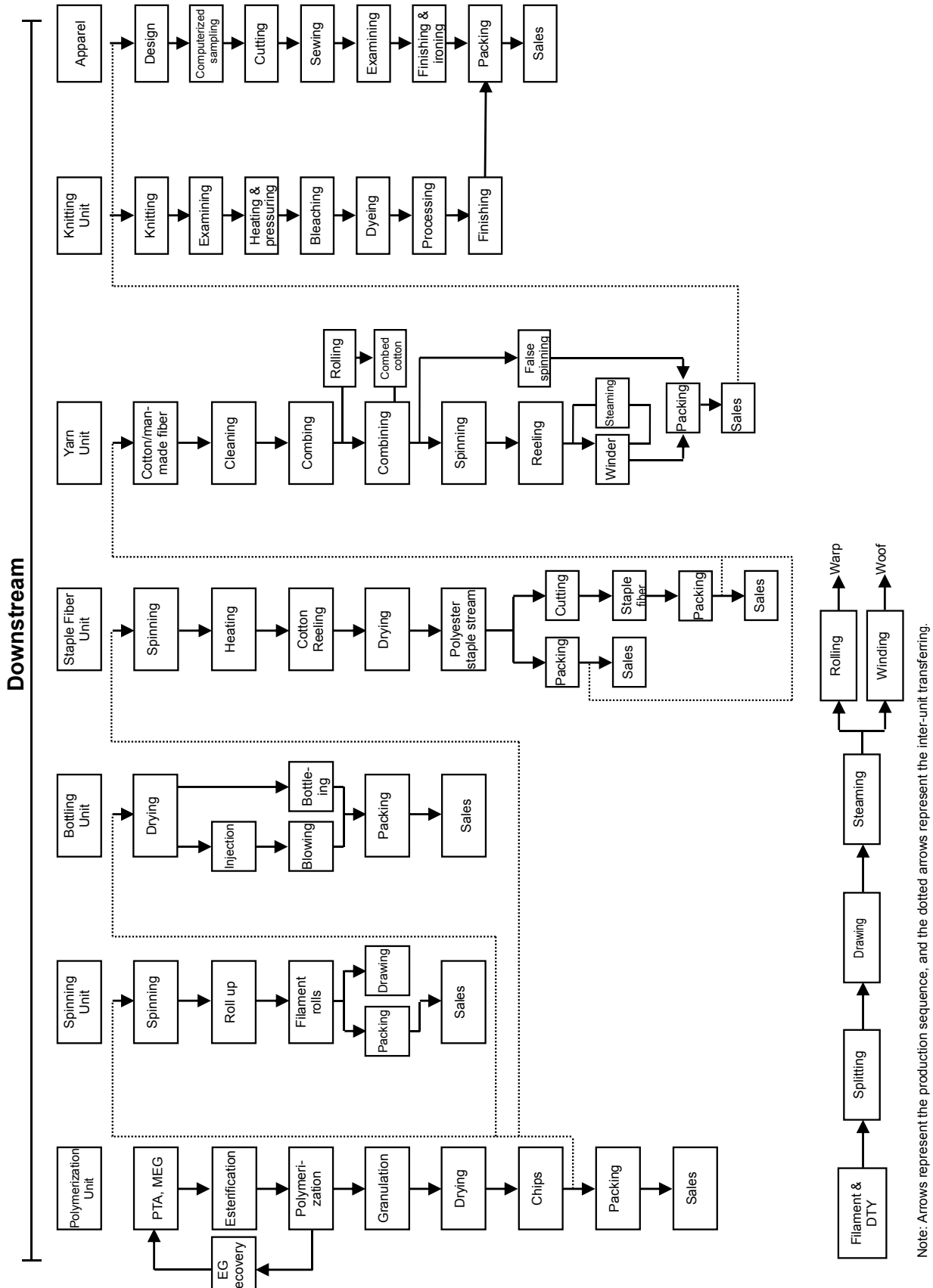
(5) Introducing smart facilities to improve production efficiency

2.2 Applications and Production Process of Major Products



1. PTA, EG: To produce polyester staple fiber & filament, and PET resins
2. Polyester staple fiber: staple fiber yarn, blended yarn, conjugate yarn, non-woven yarn
3. Polyester filament: apparel, garment, upholstery and home furnishing textiles
4. Industrial yarn(Industrial fabrics): seat belt, conveyor belt, water-proof coated fabrics
5. Elastic Fiber: stretch apparel and tights
6. PET resins: PET bottle, PET sheet
7. PET bottle: packaging materials or containers of beverages and food
8. Polyester chip: polyester filament, polyester staple fiber
9. PET films: PET heat shrinkable bottle labels
10. Yarn: fabrics for clothing, industrial usage, or home furnishing purpose through weaving or knitting process
11. Fabrics：Finished fabrics for clothing, industrial usage, or home furnishing purpose after dyeing and finishing process
12. Knitted fabrics: apparel, garments, upholstery and home furnishing products
13. Apparel：Underwear, clothing, shirts, fashions, etc.

Operational Highlights



Note: Arrows represent the production sequence, and the dotted arrows represent the inter-unit transferring.

2.3 Sources of Major Raw Materials

Item	PTA, EG	Cotton, Polyester Staple Fibers	Fabrics	Finished fabrics	Remarks
Major sources	Internally supplied, Saudi Arabia	The United States, internally supplied	Internally supplied	The United States, internally supplied	Supplies of major raw materials are stable and sufficient.

2.4 Major Suppliers or Customers Who Account for above 10% (inclusive) of Purchases /or Revenues in Recent Two Years

2.4.1 Suppliers Who Account for above 10% (Inclusive) of Purchases in Recent Two Years: None

2.4.2 Customers Who Account for above 10% (Inclusive) of Revenues in Recent Two Years: None

2.5 Volume and Value of the Production in Recent Two Years

Unit: NT$ thousands

Main Products \ Year			2015			2014		
			Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Petro-chemical	PTA	MT	1,610,000	1,372,561	29,352,478	1,630,000	1,350,548	39,660,902
Polyester	Polyester Chip	MT	1,984,000	1,527,749	45,169,090	1,954,000	1,603,463	59,017,095
	Solid-State Polymer	MT	1,464,648	1,076,894	32,352,598	1,392,000	1,099,664	42,315,959
	PET Bottle Preform	Thousand pieces	3,540,000	2,298,602	1,869,516	3,360,000	2,362,287	2,376,433
	PET Sheet	MT	113,500	97,181	3,691,449	106,800	97,780	4,394,815
	Polyester Staple Fiber	MT	489,600	322,116	12,775,819	486,000	328,944	15,363,489
	PET Film	MT	20,160	6,993	469,691	20,160	5,592	412,070
	Partially Oriented Yarn	MT	,135,710	102,486	4,684,471	143,410	107,614	5,539,163
	Drawn Textured Yarn	MT	45,137	36,869	2,464,537	45,028	36,543	2,666,508
Textiles	Yarn	Bales	513,398	449,182	6,764,388	513,398	460,396	7,938,844
	Knitting Fabrics	MT	23,460	19,067	5,454,957	21,780	17,913	4,022,126
	Industrial Fabrics	MT	20,160	19,399	1,671,578	20,160	20,160	1,922,434
	Industrial Yarn	MT	111,920	79,441	4,030,481	97,920	86,329	4,879,535
	Apparel	Thousand dozens	4,909	4,040	6,922,507	6,528	4,865	7,304,977

2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT$ thousands

Main Products \ Year			2015				2014			
			Domestic sales		Export sales		Domestic sales		Export sales	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Petro-chemical	PTA	MT	1,352,370	27,720,196	13,910	313,299	1,327,353	36,508,279	28,576	841,250
Polyester	Polyester Chip (Note)	MT	99,586	3,044,603	18,649	682,042	86,659	3,238,853	39,933	1,572,068
	Solid-State Polymer	MT	234,060	7,234,100	655,950	22,740,649	275,006	10,506,523	647,200	27,182,947
	PET Bottle Preform	Thousand pieces	1,373,584	1,146,725	606,784	891,256	1,209,061	1,220,157	765,597	1,305,061
	PET Sheet	MT	68,448	2,868,584	28,106	1,273,516	68,264	3,346,955	30,642	1,565,058
	Polyester Staple Fiber	MT	106,359	4,788,896	213,835	10,024,563	97,483	4,991,109	217,626	12,124,352
	PET Film	MT	6,204	507,016	1,529	138,928	4,022	392,990	922	67,271
	Partially Oriented Yarn	MT	52,388	2,247,716	15,593	709,129	54,977	2,629,347	17,540	877,092
	Drawn Textured Yarn	MT	27,446	1,894,901	7,959	597,790	27,514	2,055,766	7,447	602,659
Textiles	Yarn	Bales	239,310	4,394,339	214,271	3,056,009	238,721	4,796,231	234,192	3,711,462
	Knitting Fabrics	MT	6,402	1,474,004	19,066	5,894,888	4,944	1,195,373	14,921	4,360,699
	Industrial Fabrics	MT	5,438	563,901	16,380	1,814,312	6,133	675,841	16,903	1,982,410
	Industrial Yarn	MT	20,669	1,046,013	36,802	2,316,803	25,393	1,474,830	40,085	2,832,009
	Apparel	Thousand dozens	195	499,228	3,496	7,383,671	264	658,773	4,861	8,925,967

Note: Mainly due to internal consumption

3. Information about Employees

Year		2015	2014	Mar 31, 2016
Number of employees		26,965	26,484	27,740
Average age		34	34	35
Average years of service		6.00	5.01	6.24
Breakdown of educational level (Note)	Ph.D	0.2%	0.2%	0.2%
	Master	6.9%	6.0%	6.7%
	Bachelor	43.8%	39.8%	39.9%
	High school and below	49.1%	54.0%	53.2%

Note: Foreign Labors are not included in this statistics.

4. Expenses on Environmental Protection

4.1 Loss or Penalty Due to Pollution in Recent Two Years

Loss/Penalty \ Year	2015	2014	From Jan 1, 2016 to Apr 30, 2016
Pollution Event	Air and water pollution	Air and water pollution	None
Penalty or Regulatory Authority	Environmental Protection Administration	Environmental Protection Administration	None
Damage Claim or Other Claims	NT$0.34 million	NT$1.6 million	None
Other Losses	None	None	None

4.2 Specific Measures to Conserve the Environment

4.2.1 Planned Specific Measures

A. Contents of planed purchase for anti-pollution equipment or other expenses:

The Company has planned to invest NT$1.68 million to improve the wastewater treatment equipment and on-line COD analyzer.

B. Expected improvement

(1) The Company will be in compliance with the relevant regulations and reduce the emission of polluted waste, in order to achieve a goal of environmental conservation.

(2) Complying with the ISO requirements, the Company will continuously make efforts to protect the environment and ensure the safety at the working environment.

(3) Improve the efficiency of the equipment to reduce air pollution.

(4) Upgrade equipment to lower the cost of waste water treatment.

C. Expected impact after the improvement

Enhance the reputation and image of the Company.

4.2.2 Any Measures the Company is Able to Take but Unwilling to Take: None

5. Employee Welfare

5.1 Current Agreements with Employee and Employee Welfare

5.1.1 Employee Welfare Procedures

The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds, and manages various welfare activities for employees. The said activities include, but are not limited to, employee outings and hiking trips. The Company also organizes a volunteer club, a rhythmic gymnastics club, a yoga club, a badminton club, a softball club, a bowling club, a mountain climbing club, a biking club, a table tennis club, a basketball club, all of which are held on regular basis. Additionally, the Company provides free health checkups, child education scholarships, holiday bonuses for birthdays, weddings, funerals, child births, and traditional festival holidays for its employees. A variety of group insurance programs are also provided for employees to choose from among.

5.1.2 Advanced Training:

Employee training has always been one of the top priorities in the Company's agenda. Since the Company relocated to Taiwan in 1949, it has been providing employees various educational training courses each year. In March 1973, the Company established an occupational training center, in advance of the promulgation of Occupational Training Act implemented by the central government. After the enforcement of Occupational Training Act, the Company re-applied to the Council of Labor Affairs, Executive Yuan and received approval to establish a certified education center on 15 August 1992. To enhance overall personnel quality, cultivate professional management talents and satisfy requirements of organizational operations, the education center was re-organized and expanded into the Human Resources Development Center in February 2008.

The establishment of the Human Resources Development Center (the Center) evidenced the company's emphasis on the cultivation of talents. In addition to providing management trainees with business administration and plant management related training courses at the initial stage, the Company later also proactively offers professional courses, and cultivates various professional talents as required to correspond with rapid business expansions in polyester fiber, textiles, printing and dyeing, as well as apparel divisions.

Confronted by a turbulent global economy, "lifelong learning" is the key to maintaining and reinforcing both individuals and Far Eastern Group's competitiveness. Besides continuously offering various professional courses, the Company provides long-term training development at all levels in line with the training requirements. The high-level management has to focus on "strategizing", whilst the focus for the mid-level managers is "planning" and that for the entry-level supervisors is "execution". Besides, innovation is the core competency expected by all employees and also the mutual mindset shared throughout the company. Furthermore, in order to reduce the communication gap with employees from various departments, in collaboration with Yuan Ze University, the Company is jointly developing 13 series of customized management competency courses, which incorporate the values of the Far Eastern Group. In 2014, the Center planned and offered 11 series of non-management training programs for basic courses, and a total of 23 lessons on 13 series of competency courses have been completed. The Center will continue to organize courses throughout 2015 and plan to provide job competency training for employees at all levels of the Company in the coming 3 years.

To build an evolving talent pool to cultivate team leaders over the next five to ten years, head of each business segments selects candidates for the talent pool from managers (45 years of age or younger) with outstanding performance, potential for development, and strong willingness to learn. The President of each business segment makes recommendations once they have made in-depth assessments of candidates for their mode of thinking, ability to work with others, and resilience potential. A list of candidates is then presented to Far Eastern Talent Selection Committee for review, after which the committee then submits the list to the Vice Chairman or Chairman for approval.

This process best serves to provide the training and the experience required to handle a “Senior Vice President” position. To cover both theoretical and practical applications, the course uses a case-study method. The Center retains well-known university professors to teach theoretical foundations and applications, and invites industry experts to share their insightful practical experiences. The objectives are to cultivate supervisors’ decision-making, problem-resolution, and thinking abilities, build a company talent echelon, and establish a talent pool in response to developmental needs in the future.

5.1.3 Pension and Retirement Plan:

The pension fund, and all other employee retirement related affairs, is managed in compliance with the Labor Standards Act. “The Supervisory Committee of Employees’ Pension Fund” has been established to review and supervise the management of employee pensions. The pension fund is appropriated to the pension fund trust account in custody of Bank of Taiwan to assure the interest of current and retired employees. In addition, pension funds are appropriated monthly to individual pension accounts for those who are qualified or voluntarily choose the new pension fund system in accordance with the “Labor Pension Act”.

5.1.4 The Agreement Between Labor and Management and Various Procedures Regarding Protection of Employees’ Rights:

All regulations and procedures regarding labor and management relationship are implemented in good condition pursuant to related laws.

5.1.5 Working Environment and Employee Safety Protection Procedures:

The Company established the Labor Safety & Health Department and implemented the following protocols to ensure a safe working environment:

A. Work environment sustainability:

The Company upholds the highest standards of safety protocols starting from the purchase of machineries and raw materials; the same standards apply when installing said machineries. Work environment safety inspections take place periodically and changes occur immediately if standards are not met. In addition, safety equipment is provided to reduce risk of injury.

B. Employee health sustainability:

Aside from cooperation with the government in providing occupational safety and health inspections, the Company periodically schedules employee health checkups at Far Eastern Group’s medical center for health management purposes. All of the Company’s factories prepare standard medical supplies and basic medical equipment, while some have licensed doctors and nurses available for routine checkups.

C. Emergency courses and drills:

In order to minimize the damage and protect the safety of laborers if material accidents occur, our company provides emergency evacuation training courses for all employees. These courses educate our employees to organize and evacuate effectively when fires, typhoons, earthquake or other emergencies may require evacuation of the workplace. Moreover, workplace safety training is mandatory for new employees and periodic thereafter for all employees; post-class quizzes are administered to verify the attendants’ understanding. Emergency evacuation response plans will change per season (staff grouping, response procedures, evacuation route, etc) and emergency evacuation drills will be held periodically.

D. Safety management:

Workplace health and safety is discussed during monthly meetings, where supervisors assess current problems for continual improvement to ensure an effective system. The Company purchases group insurance for its employees. In addition, contractors are required to complete mandatory safety training classes periodically in accordance with our standards. The workplace safety training courses are held periodically, including post-class quizzes administered to verify/confirm (either one is fine, though “verify” simply restates the previous section) the attendants’ understanding.

5.2 Loss Occurs Due to Labor Issues in the Latest Years Till the Publishing Of This Annual Report: None

6. Important Contracts and Agreements

Type	Company	Counter Party	Duration Period	Major Contents	Covenants
Technology Cooperation	FENC	Institute for Information Industry	2015.10.1～2017.9.30	Taiwan Industrial Innovation Platform Program：Remote health care and sleep quality monitoring	None
		Study Group for Human Medical Research Foundation (Tri-Service General Hospital)	2015.7.1～2016.6.30	Industrial-Academic Collaboration - Clinical study of SavDerm® wound dressing and SavDerm® antimicrobial wound dressing for chronic wound	
	DDIM	Far Eastern International Bank	2009.09～Present	FEDirect HGI IC card agreement	No marketing for HGI card holders without prior approval of the parties.
		Citibank Taiwan	2010.04～2018.04	Co-Branded card agreement	Except FEIB，no cooperating with other financial institutions without prior approval of Citibank.
Long-Term Supply Contract	FENC	SABIC	2011.01～Present	EG supply agreement	Automatically extended by one year when expiration
	OPTC	A to E (total five companies)	2013.01～Present	PX supply agreement	None
	Far Eastern Industries (Shanghai)	SABIC	2014.01～2018.12	EG supply agreement	
	Far Eastern Fibertech	Invista	2014.01～2016.12	Flake supply agreement	
	Far EasTone	Ericsson Taiwan	1996.12.～Present	Purchase for 2G/3G/4G cell site, mobile phone system and network equipment, software, installation, system construction and technical service	Confidential Clause
		XunWei Tech	2009.12～Present	Frame agreement For 3G & 3.5G RAN Acquisition and technical support	
		Apple Asia	2010.01～Present	Procurement agreement for iPhone	
		Taiwan International Standard Electronics	2014.08.01～Present	Procurement agreement for telecommunication equipment	
	NCIC	Taiwan International Standard Electronics	2013.01～Present	Procurement agreement for network equipment, software, installation, system implementation and technical services	
	ARCOA	Samsung Electronics Taiwan	2012.01～Present	Procurement agreement for Samsung cell phone and tablet.	
		Far EasTone	2011.07～Present	Purchasing agency agreement for specific cell phones and related products	
		Sony Ericsson Mobile Communications AB	2004.07～Present	Procurement agreement for Sony cell phone	
Construction Agreement	Far Eastern General Contractor	Taiwan International Ports Corporation, Port of Keelung	2014.05～2018.12	Port of Keelung, Phase I construction of west bank commercial cargo port building	None
		Central District Project Office, Department of Rapid Transit System, Taipei City Government	2013.03～2017.11	CJ920 Taichung MRT-Wenxin Wuri Beitun Line (G3 station – G9 station) and the construction of circular line monitoring system	
Long-Term Borrowing Contract	OPTC	Mega International Commercial Bank	2012.05 ~ 2019.05	Syndicated loan agreement	
	Far Eastern Construction	Hua Nan Bank	2011.03～2031.04	Bank loan agreement	

VI. Financial Information

1. Five-Year Financial Summary

1.1. Condensed Balance Sheets & Statements of Comprehensive Income – IFRS

1.1.1 Condensed Consolidated Balance Sheets

Unit: NT$ thousands

Item \ Year		Dec 31, 2015	Dec 31, 2014 (Note 1)	Dec 31, 2013 (Note 1)	Dec 31,2012 (Note 1)	Mar 31, 2016 (Note 2)
Current assets		113,653,244	98,075,086	97,662,114	99,279,158	109,090,980
Property, plant and equipment		148,141,804	139,055,972	124,767,713	116,637,790	148,734,511
Intangible assets		50,482,700	53,017,159	53,847,039	20,890,391	58,956,938
Other assets		206,487,374	206,456,073	196,722,606	183,533,884	203,742,849
Total assets		518,765,122	496,604,290	472,999,472	420,341,223	520,525,278
Current liabilities	Before distribution	94,848,512	88,076,648	85,777,937	79,900,492	100,527,804
	After distribution	(Note 3)	95,794,173	93,495,462	86,457,866	(Note 3)
Non-current liabilities		163,519,607	145,043,331	127,584,318	92,122,933	159,629,958
Total liabilities	Before distribution	258,368,119	233,119,979	213,362,255	172,023,425	260,157,762
	After distribution	(Note 3)	240,837,504	221,079,780	176,418,463	(Note 3)
Common stock		53,528,751	52,479,168	51,450,165	50,441,338	53,528,751
Capital surplus	Before distribution	2,807,683	3,666,948	4,681,042	4,744,045	2,807,683
	After distribution	(Note 3)	2,637,945	3,652,039		
Retained earnings	Before distribution	136,939,498	136,703,865	132,743,397	126,848,319	137,767,058
	After distribution	(Note 3)	130,015,343	126,054,875	119,282,118	(Note 3)
Other equity		4,000,696	6,841,068	4,653,726	2,430,425	1,487,713
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	197,251,565	199,665,986	193,503,267	184,439,064	195,566,142
	After distribution	(Note 3)	191,948,461	185,785,742	176,872,863	(Note 3)
Non-controlling interests		63,145,438	63,818,325	66,133,950	63,878,734	64,801,374
Total equity	Before distribution	260,397,003	263,484,311	259,637,217	171,227,826	260,367,516
	After distribution	(Note 3)	255,766,786	251,919,692	163,661,625	(Note 3)

Note 1: Due to the IFRS amendments, prior financial reports have been restated.

Note 2: The financial data of Mar 31, 2016 has been reviewed by the independent auditor.

Note 3: The distribution of 2015 earnings is subject to the approval at the upcoming 2016 Annual General Shareholders' Meeting.

1.1.2 Condensed Consolidated Statements of Comprehensive Income

Unit: NT$ thousands, except earnings per share

Item \ Year	2015	2014 (Note 1)	2013 (Note 1)	2012 (Note 1)	For the three months ended Mar 31, 2016 (Note 2)
Operating revenues	217,948,202	235,506,639	238,840,657	236,792,347	51,595,906
Gross profit	50,483,282	47,732,093	46,603,271	44,293,105	12,729,222
Operating income	14,513,528	11,692,935	13,431,811	12,216,600	3,823,232
Nonoperating income (expenses)	5,187,145	9,724,794	10,445,504	1,211,358	(258,675)
Income before income tax	19,700,673	21,417,729	23,877,315	13,427,958	3,564,557
Net income	14,686,369	17,007,972	20,941,969	11,201,464	2,566,862
Other comprehensive income, net	(4,630,229)	2,395,139	2,342,262	(1,599,998)	(2,594,583)
Total comprehensive income	10,056,140	19,403,111	23,284,231	9,601,466	(27,721)
Net income attributable to owner of the Company	8,034,691	10,853,091	13,215,754	4,917,568	834,946
Net income attributable to non-controlling interests	6,651,678	6,154,881	7,726,215	6,283,896	1,731,916
Total comprehensive income attributable to owner of the Company	3,712,786	12,866,915	15,568,654	3,344,419	(1,677,244)
Total comprehensive income attributable to non-controlling interests	6,343,354	6,536,196	7,715,577	6,257,047	1,649,523
EPS (NT$/share, Note 3)	1.61	2.17	2.64	0.98	0.17

Note 1: Due to the IFRS amendments, prior financial reports have been restated.

Note 2: The financial data of Mar 31, 2016 has been reviewed by the independent auditor.

Note 3: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends distributed each year.

1.1.3 Condensed Balance Sheets (Stand-alone)

Unit: NT$ thousands

Item \ Year		Dec 31, 2015	Dec 31, 2014 (Note 1)	Dec 31, 2013 (Note 1)	Dec 31,2012 (Note 1)
Current assets		32,296,066	30,708,530	30,633,722	21,334,414
Property, plant and equipment		24,340,572	24,198,238	21,969,289	19,962,782
Intangible assets		20,622	21,607	16,392	20,332
Other assets		238,510,353	238,447,416	230,134,878	219,952,339
Total assets		295,167,613	293,375,791	282,754,281	261,269,867
Current liabilities	Before distribution	20,970,190	19,210,191	23,342,137	17,719,219
	After distribution	(Note 2)	26,557,275	31,059,662	24,276,593
Non-current liabilities		76,945,858	74,499,614	65,908,877	59,111,584
Total liabilities	Before distribution	97,916,048	93,709,805	89,251,014	76,830,803
	After distribution	(Note 2)	101,056,889	97,156,545	83,331,665
Common stock		53,528,751	52,479,168	51,450,165	50,441,338
Capital surplus	Before distribution	2,807,683	3,666,948	4,681,042	4,744,045
	After distribution	(Note 2)	2,617,364	3,652,039	
Retained earnings	Before distribution	136,939,498	136,703,865	132,743,397	126,848,319
	After distribution	(Note 2)	130,406,365	126,054,875	45,835,712
Other equity		4,000,696	6,841,068	4,653,726	2,430,425
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	197,251,565	199,665,986	193,503,267	184,439,064
	After distribution	(Note 2)	192,318,902	185,785,742	103,426,457

Note 1: Due to the IFRS amendments, prior financial reports have been restated.

Note 2: The distribution of 2015 earnings is subject to the approval at the upcoming 2016 Annual General Shareholders' Meeting.

1.1.4 Condensed Statements of Comprehensive Income (Stand-alone)

Unit: NT$ thousands, except earnings per share

Item \ Year	2015	2014 (Note 1)	2013 (Note 1)	2012 (Note 1)
Operating revenues	46,849,529	58,108,474	61,919,082	60,682,495
Gross profit	4,276,616	4,671,699	4,214,594	4,958,547
Profit (loss) from operations	(453,304)	(149,605)	(440,304)	28,050
Nonoperating income (expenses)	8,709,062	11,107,696	13,717,609	4,809,893
Income before income tax	8,255,758	10,958,091	13,277,305	4,837,943
Net income	8,034,691	10,853,091	13,215,754	4,917,568
Other comprehensive income, net	(4,321,905)	2,013,824	2,352,900	(1,573,149)
Total comprehensive income	3,712,786	12,866,915	15,568,654	3,344,419
EPS (NT$/share, Note 2)	1.61	2.17	2.64	0.98

Note 1: Due to the IFRS amendments, prior financial reports have been restated.

Note 2: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends distributed each year.

1.2. Condensed Balance Sheets & Statements of Income - R.O.C. GAAP

1.2.1 Condensed Balance Sheets

Unit: NT$ thousands

Item \ Year		Consolidated		Stand-alone	
		2012	2011	2012	2011
Current assets		99,192,032	101,495,775	21,334,414	21,770,291
Funds & investments		52,242,280	49,665,112	143,193,480	139,609,011
Properties		152,557,507	151,446,354	19,833,482	19,024,998
Intangible assets		19,212,395	19,852,579	20,332	21,965
Other assets		15,943,352	6,545,367	1,531,983	791,809
Total assets		339,147,566	329,005,187	185,913,691	181,218,074
Current liabilities	Before distribution	79,372,296	85,360,368	17,631,021	16,845,019
	After distribution	85,929,670	93,685,638	24,188,395	25,170,289
Long-term liabilities		73,958,033	61,451,353	55,204,042	49,794,014
Reserve for land value increment tax		8,660,653	8,660,653	1,519,896	1,519,896
Other liabilities		5,331,487	5,122,589	1,207,854	1,508,482
Total liabilities	Before distribution	167,322,469	160,594,963	75,562,813	69,667,411
	After distribution	173,879,843	168,920,233	82,120,187	77,992,681
Capital stock		50,441,338	48,972,173	50,441,338	48,972,173
Capital surplus		10,079,867	10,361,728	10,079,867	10,361,728
Retained earnings	Before distribution	26,445,968	27,572,678	26,445,968	27,572,678
	After distribution	19,888,594	19,247,408	19,888,594	19,247,408
Other stockholders' equity		23,383,705	24,644,084	23,383,705	24,644,084
Minority interest		61,474,219	56,859,561		
Total stockholders' equity of parent company	Before distribution	171,825,097	168,410,224	110,350,878	111,550,663
	After distribution	165,267,423	160,084,954	103,793,504	103,225,393

1.2.2 Condensed Income Statements

Unit: NT$ thousands, except earnings per share

Item \ Year	Consolidated		Stand-alone	
	2012	2011	2012	2011
Operating revenues	240,417,022	235,561,246	60,682,495	61,556,945
Gross profit	48,405,042	46,311,605	4,950,198	5,174,066
Operating income	16,299,930	17,777,070	16,608	447,256
Nonoperating income and gains	4,737,692	6,225,664	10,203,097	12,549,582
Nonoperating expenses and losses	3,408,228	2,733,379	1,588,098	1,135,236
Consolidated income before income tax	17,629,394	21,269,355	8,631,607	11,861,602
Consolidated net income	14,988,716	17,674,403	8,713,177	11,087,496
EPS (NT$/share, Note)	1.66	2.11	1.66	2.11

Note: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends distributed each year.

1.3. Names and Opinions of Independent Auditors in Recent Five Years

Year	Name of CPA	Auditing Opinion	
		Consolidated	Stand-alone
2015	Jing-Bin Shih & Cheng-Hung Kuo	Modified unqualified opinion	Modified unqualified opinion
2014	Jing-Bin Shih & Shu-Chieh Huang	Modified unqualified opinion	Modified unqualified opinion
2013	Ming Hsing Cho & Shu-Chieh Huang	Unqualified opinion	Unqualified opinion
2012	Ming Hsing Cho & Shu-Chieh Huang	Modified unqualified opinion	Modified unqualified opinion
2011	Jing-Bin Shih & Shu-Chieh Huang	Modified unqualified opinion	Modified unqualified opinion

2. Financial Ratio Analysis for Recent Five Years

2.1 Financial Ratio Analysis- IFRS

2.1.1 Financial Ratio Analysis (Consolidated)

Item \ Year			2015	2014	2013	2012	March 31 2016
Financial structure	Ratio of liabilities to assets (%)		49.8	46.9	45.2	49.8	49.9
	Ratio of long-term capital to property, plant and equipment (%)		286.2	293.8	310.4	223.9	223.1
Liquidity analysis	Current ratio (%)		119.8	111.4	113.9	124.3	108.5
	Quick ratio (%)		90.5	81.4	81.2	93.7	81.3
	Interest coverage ratio (times)		9.0	12.1	17.7	10.5	6.7
Operating ability	Receivables turnover(times)		8.5	8.5	8.5	7.7	9.1
	Average collection period (days)		43.0	43.0	43.1	47.4	40.2
	Inventory turnover (times)		7.2	8.1	8.4	8.4	6.5
	Average sales days (days)		50.7	45.1	43.5	43.2	56.5
	Payables turnover (times)		11.5	12.1	10.3	9.2	9.4
	Property, plant and equipment turnover (times)		1.5	1.8	2.0	2.0	1.4
	Total assets turnover (times)		0.4	0.5	0.5	0.7	0.4
Profitability analysis	Return on total assets (%)		3.4	3.9	5.0	3.7	2.5
	Return on shareholders' equity (%)		5.6	6.5	8.2	6.6	5.2
	Ratio to paid-in capital (%)	Operating profit	27.1	22.3	26.1	24.2	28.6
		Pre-tax income	36.8	40.8	46.4	26.6	26.6
	Ratio of net income to sales (%)		6.7	7.2	8.8	5.7	5.0
	EPS (NT$/share)		1.61	2.17	2.64	0.98	0.17
Cash flow	Cash flow ratio (%)		35.9	30.7	31.2	40.5	33.8
	Cash flow adequacy ratio (%)		70.0	78.5	82.2	104.7	70.0
	Cash reinvestment ratio (%)		8.5	5.7	6.1	4.3	9.0
Leverage	Operating leverage		4.1	5.0	4.3	3.7	3.9
	Financial leverage		1.2	1.2	1.1	1.1	1.2

Analysis of variations exceeding 20% of the numbers in previous year for 2014 and 2015:

(1) Interest coverage ratio decreased: mainly due to the net income decreased and interest expenses increased in 2015.

(2) Cash reinvestment ratio increased: mainly due to the 2015 cash flows from operating activities increased.

Note: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends distributed each year.

2.1.2 Financial Ratio Analysis (Stand-alone)

Item \ Year			2015	2014	2013	2012
Financial structure	Ratio of liabilities to assets (%)		33.2	31.9	31.6	41.1
	Ratio of long-term capital to property, plant and equipment (%)		1,126.5	1,133.0	1,180.8	846.8
Liquidity analysis	Current ratio (%)		154.0	159.9	131.2	120.4
	Quick ratio (%)		123.2	125.1	100.9	82.9
	Interest coverage ratio (times)		9.1	12.8	16.4	7.0
Operating ability	Receivables turnover(times)		5.9	6.6	6.7	6.1
	Average collection period (days)		61.9	55.3	54.1	60.3
	Inventory turnover (times)		6.6	8.2	8.9	8.0
	Average sales days (days)		55.1	44.7	41.0	45.7
	Payables turnover (times)		13.9	12.7	12.2	11.8
	Property, plant and equipment turnover (times)		1.9	2.4	3.0	3.0
	Total assets turnover (times)		0.2	0.2	0.2	0.3
Profitability analysis	Return on total assets (%)		3.0	4.0	5.1	3.0
	Return on shareholders' equity (%)		4.0	5.5	7.0	4.4
	Ratio to paid-in capital (%)	Operating profit	(0.8)	(0.3)	(0.8)	0.1
		Pre-tax income	15.4	20.9	25.8	9.6
	Ratio of net income to sales (%)		17.1	18.7	21.3	8.1
	EPS (NT$/share, Note)		1.61	2.17	2.64	0.98
Cash flow	Cash flow ratio (%)		47.9	45.6	46.1	53.9
	Cash flow adequacy ratio (%)		72.0	69.2	74.2	83.5
	Cash reinvestment ratio (%)		1.3	0.1	0.4	0.6
Leverage	Operating leverage		—	—	—	172
	Financial leverage		—	—	—	—

Analysis of variations exceeding 20% of the numbers in previous year for 2014 and 2015:

(1) Interest coverage ratio decreased: mainly due to the 2015 pre-tax income decreased.

(2) Ratios of profitability analysis decreased (including pre-tax income): mainly due to the 2015 pre-tax income decreased.

(3) Cash reinvestment ratio increased: mainly due to the 2015 cash flows from operating activities increased.

Note: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends distributed each year.

The formula used for the calculation of numbers in the table above:

1. Financial structure

(1) Liabilities to assets ratio = Total liabilities / Total assets
(2) Long-term capital to property, plant and equipment ratio = (Total shareholders' equity + Long-term liabilities) / Net value of property, plant and equipment

2. Liquidity analysis

(1) Current ratio = Current assets / Current liabilities
(2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities
(3) Interest coverage ratio = Net income before income tax and interest expenses / Interest expenses

3. Operating ability

(1) Receivables turnover(including accounts and notes receivable) = Net sales / Average receivables (including accounts and notes receivable)
(2) Average collection days = 365/ Receivables turnover
(3) Inventory turnover = Costs of goods sold / Average inventory
(4) Average sales days = 365 / Inventory turnover
(5) Payables turnover(including accounts and notes payable) = Costs of goods sold / Average payables (including accounts and notes payable)
(6) Property, plant and equipment turnover ratio = Net sales / Net value of property, plant and equipment
(7) Total assets turnover ratio = Net sales / Total assets

4. Profitability analysis

(1) Return on assets =[Net income +Interest expenses×(1-Tax rate)] / Average total assets
(2) Return on shareholders' equity =Net income / Average shareholders' equity
(3) Net income to sales ratio = Net income / Net sales
(4) Earnings per share = (Net income attributable to owner of the Company - Preferred stock dividend) / Weighted-average number of outstanding shares

5. Cash flow

(1) Cash flow ratio = Cash flows from operating activities / Current liabilities
(2) Cash flow adequacy ratio = Net cash flow from operating activities for the past 5 years / (Capital expenditures + Increase in inventory + Cash dividends) for the past 5 years
(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross value of property, plant and equipment + Long-term Investment + Other noncurrent assets + Working capital)

6. Leverage

(1) Operating leverage = (Net sales - Variable operating costs and expenses) / Operating income
(2) Financial leverage = Operating income / (Operating income-Interest expenses)

2.2 Financial Ratio Analysis- R.O.C. GAAP

2.2.1 Financial Ratio Analysis (Consolidated)

Item \ Year			2012	2011
Financial Structure	Ratio of liabilities to assets (%)		49.3	48.8
	Ratio of long-term capital to fixed assets (%)		834.7	848.1
Liquidity Analysis	Current ratio (%)		125.0	118.9
	Quick ratio (%)		100.2	93.7
	Interest coverage ratio (times)		13.5	16.8
Operating Ability	Receivables turnover (times)		8.1	8.2
	Average collection period (days)		44.9	44.5
	Inventory turnover (times)		9.5	10.4
	Average sales days (days)		38.6	35.2
	Payables turnover (times)		9.3	9.7
	Fixed assets turnover (times)		1.6	1.6
	Total assets turnover (times)		0.7	0.7
Profitability Analysis	Return on total assets (%)		4.9	6.1
	Return on shareholders' equity (%)		13.5	16.8
	Ratio to paid-in capital (%)	Operating profit	32.3	36.3
		Pre-tax income	35.0	43.4
	Ratio of net income to sales (%)		6.2	7.5
	EPS (NT$/share, Note)		1.66	2.11
Cash Flow	Cash flow ratio (%)		40.8	37.2
	Cash flow adequacy ratio (%)		96.2	98.0
	Cash reinvestment ratio (%)		3.7	3.8
Leverage	Operating leverage		3.0	2.7
	Financial leverage		1.1	1.1

Note: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends being distributed each year.

2.2.2 Financial Ratio Analysis (Stand-alone)

Item \ Year			2012	2011
Financial Structure	Ratio of liabilities to assets (%)		40.6	38.4
	Ratio of long-term capital to fixed assets (%)		834.7	848.1
Liquidity Analysis	Current ratio (%)		121.0	129.4
	Quick ratio (%)		83.4	82.1
	Interest coverage ratio (times)		11.8	19.4
Operating Ability	Receivables turnover (times)		6.5	6.9
	Average collection period (days)		56.5	52.9
	Inventory turnover (times)		8.0	8.5
	Average sales days (days)		45.7	42.9
	Payables turnover (times)		15.0	14.6
	Fixed assets turnover (times)		3.1	3.2
	Total assets turnover (times)		0.3	0.3
Profitability Analysis	Return on total assets (%)		5.2	6.9
	Return on shareholders' equity (%)		7.9	10.6
	Ratio to paid-in capital (%)	Operating profit	0.0	0.9
		Pre-tax income	17.1	24.2
	Ratio of net income to sales (%)		14.4	18.0
	EPS (NT$/share, Note)		1.66	2.11
Cash Flow	Cash flow ratio (%)		54.2	32.9
	Cash flow adequacy ratio (%)		83.0	86.7
	Cash reinvestment ratio (%)		0.6	—
Leverage	Operating leverage		303.0	12.0
	Financial leverage		—	—

Note: The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends being distributed each year.

The formula used for the calculation of numbers in the table:

1. Financial structure

(1) Liabilities to assets ratio = Total liabilities / Total assets
(2) Long-term capital to fixed assets ratio = (Total shareholders' equity + Long-term liabilities) / Net fixed assets

2. Liquidity analysis

(1) Current ratio = Current assets / Current liabilities
(2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities
(3) Interest coverage ratio = Net income before income tax and interest expenses / Interest expenses

3. Operating ability

(1) Receivables turnover(including accounts and notes receivable) = Net sales / Average accounts receivable (including accounts and notes receivable)
(2) Average collection days = 365/ Accounts receivable turnover
(3) Inventory turnover = Costs of goods sold / Average inventory
(4) Average sales days = 365 / Inventory turnover
(5) Payables turnover(including accounts and notes payable) = Costs of goods sold / Average accounts payable (including accounts and notes payable)
(6) Fixed assets turnover ratio = Net sales / Net fixed assets
(7) Total assets turnover ratio = Net sales / Total assets

4. Profitability analysis

(1) Return on total assets =[Net income +Interest expenses×(1-Tax rate)] / Average total assets
(2) Return on shareholders' equity =Net income / Average shareholders' equity
(3) Net income to sales ratio = Net income / Net sales
(4) Earnings per share = (Net income - Preferred stock dividend) / Weighted-average number of outstanding shares

5. Cash flow

(1) Cash flow ratio = Cash flows from operating activities / Current liabilities
(2) Cash flow adequacy ratio = Net cash flow from operating activities for the past 5 years / (Capital expenditures + Increase in inventory + Cash dividends) for the past 5 years
(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross fixed assets + Long-term Investment + Other assets + Working capital)

6. Leverage

(1) Operating leverage = (Net sales - Variable operating costs and expenses) / Operating income
(2) Financial leverage = Operating income / (Operating income-Interest expenses)

3. The Audit Committee's Review Report

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

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

The Convener of the Audit Committee: Bing Shen 沈平

10 May 2016

4. Impact of the Financial Distress Occurred to the Company and Affiliates in Recent Years until the Annual Report Being Published

None

5. Financial Report (Consolidated)

(The full copy can be downloaded at http://mops.twse.com.tw/)

2015 Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Stockholders

Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015, December 31, 2014 and January 1, 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Far Eastern New Century Corporation and its subsidiaries as of December 31, 2015, December 31, 2014 and January 1, 2014, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

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

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

March 25, 2016

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2015 Amount	%	December 31, 2014 (Restated) Amount	%	January 1, 2014 (Restated) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 40,878,814	8	$ 25,985,419	5	$ 26,645,574	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,997,895	1	1,124,116	-	1,191,688	-
Available-for-sale financial assets - current (Notes 4, 8 and 37)	727,557	-	929,101	-	989,348	-
Held-to-maturity financial assets - current (Notes 4 and 9)	-	-	-	-	99,962	-
Derivative financial assets for hedging - current (Notes 4 and 10)	6,015	-	-	-	4,442	-
Financial assets measured at cost - current (Notes 4 and 11)	-	-	-	-	42,587	-
Debt investments with no active market - current (Notes 4, 6 and 12)	3,350,990	1	4,114,651	1	2,606,689	1
Notes and accounts receivable, net (Notes 4, 13 and 36)	23,370,506	4	27,720,022	6	27,741,701	6
Amounts due from customers for construction contracts (Notes 4 and 14)	973,888	-	2,286,911	1	1,473,786	-
Other receivables (Note 36)	5,789,282	1	3,503,430	1	2,900,592	1
Current tax assets (Notes 4 and 5)	23,615	-	68,920	-	48,216	-
Inventories (Notes 4, 15 and 37)	24,558,575	5	22,005,555	4	24,184,972	5
Prepayments	3,257,852	1	4,414,732	1	3,799,470	1
Other financial assets - current (Notes 37 and 38)	4,573,109	1	3,661,203	1	3,946,576	1
Refundable deposits - current	50,742	-	33,954	-	52,292	-
Other current assets	2,094,404	-	2,227,072	-	1,934,219	-
Total current assets	113,653,244	22	98,075,086	20	97,662,114	21
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4, 8 and 37)	4,486,739	1	4,718,618	1	5,257,220	1
Financial assets measured at cost - non-current (Notes 4 and 11)	1,138,626	-	1,071,152	-	926,908	-
Debt investment with no active market - non-current (Notes 4, 6 and 12)	-	-	182,583	-	-	-
Investments accounted for using the equity method (Notes 4, 17 and 37)	58,658,951	11	61,839,479	12	55,870,243	12
Property, plant and equipment (Notes 4, 5, 18 and 37)	148,141,804	29	139,055,972	28	124,767,713	26
Investment properties, net (Notes 4, 18, 19 and 37)	124,190,706	24	119,663,209	24	113,458,525	24
Concession (Notes 21 and 37)	35,151,640	7	37,314,277	8	37,734,135	8
Goodwill (Notes 4 and 20)	11,865,515	2	11,930,443	2	11,928,782	2
Other intangible assets (Notes 4 and 21)	3,465,545	1	3,772,439	1	4,184,122	1
Deferred tax assets (Notes 4, 5 and 29)	2,317,146	1	2,737,657	1	2,812,572	1
Prepayments for equipment (Note 18)	2,280,180	-	4,914,856	1	6,103,204	1
Refundable deposits	822,052	-	708,974	-	576,314	-
Long-term other receivables from related parties (Note 36)	1,620,000	-	-	-	-	-
Other financial assets - non-current (Note 37)	2,714,837	1	3,044,303	1	4,071,707	1
Long-term prepayments for lease	7,000,124	1	7,164,761	1	7,406,266	2
Other non-current assets (Note 38)	1,258,013	-	410,481	-	239,647	-
Total non-current assets	405,111,878	78	398,529,204	80	375,337,358	79
TOTAL	$ 518,765,122	100	$ 496,604,290	100	$ 472,999,472	100

LIABILITIES AND EQUITY	December 31, 2015 Amount	%	December 31, 2014 (Restated) Amount	%	January 1, 2014 (Restated) Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 22 and 36)	$ 24,687,627	5	$ 27,638,660	6	$ 28,053,848	6
Short-term bills payable (Note 22)	6,597,763	1	4,662,532	1	5,117,694	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	807	-	590	-
Derivative financial liabilities for hedging - current (Notes 4 and 10)	11,016	-	14,950	-	-	-
Notes and accounts payable (Note 4)	15,622,902	3	13,502,368	3	17,452,151	4
Notes and accounts payable to related parties (Notes 4 and 36)	381,383	-	513,625	-	261,571	-
Amounts due to customers for construction contracts (Notes 4 and 14)	120,696	-	110,594	-	412,498	-
Payables to suppliers of machinery and equipment	2,986,273	1	3,202,004	1	3,133,810	1
Other payable (Note 36)	14,430,397	3	14,254,278	3	12,671,314	3
Current tax liabilities (Notes 4 and 5)	1,830,859	-	3,368,813	1	3,115,500	1
Provisions - current (Notes 4 and 24)	258,638	-	240,197	-	193,328	-
Guarantee deposits received - current (Note 36)	287,280	-	314,097	-	334,939	-
Receipts in advance	1,047,226	-	1,214,639	-	1,199,481	-
Unearned revenue	2,581,177	1	2,617,900	-	2,667,808	-
Current portion of long-term liabilities (Notes 22 and 23)	22,012,363	4	14,127,895	3	8,845,696	2
Other current liabilities	1,992,912	-	2,293,289	-	2,317,709	-
Total current liabilities	94,848,512	18	88,076,648	18	85,777,937	18
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 4 and 10)	338,020	-	535,837	-	421,280	-
Bonds payable (Note 23)	63,363,036	12	60,712,019	12	65,638,787	14
Long-term borrowings (Note 22)	77,004,892	15	63,999,210	13	43,622,704	9
Provisions - non-current (Notes 4 and 24)	811,094	-	763,223	-	705,863	-
Deferred tax liabilities (Notes 4, 5 and 29)	16,822,397	4	15,110,447	3	13,329,928	3
Net defined benefit liabilities - non-current (Note 25)	3,941,868	1	2,648,882	1	2,593,770	1
Guarantee deposits received (Note 36)	695,895	-	715,764	-	645,013	-
Deferred credit - gains on related - party transactions (Note 36)	149,074	-	149,629	-	150,185	-
Other non-current liabilities	393,331	-	408,320	-	476,788	-
Total non-current liabilities	163,519,607	32	145,043,331	29	127,584,318	27
Total liabilities	258,368,119	50	233,119,979	47	213,362,255	45
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)						
Capital stock						
Common stock	53,528,751	10	52,479,168	11	51,450,165	11
Capital surplus	2,807,683	1	3,666,948	1	4,681,042	1
Retained earnings						
Legal reserve	14,511,559	3	13,408,217	3	12,687,509	3
Special reserve	108,721,550	21	105,911,942	21	105,911,942	22
Unappropriated earnings	13,706,389	2	17,383,706	3	14,143,946	3
Total retained earnings	136,939,498	26	136,703,865	27	132,743,397	28
Other equity	4,000,696	1	6,841,068	1	4,653,726	1
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	197,251,565	38	199,665,986	40	193,503,267	41
NON-CONTROLLING INTERESTS (Note 27)	63,145,438	12	63,818,325	13	66,133,950	14
Total equity	260,397,003	50	263,484,311	53	259,637,217	55
TOTAL	$ 518,765,122	100	$ 496,604,290	100	$ 472,999,472	100

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 10 and 36)				
Net sales	$ 132,962,253	61	$ 150,830,097	64
Telecommunications service income	69,655,393	32	69,804,586	30
Gain on disposal of investments, net	653,893	-	55,666	-
Construction income	5,094,212	2	5,127,369	2
Other operating revenue	9,582,451	5	9,688,921	4
Total operating revenues	217,948,202	100	235,506,639	100
OPERATING COSTS (Notes 4, 15, 28 and 36)				
Cost of sales	132,139,162	61	150,893,808	64
Cost of telecommunications services	25,857,076	12	26,243,122	11
Construction cost	4,883,668	2	4,836,912	2
Other operating cost	4,585,014	2	5,800,704	3
Total operating costs	167,464,920	77	187,774,546	80
GROSS PROFIT	50,483,282	23	47,732,093	20
REALIZED CONSTRUCTION INCOME	555	-	556	-
OPERATING EXPENSES (Notes 4, 28 and 36)				
Selling and marketing	23,838,721	11	23,869,154	10
General and administrative	11,346,476	5	11,417,311	5
Research and development	785,112	-	753,249	-
Total operating expenses	35,970,309	16	36,039,714	15
OPERATING INCOME	14,513,528	7	11,692,935	5
NONOPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates (Note 17)	2,721,771	1	4,293,787	2
Interest income	483,727	-	482,434	-
Other income	1,049,313	-	1,276,780	-
Gain on disposal of investment properties (Note 19)	941,564	-	-	-
Exchange (loss) gain, net	(916,502)	-	632,174	-
Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	433,436	-	282,168	-
Gain on change in fair value of investment properties (Note 19)	4,658,509	2	6,222,659	3
Interest expense (Note 28)	(2,450,149)	(1)	(1,934,871)	(1)
Other expenses	(593,076)	-	(490,939)	-
Loss on disposal of property, plant and equipment (Note 18)	(960,258)	-	(879,765)	-
Loss on disposal of intangible assets (Note 21)	(616)	-	(6,478)	-
Impairment loss	(180,574)	-	(153,155)	-
Total nonoperating income and expenses	5,187,145	2	9,724,794	4

(Continued)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	19,700,673	9	21,417,729	9
INCOME TAX EXPENSE (Notes 4 and 29)	(5,014,304)	(2)	(4,409,757)	(2)
NET INCOME	14,686,369	7	17,007,972	7
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(1,522,352)	(1)	(160,418)	-
Gains on property revaluation	197,960	-	-	-
Share of the other comprehensive income (loss) of associates	(268,785)	-	488,081	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	256,999	-	53,973	-
	(1,336,178)	(1)	381,636	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(545,872)	-	2,159,079	1
Unrealized loss on available-for-sale financial assets	(369,099)	-	(531,745)	-
Cash flow hedges	91,448	-	(154,945)	-
Share of the other comprehensive income (loss) of associates	(2,470,528)	(1)	541,114	-
	(3,294,051)	(1)	2,013,503	1
Total other comprehensive income (loss), net	(4,630,229)	(2)	2,395,139	1
TOTAL COMPREHENSIVE INCOME	$ 10,056,140	5	$ 19,403,111	8
NET INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 8,034,691	4	$ 10,853,091	4
Non-controlling interests	6,651,678	3	6,154,881	3
	$ 14,686,369	7	$ 17,007,972	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 3,712,786	2	$ 12,866,915	5
Non-controlling interests	6,343,354	3	6,536,196	3
	$ 10,056,140	5	$ 19,403,111	8
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 30)				
Basic	$ 1.61		$ 2.17	
Diluted	$ 1.60		$ 2.16	

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to				
			Retained Earnings		
	Common Stock (Note 27)	Capital Surplus (Notes 4 and 27)	Legal Reserve (Note 27)	Special Reserve (Note 27)	Unappropriated Earnings (Note 27)
BALANCE AT JANUARY 1, 2014	$ 51,450,165	$ 4,681,042	$ 12,687,509	$ 105,911,942	$ 13,955,940
Effect of retrospective application and restatement	-	-	-	-	188,006
AS BALANCE AT JANUARY 1, 2014, AS RESTATED	51,450,165	4,681,042	12,687,509	105,911,942	14,143,946
Appropriation of the 2013 earnings					
Legal reserve	-	-	720,708	-	(720,708)
Cash dividends - NT$1.3 per share	-	-	-	-	(6,688,522)
Cash dividends distributed by subsidiaries	-	-	-	-	-
Stock dividends distributed from capital surplus - NT$0.2 per share	1,029,003	(1,029,003)	-	-	-
Net income for the year ended December 31, 2014	-	-	-	-	10,853,091
Other comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	(173,518)
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	10,679,573
Change in equity in associates	-	14,724	-	-	(3,141)
Disposal of investment in associates	-	-	-	-	(4,705)
Partial acquisition (disposal) of interests in subsidiaries	-	(789)	-	-	(22,737)
Decrease in non-controlling interests	-	-	-	-	-
Change in capital surplus from dividends distributed to subsidiaries	-	974	-	-	-
BALANCE AT DECEMBER 31, 2014	52,479,168	3,666,948	13,408,217	105,911,942	17,383,706
Appropriation of the 2014 earnings					
Legal reserve	-	-	1,103,342	-	(1,103,342)
Special reserve	-	-	-	4,348,583	(4,348,583)
Cash dividends - NT$1.2 per share	-	-	-	-	(6,297,500)
Cash dividends distributed by subsidiaries	-	-	-	-	-
Stock dividends distributed from capital surplus - NT$0.2 per share	1,049,583	(1,049,583)	-	-	-
Net income for the year ended December 31, 2015	-	-	-	-	8,034,691
Other comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	(1,481,533)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	6,553,158
Change in equity in associates	-	3,855	-	(10)	(12,214)
Effect on changes in percentage of ownership in associates	-	14,958	-	-	-
Disposal of investment in associates	-	-	-	-	(39)
Partial acquisition (disposal) of interests in subsidiaries	-	67,691	-	-	-
Effect on changes in percentage of ownership in subsidiaries	-	102,898	-	-	(7,762)
Increase in non-controlling interests	-	-	-	-	-
Change in capital surplus from dividends distributed to subsidiaries	-	916	-	-	-
Reversal of special reserve	-	-	-	(1,538,965)	1,538,965
BALANCE AT DECEMBER 31, 2015	$ 53,528,751	$ 2,807,683	$ 14,511,559	$ 108,721,550	$ 13,706,389

Owners of the Company							
Other Equity							
Exchange Differences on Translating Foreign Operations (Notes 4 and 27)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 27)	Cash Flow Hedges (Notes 4 and 27)	Gains on Property Revaluation (Note 27)	Treasury Shares (Note 27)	Total	Non-controlling Interests (Note 27)	Total Equity
$ 291,196	$ 4,472,732	$ (118,363)	$ 8,161	$ (25,063)	$ 193,315,261	$ 66,133,950	$ 259,449,211
-	-	-	-	-	188,006	-	188,006
291,196	4,472,732	(118,363)	8,161	(25,063)	193,503,267	66,133,950	259,637,217
-	-	-	-	-	-	-	-
-	-	-	-	-	(6,688,522)	-	(6,688,522)
-	-	-	-	-	-	(7,960,785)	(7,960,785)
-	-	-	-	-	-	-	-
-	-	-	-	-	10,853,091	6,154,881	17,007,972
2,580,664	(843,080)	(54,688)	504,446	-	2,013,824	381,315	2,395,139
2,580,664	(843,080)	(54,688)	504,446	-	12,866,915	6,536,196	19,403,111
-	-	-	-	-	11,583	110	11,693
-	-	-	-	-	(4,705)	1,850	(2,855)
-	-	-	-	-	(23,526)	56,063	32,537
-	-	-	-	-	-	(949,059)	(949,059)
-	-	-	-	-	974	-	974
2,871,860	3,629,652	(173,051)	512,607	(25,063)	199,665,986	63,818,325	263,484,311
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(6,297,500)	-	(6,297,500)
-	-	-	-	-	-	(7,933,930)	(7,933,930)
-	-	-	-	-	-	-	-
-	-	-	-	-	8,034,691	6,651,678	14,686,369
(597,177)	(2,509,725)	77,107	189,423	-	(4,321,905)	(308,324)	(4,630,229)
(597,177)	(2,509,725)	77,107	189,423	-	3,712,786	6,343,354	10,056,140
-	-	-	-	-	(8,369)	(43)	(8,412)
-	-	-	-	-	14,958	2	14,960
-	-	-	-	-	(39)	(39)	(78)
-	-	-	-	-	67,691	(183,230)	(115,539)
-	-	-	-	-	95,136	(19,716)	75,420
-	-	-	-	-	-	1,120,715	1,120,715
-	-	-	-	-	916	-	916
-	-	-	-	-	-	-	-
$ 2,274,683	$ 1,119,927	$ (95,944)	$ 702,030	$ (25,063)	$ 197,251,565	$ 63,145,438	$ 260,397,003

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31	
	2015	2014 (Restated)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,893,395	(660,155)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	25,985,419	26,645,574
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 40,878,814	$ 25,985,419

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

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

(Concluded)

1. GENERAL INFORMATION

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

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

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

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 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

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

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

1) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

On the initial application of IFRS 10, the Group measures and recognizes subsidiaries' assets, liabilities and non-controlling interests as if subsidiaries had been consolidated from the date when the Group obtained control over it and adjusts retrospectively the amounts on January 1, 2014. Any difference between the amounts recognized and the carrying amount under equity method is recognized as an adjustment to equity.

2) IFRS 11 "Joint Arrangements"

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

3) IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries and associates. In general, the disclosure requirements in IFRS 12 are more extensive, please refer to Notes 16 and 17 for related disclosures.

4) Revision to IAS 28 "Investments in Associates and Joint Ventures"

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

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

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

5) Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities"

The amendments to IFRS 10 define an investment entity and introduce an exception from the requirement to consolidate subsidiaries of an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. Before adopting the amendments, all subsidiaries should be consolidated by an investment entity.

Since the Company meets all the criteria of an investment entity, the subsidiaries are measured at fair value through profit or loss in the consolidated financial statements.

When the amendments are applied, the Company measures its investment in each subsidiary at fair value through profit or loss as if the amendments have always been effective. Any difference between the previous carrying amount of the subsidiary and its fair value is adjusted to equity on January 1, 2014.

6) IFRS 13 "Fair Value Measurement"

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 19 and 35 for related disclosures.

7) Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

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

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

8) Revision to IAS 19 "Employee Benefits"

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

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

In addition, revised IAS 19 changes the definition of short-term employee benefits. The revised definition is "employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service". The Group's unused annual leave, which can be carried forward within 24 months after the end of the annual period in which the employee renders service and which is currently classified as short-term employee benefits, is classified as other long-term employee

benefits under revised IAS 19. Related defined benefit obligation of such other long-term benefit is calculated using the Projected Unit Credit Method. However, this change does not affect unused annual leave to be presented as a current liability in the consolidated balance sheet.

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

The impact in the prior year is set out below:

	Carrying Amount	IAS 19 Adjustment	Adjusted Carrying Amount
Impact on assets, liabilities and equity			
December 31, 2014			
Net defined benefit liabilities - noncurrent	$ 2,814,439	$ (165,557)	$ 2,648,882
Unappropriated earnings	$ 17,218,149	$ 165,557	$ 17,383,706
January 1, 2014			
Net defined benefit liabilities - noncurrent	$ 2,781,776	$ (188,006)	$ 2,593,770
Unappropriated earnings	$ 13,955,940	$ 188,006	$ 14,143,946
Impact on total comprehensive income for the year ended December 31, 2014			
Operating cost	$(187,644,142)	$ (130,404)	$(187,774,546)
Operating expense	$ (35,989,788)	$ (49,926)	$ (36,039,714)
Net income	$ 17,188,302	$ (180,330)	$ 17,007,972
Remeasurement of defined benefit plans	$ (318,299)	$ 157,881	$ (160,418)
Other comprehensive income	$ 2,237,258	$ 157,881	$ 2,395,139
Total comprehensive income	$ 19,425,560	$ (22,449)	$ 19,403,111
Impact on net profit attributable to:			
Owners of the Company	$ 11,033,421	$ (180,330)	$ 10,853,091
Impact on total comprehensive income attributable to:			
Owners of the Company	$ 12,889,364	$ (22,449)	$ 12,866,915
Impact on earnings per share:			
For the year ended			
Basic	$ 2.20	$ (0.03)	$ 2.17
Diluted	$ 2.20	$ (0.04)	$ 2.16

9) Amendments to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"

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

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

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

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

11) Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"

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

12) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

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

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

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

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

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

The impairment of financial assets

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

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

Hedge accounting

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

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

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

3) IFRIC 21 "Levies"

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

4) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

5) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. Accordingly, a joint operator that is an acquirer of such an interest has to:

a) Measure most identifiable assets and liabilities at fair value;
b) Expense acquisition-related costs (other than debt or equity issuance costs);
c) Recognize deferred taxes;
d) Recognizing any goodwill or bargain purchase gain;
e) Perform impairment tests for the cash generating units to which goodwill has been allocated;
f) Disclose information required relevant for business combinations.

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

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

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

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

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

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

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

8) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations from January 1, 2017.

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

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

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

Under IFRS 15, the Group will allocate the transaction price to each performance obligation identified in 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.

The Group's performance does not create an asset with an alternative use to the Group.

For the manufacturing of customer-specific goods, if (1) the Group is restricted contractually from readily directing the asset created by the Group for another use or would incur significant costs to rework the asset to sell that asset to another customer, and (2) the customer would compensate the Group to recover the costs incurred plus a reasonable profit margin whenever the contract is terminated by the customer, under IFRS 15, the Group's performance obligation will be satisfied and revenue will be recognized over time. Under current standard, the Group accounts for such contract as sales of goods.

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.

When IFRS 15 is 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.

9) IAS 16 and IAS 41 "Agriculture: Bearer Plants"

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

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

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

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

11) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

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

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

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

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

13) IFRS 16 "Leases"

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

Under IFRS 16, if the 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.

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

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the 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 to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group's assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Except for the above impact, as of the date the 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. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over one year, the normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all

amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition.

See Note 16, Schedule M and Schedule N for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

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

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

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

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Group's foreign operations (including subsidiaries in other countries that use currency different from the currency of the Company) are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

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

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

g. Inventories

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

h. Investments in associates

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

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

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

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

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

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

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

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

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

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

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

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

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

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

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

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

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

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

m. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 35.

Investments in equity instruments under financial assets at fair value through profit or loss that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

ii. Held-to-maturity investments

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

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

iii. Available-for-sale financial assets

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

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

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iv. Loans and receivables

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

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

b) Impairment of financial assets

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

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

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

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

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

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

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

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

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

- Financial liabilities at fair value through profit or loss

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

  Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 35.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including forward exchange contracts, foreign exchange swap contracts, cross currency interest rate swap contract, interest rate swaps contracts and combined foreign exchange options.

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

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, as cash flow hedges.

1) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Group revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

p. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

1) Decommissioning, restoration and similar liabilities

The cost of an item of property, plant and equipment comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

2) Onerous contracts

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

3) Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Group's obligation by the management of the Group.

q. Revenue recognition

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

1) Sale of goods

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

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Revenue from selling of properties in the course of ordinary activities is recognized when the construction is completed and the properties are transferred to buyers. Until such revenue is recognized, deposits received from sales of properties and installment payments are carried in the consolidated balance sheets under current liabilities.

Where the Group enters into transactions which involve both the service of air time bundled with products, revenue for service and product are recognized based on the allocation of the total consideration received from customers using the relative fair values and the sales of product are limited to the amount that customers pay for.

Services revenue and sales of goods that result in award credits for customers, under the Group's award scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the services and inventories supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value, the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale transaction but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

2) Rendering of services

Service income including that from operating service provided under service concession arrangements is recognized when services are provided.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

a) Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;

b) Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold; and

c) Revenue from time and material contracts is recognized at the contractual rates as labor hours and direct expenses are incurred.

d) Usage revenues from fixed network service, cellular services and interconnection and call transfer fees from other telecommunications companies and carriers are billed in arrears and are recognized based upon minutes of traffic processed when the services are provided in accordance with contract terms.

Other revenues are recognized as follows: (a) monthly fees are accrued every month, and (b) prepaid and recharge services are recognized as income based upon actual usage by customers.

3) Handling service revenue

The handling service revenue is the service charge recognized as revenue as car owners pass electronic toll collection ETC points and recognizes the service charge as revenue on the basis of specified ETC rates. ETC collects the toll from car owners in advance and recognizes the ETC payments as receipts under custody, which will be remitted to the Taiwan Area National Freeway Bureau (TANFB). In addition, the toll payments received in advance from enterprise users are recognized as accounts receivable received in advance, which are remitted to TANFB on the basis of real usage at specified toll rates.

4) Dividend and interest income

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

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

r. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs. However, where reasonably reliable estimates cannot be made, the measurement of proportion of contract may not be made. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as receipts in advance. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under accounts receivable.

s. Leasing

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

1) The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Finance expenses implicit in lease payments for each period are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

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

Contingent rents are recognized as an expense in the period in which they are incurred.

3) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with their classification of lease. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

t. Borrowing costs

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

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

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

u. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

v. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

w. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in subsidiaries.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Impairment of tangible and intangible assets other than goodwill

For impairment test of assets, the Group evaluates and decides on certain asset's independent cash flows, useful lives of the assets and probable future profit or loss based on subjective judgment, asset usage model and telecommunications industry characteristics. Any change in national and local economic conditions or the Group's strategy may cause significant impairment loss.

b. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

c. Write-down of inventory

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

d. Income taxes

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

e. Estimated impairment of accounts receivable

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

f. Fair value measurements and valuation processes

Where Level 1 inputs are not available, the Group or engaged valuers would determine appropriate inputs by referring to the analyses of the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities/market prices or rates and specific features of derivatives/the existing lease contracts and rentals of similar properties in the vicinity of the Group's investment properties. If the actual changes of inputs in the future differ from expectation, fair value might vary accordingly. The Group updates inputs every quarter to confirm the appropriateness of fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Notes 19 and 35.

g. Useful lives of property, plant and equipment

As described in Note 4(i) property, plant and equipment, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

h. Impairment of investment in the associate

The Group immediately recognizes impairment loss on its net investment in the associate when there is any indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flow expected to be generated by the associate, including the assumptions about the growth rate of sale and capacity of production facilities estimated by the associate's management, etc. The Group also takes into consideration the market conditions and industry development to evaluate the appropriateness of assumptions.

i. Recognition and measurement of defined benefit plans

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

j. Construction contract

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of the contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentives are included in contract revenue to the extent that the amount can be measured reliably and its receipt is considered probable.

Estimated total contract costs and contracted items are assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profits from construction contracts. Refer to Note 14 for related disclosures

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Cash		
Cash on hand and petty cash	$ 41,248	$ 36,872
Demand and checking accounts	19,736,587	16,414,588
	19,777,835	16,451,460
Cash equivalents (investments with original maturities less than three months)		
Time deposits	8,708,385	6,308,925
Commercial paper and corporate bonds purchased under resell agreements	12,332,654	3,057,177
	21,041,039	9,366,102
Management discretionary accounts		
Demand accounts	59,940	167,857
	$ 40,878,814	$ 25,985,419

The Group's members individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT$59,940 thousand and NT$167,857 thousand as of December 31, 2015 and 2014, respectively.

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

	December 31	
	2015	2014
Time deposits	0.04%-4.45%	0.10%-4.48%
Commercial paper and corporate bonds purchased under resell agreements	0.37%-0.54%	0.46%-10.71%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
Financial assets held for trading		
Beneficial certificates	$ 3,333,494	$ 630,567
Marketable equity securities	543,829	374,567
Guarantee deposits cotton futures contracts	43,073	41,450
Guarantee deposits - PTA futures contracts	6,012	12,451
Cross-currency swap contracts	2,195	-
Combined foreign exchange options	1,009	40,085
Forward exchange contracts	68,283	24,996
	$ 3,997,895	$ 1,124,116
Current	$ 3,997,895	$ 1,124,116
Financial liabilities held for trading		
Combined foreign exchange options	$ -	$ 807
Current	$ -	$ 807

a. Cotton futures contracts

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

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

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices in one year ended December 31, 2015. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding PTA futures contracts as of December 31, 2015 and 2014.

c. Forward exchange contracts

The Group entered into forward exchange contracts for the years ended December 31, 2015 and 2014 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 December 31, 2015 and 2014, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
December 31, 2015			
Buy	USD/NTD	2016.01.04-2016.07.05	USD300,435/NTD9,849,453
Sell	EUR/USD	2016.02.25	EUR8,000/USD8,535
Buy	USD/JPY	2016.02.25	USD1,000/JPY122,970
Buy	USD/RMB	2016.02.25	USD6,000/RMB39,765
December 31, 2014			
Sell	EUR/USD	2015.03.27-2015.05.28	EUR9,000/USD11,121
Buy	USD/JPY	2015.03.05-2015.04.28	USD5,000/JPY592,722
Buy	USD/NTD	2015.01.05-2015.03.27	USD39,200/NTD1,226,708

d. Option contracts

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

As of December 31, 2015 and 2014, the Group had no outstanding option contracts.

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the years ended December 31, 2015 and 2014 to hedge against the exchange risks on foreign currency assets or liabilities.

As of December 31, 2015 and 2014, the Group had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
December 31, 2015			
Sell EUR call options	EUR/USD	2016.01.05-2016.04.21	EUR83,400/USD92,995
Buy EUR put options	EUR/USD	2016.01.05-2016.04.21	EUR27,800/USD30,998
Sell USD put options	USD/JPY	2016.01.27-2016.04.28	USD104,100/JPY12,406,731
Buy USD call options	USD/JPY	2016.01.27-2016.04.28	USD34,700/JPY4,135,577
December 31, 2014			
Sell EUR call options	EUR/USD	2015.01.27-2015.03.27	EUR76,650/USD98,139
Buy EUR put options	EUR/USD	2015.01.27-2015.03.27	EUR25,550/USD32,713
Sell EUR put options	EUR/USD	2015.01.02-2015.01.23	EUR800/USD999
Buy EUR call options	EUR/USD	2015.01.02-2015.01.23	EUR200/USD250
Sell USD put options	USD/JPY	2015.01.28-2015.04.01	USD91,500/JPY10,146,776
Buy USD call options	USD/JPY	2015.01.28-2015.04.01	USD30,500/JPY3,382,259

f. Cross-currency swap contracts

The Group entered into cross-currency swap contracts for the year ended December 31, 2015 to hedge against the exchange risks on foreign currency assets or liabilities.

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

Currency	Range of Interest Rates	Maturity Date	Contract Amount (Thousands)
December 31, 2015			
USD/RMB	3.55%-3.70%	2016.11.24-2016.11.29	USD26,004/RMB170,000

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Equity investments		
Marketable equity securities	$ 4,433,684	$ 4,620,397
Open-end mutual funds - beneficial certificates	-	111,100
Oversea mutual funds - beneficial certificates	665,295	701,421
Oversea shares	115,317	214,801
Available-for-sale financial assets	$ 5,214,296	$ 5,647,719
Current	$ 727,557	$ 929,101
Non-current	4,486,739	4,718,618
	$ 5,214,296	$ 5,647,719

9. HELD-TO-MATURITY FINANCIAL ASSETS

In September 2009, an FENC subsidiary, Far EasTone, bought five-year corporate bonds of ACC for NT$199,540 thousand (par value of NT$200,000 thousand), with the effective interest rate of 2.004% and coupon interest rate of 1.95%. The interest is payable on September 22 annually. The Group had no outstanding held-to-maturity financial assets as of December 31, 2014.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2015	2014
Derivative financial assets under hedge accounting		
Cash flow hedges - cross currency swaps	$ 3,790	$ -
Cash flow hedges - forward exchange contracts	2,225	-
	$ 6,015	$ -
Current	$ 6,015	$ -
Derivative financial liabilities under hedge accounting		
Cash flow hedges - forward exchange contracts	$ 3,916	$ -
Cash flow hedges - cross currency swaps	1,775	3,150
Cash flow hedges - foreign exchange swap contracts	5,325	11,800
Cash flow hedges - interest rate swaps	338,020	535,837
	$ 349,036	$ 550,787
Current	$ 11,016	$ 14,950
Non-current	338,020	535,837
	$ 349,036	$ 550,787

Cash Flow Hedges

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

The contracts on cross-currency swap, foreign exchange swap and forward exchange contracts were in accordance with the contracts on the hedged items. The outstanding cross-currency swap, forward exchange swap contracts and forward exchange contracts of the Group at the end of the reporting period were as follows:

December 31, 2015

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2016.01.25-2016.06.27	EUR18,500
Cross currency swaps	USD/NTD	2016.01.15	USD5,000
Foreign exchange swap contracts	USD/NTD	2016.01.15-2016.02.26	USD20,000

December 31, 2014

	Currency	Maturity Date	Contract Amount (Thousands)
Cross currency swaps	USD/NTD	2015.01.30	USD5,000
Foreign exchange swap contracts	USD/NTD	2015.02.17-2015.03.12	USD15,000

The Group invested in overseas mutual funds and used cross-currency swap contracts and foreign exchange swap contracts to hedge against adverse cash flow fluctuations, and the foreign exchange agreements were designated as cash flow hedge. Far EasTone 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 in 2015 and 2014 were as follows:

	For the Year Ended December 31	
	2015	2014
Net gain (loss) on sales of securities	$ (40,608)	$ 3,825

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
NTD2,066,139	2021.02.10	0%-4.8%	90d CP+1.10% (Note)
NTD3,294,000	2025.11.10	0%-4.8%	0.60%-4.90%

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

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

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

	For the Year Ended December 31	
	2015	2014
Interest expense credits	$ 105,085	$ 41,922

11. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2015	2014
Domestic unlisted common shares	$ 884,478	$ 886,533
Overseas unlisted common shares	254,148	177,671
Convertible bonds-conversion rights (Note 12)	-	6,948
	$ 1,138,626	$ 1,071,152
Non-current	$ 1,138,626	$ 1,071,152

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

12. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2015	2014
Bond investments - Bockhold N.V.	$ -	$ 220,074
Time deposits with original maturities more than 3 months	3,350,990	4,077,160
	$ 3,350,990	$ 4,297,234
Current	$ 3,350,990	$ 4,114,651
Non-current	-	182,583
	$ 3,350,990	$ 4,297,234

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd., bought convertible bonds amounting to EUR6,670 thousand issued by Bockhold N.V., with maturity on February 26, 2014. These three-year convertible bonds are payable semiannually, and the bonds can be converted proportionally to a total of 933 common shares of Bockhold N.V. The amount of the host debt contract was recognized as a bond investment with no active market, and the amount of the conversion rights of the convertible bonds was recognized under financial assets carried at cost (Note 11). As of September 30, 2015, all of investment amount had been redeemed.

The market interest rates of the time deposits with original maturity more than 3 months were 0.34%-1.425% and 0.168%-3.50% per annum respectively as of December 31, 2015 and 2014.

13. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2015	2014
Notes and accounts receivable	$ 24,623,020	$ 28,966,370
Less: Allowance for doubtful accounts	(1,252,514)	(1,246,348)
	$ 23,370,506	$ 27,720,022

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:

	December 31	
	2015	**2014**
1-90 days	$ 20,836,205	$ 26,735,704
91-180 days	2,175,993	804,162
181-365 days	233,885	43,878
More than 365 days	124,423	136,278
	$ 23,370,506	$ 27,720,022

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, 2015	$ 7,957	$ 1,238,391	$ 1,246,348
Add: Accounts recovered during the period	-	316,361	316,361
Add: Impairment losses/bad debts	6,902	261,211	268,113
Deduct: Amounts written off during the period as uncollectible	(3,313)	(574,810)	(578,123)
Effect of exchange rate differences	-	(185)	(185)
Balance at December 31, 2015	$ 11,546	$ 1,240,968	$ 1,252,514
Balance at January 1, 2014	$ 17,341	$ 1,108,328	$ 1,125,669
Add: Accounts recovered during the period	-	281,200	281,200
Add: Impairment losses/bad debts	3,313	280,549	283,862
Deduct: Amounts written off during the period as uncollectible	(12,697)	(434,147)	(446,844)
Effect of exchange rate differences	-	2,461	2,461
Balance at December 31, 2014	$ 7,957	$ 1,238,391	$ 1,246,348

Sale of overdue accounts receivable

Under agreements on sales of accounts receivable signed during the years ended December 31, 2015 and 2014, the Group sold to asset management companies the overdue accounts receivable that had been written off. Thus, as of December 31, 2015 and 2014, the Group was not under the risk of irrecoverable receivables.

Related information as of December 31, 2015 and 2014 as follows:

	Amounts of Accounts Receivable Sold	Proceeds of the Sale of Accounts Receivable
2015		
Long Sun Asset Management Co., Ltd.	$ 1,405,347	$ 74,077
2014		
E-Hao Management Consultant Co., Ltd.	$ 675,168	$ 35,238

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

	December 31	
	2015	2014
Amount due from customers for construction contracts		
Construction costs incurred plus recognized profits less recognized losses to date	$ 9,249,482	$ 11,212,107
Less: Progress billings	8,275,594	8,925,196
Amount due from customers for construction contracts	$ 973,888	$ 2,286,911
Amount due to customers for construction contracts		
Progress billings	$ 4,713,550	$ 2,541,337
Less: Construction costs incurred plus recognized profits less recognized losses to date	4,592,854	2,430,743
Amount due to customers for construction contracts	$ 120,696	$ 110,594
Retentions receivable	$ 135,724	$ 100,978
Retentions payable	$ 417,017	$ 356,256

Certain amounts due from (to) customers for construction contracts are accounted for as retentions receivable on construction contracts. Retentions receivable on construction contracts bear no interest and are expected to remain as receivables 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.

15. INVENTORIES

	December 31	
	2015	2014
Merchandise inventories	$ 5,546,239	$ 4,165,565
Finished goods	5,072,879	4,974,502
Work in progress	2,864,209	2,662,558
Raw materials	5,504,795	6,238,013
Supplies	850,393	809,452
Available-for-sale - buildings and land	4,019,173	995,149
Available-for-construction - land	700,887	700,887
Construction-in-progress - buildings and land	-	1,459,429
	$ 24,558,575	$ 22,005,555

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was $132,139,162 thousand and $150,893,808 thousand, respectively.

The cost of goods sold included reversal of inventory write-downs of $165,433 thousand for the year ended December 31, 2015. Previous write-downs were reversed as a result of increased selling prices in certain markets. And for the year ended December 31, 2014 included inventory write-downs of $330,637 thousand

16. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2015	Proportion of Ownership December 31 2014
Far Eastern New Century Corporation	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29
	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70
	Far Eastern Resources Development Co., Ltd.	Real estate leasing and development service	100.00	100.00
	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00
	Far Eastern Polychem Industries Ltd. (FEPI)	Investment	100.00	100.00
	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76
	Far Eastern Investment (Holding) Ltd.	Investment	100.00	100.00
	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00
	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00
	Yuan Ding Company Ltd.	Real estate construction and selling	49.99	49.99
	Far Eastern Construction Co., Ltd.	Real estate construction and selling	65.11	65.11
	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	An Ho Garment Co., Ltd.	Investment	100.00	100.00
	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00
	Fu Kwok Garment Manufacturing Co., Ltd.	Garment production	99.99	99.99
	Far Eastern Textile Ltd.	Textile production	100.00	100.00
	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33
	Yuan Hsin Digital Payment Co., Ltd.	Other financing and supporting services	65.01	65.01
	Malaysia Garment Manufactures Pte. Ltd. (Note 8)	Clothing production and investment	50.92	-
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd. (OTTI)	Investment	100.00	100.00
	Far Eastern Apparel (Holding) Ltd. (FEAH)	Sale of textile, garments, and clothing	100.00	100.00
	Far Eastern Fibertech Co., Ltd.	Nylon production	100.00	100.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2015	Proportion of Ownership December 31 2014
	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00
	Oriental Resources Development Ltd.	Waste recycling and processing	70.00	70.00
	Yuan Faun Ltd.	PET bottle production and selling	100.00	100.00
Far Eastern Investment (Holding) Ltd. (FEIH)	FETG Investment Autilles N.V.	Investment	100.00	100.00
	PET Far Eastern (M) Sdn. Bhd. (Note 12)	Bottle production	100.00	50.00
	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	Worldwide Polychem (HK) Ltd. (WWPI)	Petrochemical, PET and apparel productions foreign trade	100.00	100.00
	Far Eastern Polytex (Vietnam) Ltd. (Note 6)	Chemical fiber and textile production	100.00	-
	Far Eastern New Apparel (Vietnam) Ltd. (Note 7)	Clothing production	100.00	-
	Magna View Sdn. Bhd. (Note 12)	Investment	100.00	-
Far Eastern Polychem Industries Ltd. (FEPI)	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00
	Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	100.00	100.00
	Far Eastern Ishizuka Green Pet Corporation (FIGP)	PET production and sale	85.15	80.00
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Construction	99.95	99.95
Far Eastern Apparel (Holding) Ltd. (FEAH)	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Dyeing and finishing	100.00	100.00
FETG Investment Antilles N.V.	Waldorf Services B.V.	Investment	100.00	100.00
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Personnel recruitment	55.19	55.19
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Investment	90.88	93.55
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	Garment production	100.00	100.00
	Suqian Far Eastern Apparel Co., Ltd. (Note 3)	Garment production and accessories	-	-
PET Far Eastern (Holding) Ltd. (PETH)	Oriental Petrochemical (Shanghai) Corp.	PTA production and sale	61.35	61.35
	Far Eastern Union Petrochemical (Yangzhou) Corporation (Note 4)	MEG and its by-product sale	-	-
Oriental Textile (Holding) Ltd. (OTTI)	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00
	Oriental Industries (Suzhou) Ltd.	Textile production	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	Far Eastern Industries (Suzhou) Ltd.	Garment production	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Garment production and sale	100.00	100.00
	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00
	Far Eastern New Century (China) Investment Ltd.	Investment	100.00	100.00
Far Eastern New Century (China) Investment Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	100.00	100.00
	Yuan Ding Enterprise (Shanghai) Ltd.	Software development	100.00	100.00
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	Brewer	100.00	100.00
	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	100.00	100.00
Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	Hotel	80.99	80.99
	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00
	Far Eastern Technical Consultants Co, Ltd.	Real estate development business consulting and management	100.00	100.00
	FET Consulting Engineers Co., Ltd.	Investment	100.00	100.00
	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00
	Far Eastern Electronic Commerce Co., Ltd.	Electronic information providing services	73.42	73.42
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2015	Proportion of Ownership December 31 2014
YDT Technology International Co., Ltd.	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00
YDC (Virgin Islands) Ltd.	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan (Note 8)	Clothing Production	99.00	-
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00
	ARCOA Communication Co., Ltd.	Type II telecommunications services, sale of communications products and office equipment	61.63	61.63
	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99
	Yuan Cing Co., Ltd.	Call center services	99.99	99.99
	E. World (Holdings) Ltd. (Note 9)	Investment	-	85.92
	Far EasTron Holding Ltd. (Note 10)	Investment	-	100.00
	Far Eastern Info Service Holding Ltd. (FEIS)	Investment	100.00	100.00
	O-music Co., Ltd.	Electronic information providing services	50.00	50.00
	Q-Ware Communication Co., Ltd.	Type II telecommunications services	81.46	81.46
	Hiiir Co., Ltd.	Electronic information providing services	89.54	89.54
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Investment	100.00	100.00
	Information Security Service Digital United Co., Ltd.	Security and monitoring service via Internet	100.00	100.00
	Digital United (Cayman) Ltd.	Investment	100.00	100.00
	Simple InfoComm Co., Ltd. (Note 11)	Type II telecommunications	-	100.00
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Design and research of computer system	100.00	100.00
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00
	Far Eastern New Diligent Co., Ltd.	Electronic toll collection service	100.00	100.00
	New Diligent (Hong Kong) Co., Ltd. (Note 5)	Investment	-	-
Far Eastern New Diligent Co., Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00
	Far Eastern New Century Information Technology (Beijing) Ltd.	Software development, equipment maintenance and consulting	79.04	79.04
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Sale of communications products	100.00	100.00
	Home Master Technology Co., Ltd.	Sale of communications products	100.00	99.99
	Jing Yuan Technology Co., Ltd. (Note 2)	Data Processing services	-	-

(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 served by the Group. Thus, Far EasTone were included in a subsidiaries in the consolidated financial statement.

Note 2: A subsidiary was dissolved on January 28, 2014.

Note 3: A subsidiary was liquidated as of May 2014.

Note 4: The Group lost control over the subsidiaries by re-electing the board of directors as of March 31, 2014.

Note 5: Establishment completed on December 4, 2014, but the investment amount had not been remitted to the investee as of December 31, 2015

Note 6: The investment amount US$5,300 thousand was fully paid as of July 2, 2015.

Note 7: The investment amount US$900 thousand was fully paid as of August 19, 2015.

Note 8: The Group acquired control of it on September 30, 2015 (Note 31).

Note 9: A subsidiary was liquidated and dissolved on November 4, 2015.

Note 10: A subsidiary was liquidated and dissolved on November 6, 2015.

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Note 11: A subsidiary was dissolved on December 19, 2015.

Note 12: On December 30, 2015, the Group acquired 100% equity interest in Magna View Sdn. Bhd., and indirectly acquired 50% equity interest in PET Far Eastern (M) Sdn. Bhd.

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2015	2014	2015	2014
Subsidiaries				
Far EasTone	$ 7,136,378	$ 7,168,796	$ 45,125,949	$ 45,697,926

	December 31	
	2015	2014
Current assets	$ 34,299,373	$ 20,806,012
Non-current assets	102,581,798	102,902,175
Current liabilities	(21,683,305)	(22,675,815)
Non-current liabilities	(42,538,970)	(27,479,371)
Equity	$ 72,658,896	$ 73,553,001
Equity attributable to:		
Owners of the Group	$ 27,532,947	$ 27,855,075
Non-controlling interests of Far EasTone	44,373,418	44,892,575
Non-controlling interests of Far EasTone's subsidiaries	752,531	805,351
	$ 72,658,896	$ 73,553,001

	For the Year Ended December 31	
	2015	2014
Revenue	$ 97,293,218	$ 94,175,600
Net income for the period	$ 11,534,251	$ 11,565,631
Other comprehensive income for the period	(45,367)	12,734
Total comprehensive income for the period	$ 11,488,884	$ 11,578,365

(Continued)

	For the Year Ended December 31	
	2015	2014
Net income attributable to:		
Owners of the Group	$ 4,397,873	$ 4,396,835
Non-controlling interests of Far EasTone	7,087,822	7,086,150
Non-controlling interests of Far EasTone's subsidiaries	48,556	82,646
	$ 11,534,251	$ 11,565,631
Total comprehensive income attributable to:		
Owners of the Group	$ 4,380,503	$ 4,401,673
Non-controlling interests of Far EasTone	7,059,829	7,093,946
Non-controlling interests of Far EasTone's subsidiaries	48,552	82,746
	$ 11,488,884	$ 11,578,365
Net cash flow from:		
Operating activities	$ 21,051,754	$ 25,584,888
Investing activities	(12,862,573)	(14,678,287)
Financing activities	3,953,006	(9,878,090)
Effect of exchange rate changes	(458)	3,362
Net cash inflow	$ 12,141,729	$ 1,031,873
Dividends paid to non-controlling interest		
Far EasTone	$ 7,543,336	$ 7,543,336
Far EasTone's subsidiaries	$ 85,107	$ 97,687

(Concluded)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31			
	2015		2014	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Material associates				
Listed companies				
Asia Cement Co., Ltd.	$ 22,549,382	26	$ 24,231,445	25
Associates that are not individually material				
Listed companies				
Far Eastern Department Stores Co., Ltd.	7,162,285	23	7,370,454	22
Oriental Union Chemical Co., Ltd.	6,449,105	33	6,597,024	31
Everest Textile Co., Ltd.	1,173,346	26	1,172,804	26
	14,784,736		15,140,282	

(Continued)

	December 31			
	2015		2014	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Unlisted companies				
Oriental Securities Co., Ltd.	$ 4,715,965	46	$ 4,995,787	46
Pacific Liu Tong Investment Co., Ltd.	4,044,553	40	4,201,060	40
Yu Yuan Investment Co., Ltd.	2,049,057	44	2,984,472	44
Far Eastern International Leasing Co., Ltd.	2,293,687	34	2,362,406	34
Far Eastern Union Petrochemical (Yangzhou) Corporation	1,728,099	50	1,974,612	50
Liquid Air Far East Co., Ltd.	1,874,991	35	1,600,555	35
Da Ju Fiber Co., Ltd.	1,490,394	42	1,193,637	42
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,043,410	50	1,048,327	50
Yu Ding Industry Co., Ltd.	604,941	31	617,990	31
Yuan Ding Leasing Co., Ltd.	416,261	46	428,360	46
Kowloon Cement Corp.	482,746	49	448,282	49
Freudenberg Far Eastern Spunweb Co., Ltd.	355,253	30	291,867	30
FEDS Asia Pacific Development Co., Ltd.	130,303	5	128,195	5
Yue Ming Trading Co., Ltd.	63,480	47	71,869	47
Malaysia Garment Manufactures Pte. Ltd.	-	-	65,794	38
Alliance Digital Technology Co., Ltd.	16,008	13	21,917	13
Com 2B Corporation	13,975	20	14,450	20
iScreen	-	-	16,526	40
Opas Fund Segregated Portfolio Company	1,710	34	1,646	34
	21,324,833		22,467,752	
	$ 58,658,951		$ 61,839,479	

(Concluded)

a. Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31 2015	Proportion of Ownership and Voting Rights December 31 2014
Asia Cement Co., Ltd.	Cement production	Taiwan	25.52%	25.37%

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

Name of Associate	December 31 2015	December 31 2014
Asia Cement Co., Ltd.	$ 23,510,215	$ 33,258,225

Summarized financial information in respect of each of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Asia Cement Co., Ltd.

	December 31	
	2015	2014
Current assets	$ 52,844,285	$ 70,558,875
Non-current assets	217,232,924	212,260,180
Current liabilities	(65,223,927)	(64,989,203)
Non-current liabilities	(49,999,090)	(56,102,626)
Non-controlling interests	(18,955,319)	(19,893,662)
	$ 135,898,873	$ 141,833,564
Proportion of the Group's ownership	25.52%	25.37%
Equity attributable to the Group	$ 34,681,392	$ 35,983,175
Cross shareholdings	(12,132,010)	(11,751,730)
Carrying amount	$ 22,549,382	$ 24,231,445

	For the Year Ended December 31	
	2015	2014
Operating revenue	$ 66,287,480	$ 77,683,281
Net income for the year	$ 4,934,483	$ 10,905,998
Other comprehensive income	(3,860,529)	4,827,293
Total comprehensive income for the year	$ 1,073,954	$ 15,733,291
Dividends received from Asia Cement Co., Ltd.	$ 1,876,913	$ 1,504,385

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	2014
The Group's share of:		
Net income for the year	$ 1,964,825	$ 2,524,868
Other comprehensive income	(2,020,803)	67,455
Total comprehensive income for the year	$ (55,978)	$ 2,592,323

On September 30, 2015, the Group acquired a 13% equity interest in Malaysia Garment Manufactures Pte. Ltd. (MG) for NT$171,115 thousand for organization restructuring, resulting in the Group's increasing its equity interest in MG to 50.92%. The Group thus included MG in its consolidated financial statements since the acquisition date (Note 31).

On March 31, 2014, the Group lost control over Far Eastern Union Petrochemical (Yangzhou) Corp. (FEUPY) due to the FEUPY's board members who represented the Group is less than 50% after a board of directors' election. The Group revalued its retained holding of FEUPY shares at fair value and recognized RMB3,912 thousand as gain on disposal of investment.

On February 26, 2014, the Group and Oriental Union Chemical Corp. co-establish Tong Da Air Industry (Yangzhou) Co., Ltd. and acquired a 50% ownership of the latter company.

For the years ended December 31, 2015 and 2014, investments in FEDS Asia Pacific Development Co., Ltd., Com2B Corporation and Alliance Digital Technology Co., Ltd. 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 shares.

The calculation of the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements, except for those of Alliance Digital Technology Co., Ltd. in 2015 and 2014. Management believes there would have been no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income had the financial statements of Alliance Digital Technology Co., Ltd. been audited.

18. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	December 31	
	2015	2014
Carrying amounts		
Property, plant and equipment	$ 148,141,804	$ 139,055,972
Prepayment for equipment	2,280,180	4,914,856
	$ 150,421,984	$ 143,970,828

	Land	Buildings	Machinery and Equipment	Telecommunications Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 2015	$ 17,327,539	$ 29,327,112	$ 116,998,189	$ 141,788,190	$ 14,008,541	$ 4,957,919	$ 18,898,657	$ 30,945,222	$ 374,251,369
Acquisitions through business combinations	1,112,035	465,055	-	-	-	-	1,109	-	1,578,199
Additions	15,079	649,397	900,932	91,587	35,175	42,687	1,390,549	20,776,656	23,902,062
Disposals	-	(292,548)	(2,159,423)	(21,966,435)	(408,137)	(490,606)	(1,493,818)	(1,274,729)	(28,085,696)
Reclassification	11,354	1,103,725	5,334,302	10,774,038	1,338,594	250,273	1,154,855	(20,383,340)	(416,199)
Effect of exchange rate difference	(1,297)	(140,780)	(1,009,595)	1	(144)	(15)	(49,851)	(128,825)	(1,330,506)
Balance at December 31, 2015	$ 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
Accumulated depreciation and impairment									
Balance at January 1, 2015	$ (96,557)	$ (13,088,831)	$ (79,700,476)	$ (109,278,453)	$ (11,286,648)	$ (3,446,256)	$ (13,383,320)	$ -	$ (230,280,541)
Acquisitions through business combinations	-	(207,434)	-	-	-	-	(496)	-	(207,930)
Disposals	-	288,190	2,152,244	21,079,499	406,901	391,263	440,961	-	24,759,058
Impairment loss	-	-	(102,000)	-	-	-	-	-	(102,000)
Depreciation expense	-	(752,992)	(4,058,173)	(6,634,255)	(1,149,610)	(414,426)	(1,300,684)	-	(14,310,140)
Reclassification	-	30,232	16,204	757	452	-	(19,201)	-	28,444
Effect of exchange rate differences	-	61,312	545,021	-	98	9	29,424	-	635,864
Balance at December 31, 2015	$ (96,557)	$ (13,669,523)	$ (81,147,180)	$ (94,832,452)	$ (12,028,807)	$ (3,469,410)	$ (14,233,316)	$ -	$ (219,477,245)
Cost									
Balance at January 1, 2014	$ 17,332,301	$ 28,168,340	$ 112,175,350	$ 144,771,595	$ 12,716,058	$ 4,631,998	$ 17,617,938	$ 23,268,152	$ 360,681,432
Additions	254	23,964	566,917	88,581	34,642	33,454	496,130	27,191,934	28,435,876
Disposals	(5,016)	(118,996)	(1,482,729)	(12,836,553)	(215,925)	(99,362)	(734,485)	(39,712)	(15,532,778)
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	(20,565)	(1,505,414)	(1,525,979)
Reclassification	-	952,619	4,269,227	9,764,566	1,473,275	391,829	1,441,765	(18,061,054)	232,227
Effect of exchange rate difference	-	301,485	1,469,424	1	491	-	97,874	91,316	1,960,591
Balance at December 31, 2014	$ 17,327,539	$ 29,327,112	$ 116,998,189	$ 141,788,190	$ 14,008,541	$ 4,957,919	$ 18,898,657	$ 30,945,222	$ 374,251,369
Accumulated depreciation and impairment									
Balance at January 1, 2014	$ (96,557)	$ (12,194,750)	$ (76,675,611)	$ (114,352,153)	$ (10,530,559)	$ (3,138,722)	$ (12,822,163)	$ -	$ (229,810,515)
Disposals	-	82,989	1,439,700	11,960,452	212,779	75,039	692,256	-	14,463,215
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	2,335	-	2,335
Impairment loss	-	-	(49,190)	-	-	-	-	-	(49,190)
Depreciation expense	-	(697,464)	(3,704,120)	(6,887,627)	(964,804)	(382,054)	(1,185,909)	-	(13,821,978)
Reclassification	-	(186,144)	(41,451)	875	(3,852)	(511)	(12,346)	-	(243,429)
Effect of exchange rate difference	-	(93,462)	(669,804)	-	(212)	(8)	(57,493)	-	(820,979)
Balance at December 31, 2014	$ (96,557)	$ (13,088,831)	$ (79,700,476)	$ (109,278,453)	$ (11,286,648)	$ (3,446,256)	$ (13,383,320)	$ -	$ (230,280,541)

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, operating and miscellaneous equipment	3-15 years

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

19. INVESTMENT PROPERTIES

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

	Completed Investment Properties
Balance at January 1, 2015	$ 119,663,209
Additions	441,540
Disposals	(2,040,303)
Reclassification	2,168,407
Recognized in profit (gain arising from the change in fair value of investment property)	3,959,748
Recognized in other comprehensive income (exchange differences on translating foreign operations)	(1,895)
Balance at December 31, 2015	$ 124,190,706
Balance at January 1, 2014	$ 113,458,525
Additions	11,803
Reclassification	(68,891)
Recognized in profit (gain arising from the change in fair value of investment property)	6,222,659
Recognized in other comprehensive income (exchange differences on translating foreign operations)	39,113
Balance at December 31, 2014	$ 119,663,209

The Group and Asia Cement Corporation (ACC) co-own a land located on Dunhua South Road in Taipei. Under an agreement, 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 Bangiao Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (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). Some floors that were later rented out to others were reclassified from inventories to investment properties at their fair value of NT$1,292,828 thousand, recognized valuation gain on investment properties amounting to NT$698,761 thousand (recognized as gain on change in fair value of investment properties), while other floors rented out to the Group were reclassified from inventories to property, plant and equipment amounting to NT$381,831 thousand.

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 value of investment properties were as follows:

	December 31	
	2015	**2014**
Independent valuation	$ 124,190,706	$ 119,663,209

The fair value of the investment properties as of December 31, 2015 and 2014, was based on the valuations carried out at Febraury 5, 2016 and January 30, 2015 by independent qualified professional valuators, 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.

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

	December 31	
	2015	**2014**
Expected future cash inflows	$ 59,373,009	$ 57,791,454
Expected future cash outflows	(2,035,051)	(1,952,832)
Expected future cash inflows, net	$ 57,337,958	$ 55,838,622
Discount rate	1.985%-2.31%	2.125%-2.28%

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 income generated for the years ended December 31, 2015 and 2014 were NT$1,069,057 thousand and NT$1,090,254 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, the interest income on rental deposits was extrapolated using 1.21%, the interest rate announced by the central bank for the one-year average deposit interest rate of five major banks, and the disposal value

was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

The Group's undeveloped land was 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:

	December 31	
	2015	2014
Estimated total sale price	$ 27,309,915	$ 27,051,660
Rate of return	15%	15%-18%
Overall capital interest rate	1.21%-1.52%	1.36%-1.56%

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.

20. GOODWILL

	For the Year Ended December 31	
	2015	2014
Cost		
Beginning balance	$ 11,930,443	$ 11,928,782
Impairment loss	(60,809)	-
Effect of foreign currency exchange differences	(4,119)	1,661
Balance at December 31	$ 11,865,515	$ 11,930,443

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.

The Group was divided into several identifiable cash-generating units that enhance the Group's operating effectiveness and integrate its telecommunications resources: The mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated network business.

As of December 31, 2015 and 2014, the carrying values of the tangible and intangible assets used by the Group were $97,723,651 thousand and $98,642,227 thousand, respectively. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2015 and 2014: Mobile telecommunications service business - 6.82% and 10.28%, respectively; telecommunications equipment business - 5.78% and 7.32%, respectively; integrated network business - 7.14% and 10.02%, WiFly business - 4.05% and 7.77%, respectively. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the projected advancement of the Group's own business. The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

a. Expected future growth rate of the telecommunications industry

   1) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, while the development trend of the market is taken into account.

   2) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenues of previous years, while the demands and changes of the market are taken into account.

   3) Business of selling cellular phone units: The anticipated selling cellular phone is based on the historical sales revenues and quantities of previous years, while the trend of the market is taken into account.

   4) WiFly business: The anticipated WiFly is based on present operating experience and the demand of WiFly, while the trend of the industry is taken into account.

   5) Integrated network business (INB): The anticipated INB is measured based on the actual effective customer base and service revenues of previous years, while the trend of the market is taken into account.

b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenues, while the possible influence of each revenue, cost and expense are taken into account.

21. CONCESSION AND OTHER INTANGIBLE ASSETS

	December 31	
	2015	**2014**
Carrying amounts		
Concession	$ 35,151,640	$ 37,314,277
Other intangible assets		
Computer software	2,811,278	2,602,855
Others	654,267	1,169,584
	3,465,545	3,772,439
	$ 38,617,185	$ 41,086,716

	Concession	Computer Software	Others	Total
Balance at January 1, 2015	$ 37,314,277	$ 2,602,855	$ 1,169,584	$ 41,086,716
Additions	239,820	921,579	72,042	1,233,441
Amortization	(2,400,863)	(804,403)	(542,780)	(3,748,046)
Disposals	(770)	-	(479)	(1,249)
Recognized impairment loss	-	-	(42,613)	(42,613)
Reclassifications	(824)	92,036	755	91,967
Effect of exchange rate differences	-	(789)	(2,242)	(3,031)
Balance at December 31, 2015	$ 35,151,640	$ 2,811,278	$ 654,267	$ 38,617,185
Balance at January 1, 2014	$ 37,734,135	$ 2,557,237	$ 1,626,885	$ 41,918,257
Additions	1,018,143	759,396	150,467	1,928,006
Amortization	(1,436,675)	(794,831)	(610,921)	(2,842,427)
Disposals	(1,326)	(5,164)	(1,055)	(7,545)
Derecognition of subsidiaries due to control loss	-	(4,563)	-	(4,563)
Reclassifications	-	87,898	1,251	89,149
Effect of exchange rate differences	-	2,882	2,957	5,839
Balance at December 31, 2014	$ 37,314,277	$ 2,602,855	$ 1,169,584	$ 41,086,716

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 years
Computer software	10 years
Others	16 years

22. BORROWINGS

a. Short-term borrowings

	December 31	
	2015	2014
Bank credit loans	$ 20,648,775	$ 23,365,794
Bank secured and pledged borrowings	446,000	283,036
Loans from related parties	3,592,852	3,989,830
	$ 24,687,627	$ 27,638,660

1) The interest rates for bank loans were 0.67% to 5.75% and 0.80% to 4.48% as of December 31, 2015 and 2014, respectively.

2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of December 31, 2015 and 2014.

b. Short-term bills payable

	December 31	
	2015	2014
Commercial paper	$ 6,604,000	$ 4,666,000
Less: Unamortized discount on bills payable	6,237	3,468
	$ 6,597,763	$ 4,662,532

The short-term bills payable outstanding were issued at interest rates of 0.59% to 1.44% and 0.80% to 1.40% as of December 31, 2015 and 2014, respectively.

c. Long-term borrowings

	December 31	
	2015	2014
Secured borrowings		
Bank loans	$ 2,640,000	$ 2,640,000
Unsecured borrowings		
Credit loan	56,012,344	52,679,572
Long-term commercial paper	19,500,000	9,500,000
Less: Unamortized discount on commercial paper	56,573	34,055
	75,455,771	62,145,517
	78,095,771	64,785,517
Less: Current portion	1,090,879	786,307
Long-term borrowings	$ 77,004,892	$ 63,999,210

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:

	December 31	
	2015	2014
Maturity	April 2017-April 2031	January 2016-April 2031
Bank interest rates	0.58%-2.09%	0.65%-2.09%

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$7,400,000 thousand on March 20, 2015. FECC pledged its land and construction pertaining to the Zhong Ben and Zhong Ben (2) (Mega Tower) project (Ban Qiao - New Section No. 8) and amounting to NT$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were as follows:

	Credit Line	Maturity Period	Interest Rate	Repayment
A	NT$ 2,000,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.4% then over 0.946%	No revolving credit but batch employed available within 5 years; No repayment in the first 5 years; quarterly repayments of NT$30,000 thousand quarterly from the sixth year and redemption of rest on maturity
B	NT$ 1,400,000 thousand	5 years after approve of the credit	Reference interest rate plus 0.6295% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity
C	NT$ 1,000,000 thousand	5 years after approve of the credit	Reference interest rate plus 0.6295% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity
D	NT$ 3,000,000 thousand	7 years after 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.
	NT$ 7,400,000 thousand			

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

In 2012, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (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, an FENC subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), entered into a syndicated loan agreement amounting to NT$6,420,000 thousand with Cathay United bank and three other financial institutions. The agreement terms are as follows:

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

Project	Credit	Fixed dial Date	Expected Repayment Period
Syndicated loan borrowings			
A	$ 2,906,000	2012.05.10	2014.11-2021.02
B	3,294,000	2012.05.10	2019.08-2025.11
C	220,000	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 37). 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.

23. BONDS PAYABLE

	December 31	
	2015	2014
Nonconvertible bonds	$ 84,381,500	$ 74,144,000
Discount of nonconvertible bonds	(96,980)	(90,393)
	84,284,520	74,053,607
Less: Current portion	20,921,484	13,341,588
	$ 63,363,036	$ 60,712,019

Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	December 31 2015 Outstanding Balance	December 31 2014 Outstanding Balance	Repayment
Company						
Unsecured bonds						
99-1	2010.05.27-2015.05.27	1.68	$ 5,500,000	$ -	$ 2,750,000	(Note 1)
99-2	2010.09.16-2015.09.16	1.59	6,000,000	-	3,000,000	(Note 1)
100-1	2011.05.27-2016.05.27	1.50	3,800,000	1,900,000	3,800,000	(Note 1)
100-2	2011.09.29-2016.09.29	1.55	2,200,000	1,100,000	2,200,000	(Note 1)
100-3	2012.02.15-2017.02.15	1.36	6,000,000	6,000,000	6,000,000	(Note 1)
101-1	2012.06.07-2017.06.07	1.35	3,200,000	3,200,000	3,200,000	(Note 1)
101-2	2012.11.26-2017.11.26	1.30	4,200,000	4,200,000	4,200,000	(Note 1)
102-1-A	2013.05.16-2016.05.16	2.95	RMB 500,000	2,507,000	2,558,000	(Note 2)
102-1-B	2013.05.16-2016.05.16	Benchmark rate (Libor)+1.10%	JPY 5,000,000	1,374,500	1,336,000	(Note 2)
102-2	2013.08.28-2017.02.28	1.39	3,000,000	3,000,000	3,000,000	(Note 2)
102-3	2013.12.23-2018.12.23	1.45	2,800,000	2,800,000	2,800,000	(Note 2)
103-1	2014.08.21-2019.08.21	1.47	3,200,000	3,200,000	3,200,000	(Note 1)
103-2	2014.12.04-2019.12.04	1.47	2,200,000	2,200,000	2,200,000	(Note 1)
103-3	2015.02.06-2020.02.06	1.38	2,600,000	2,600,000	-	(Note 1)
104-1	2015.05.25-2020.05.25	1.39	8,000,000	8,000,000	-	(Note 1)
104-2	2015.10.02-2020.10.02	1.28	5,200,000	5,200,000	-	(Note 1)
104-3	2015.11.16-2020.11.16	1.25	2,800,000	2,800,000	-	(Note 2)
Subsidiary Yuan Ding Co., Ltd.						
Unsecured bonds						
99-1	2010.07.19-2015.07.19	1.62	2,000,000	-	800,000	(Note 3)
100-1	2011.07.20-2016.07.20	1.50	3,000,000	1,200,000	2,100,000	(Note 3)
100-2	2011.12.15-2016.12.15	1.45	2,000,000	1,000,000	2,000,000	(Note 1)
101-1-A	2012.08.06-2015.08.06	1.25	1,900,000	-	1,900,000	(Note 2)
101-1-B	2012.08.06-2017.08.06	1.40	1,100,000	1,100,000	1,100,000	(Note 1)
102-1	2013.11.25-2016.11.25	1.35	3,000,000	3,000,000	3,000,000	(Note 2)
103-1	2014.05.26-2019.05.26	1.35	3,000,000	3,000,000	3,000,000	(Note 1)
104-1	2015.07.10-2020.07.10	1.43	3,000,000	3,000,000	-	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	2,000,000	-	(Note 1)
Subsidiary Far EasTone						
Unsecured bonds						
102-4	2013.06.27-2020.06.27	1.33	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	(Note 2)
102-5-B	2013.10.15-2018.10.15	1.58	4,000,000	4,000,000	4,000,000	(Note 2)
102-6-A	2013.12.24-2016.12.24	1.17	1,600,000	1,600,000	1,600,000	(Note 2)
102-6-B	2013.12.24-2017.12.24	1.27	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	(Note 2)
Total outstanding balance				$ 84,381,500	$ 74,144,000	

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.

24. PROVISIONS

	December 31	
	2015	2014
Dismantling obligation	$ 926,125	$ 870,515
Warranties	142,146	124,565
Onerous contracts	1,461	8,340
	$ 1,069,732	$ 1,003,420
Current	$ 258,638	$ 240,197
Non-current	811,094	763,223
	$ 1,069,732	$ 1,003,420

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2015	$ 870,515	$ 124,565	$ 8,340	$ 1,003,420
Additional provisions recognized	80,301	69,218	1,461	150,980
Reductions arising from payments	(24,691)	(48,637)	(8,340)	(81,668)
Reversing un-usage balances	-	(3,000)	-	(3,000)
Balance at December 31, 2015	$ 926,125	$ 142,146	$ 1,461	$ 1,069,732
Balance at January 1, 2014	$ 799,760	$ 87,260	$ 12,171	$ 899,191
Additional provisions recognized	84,001	99,749	8,340	192,090
Reductions arising from payments	(13,246)	(62,444)	(12,171)	(87,861)
Balance at December 31, 2014	$ 870,515	$ 124,565	$ 8,340	$ 1,003,420

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly wages and salaries. The subsidiaries which registered in mainland China made contributions at certain percentage of wages and salaries under local government's regulations.

The pension costs recognized in total comprehensive income under the defined contribution plan amounted to NT$856,585 thousand and NT$759,098 thousand for the years ended December 31, 2015 and 2014, respectively.

b. Defined benefit plans

The defined benefit plan adopted by the Company and its subsidiaries established in Republic of China in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31, 2015	December 31, 2014	January 1, 2014
Present value of defined benefit obligation	$ 8,839,678	$ 8,422,270	$ 8,215,720
Fair value of plan assets	(4,936,684)	(5,815,659)	(5,656,632)
Deficit	3,902,994	2,606,611	2,559,088
Recognized in net defined benefit asset	49,403	52,800	45,211
Net defined benefit liability (Note)	$ 3,952,397	$ 2,659,411	$ 2,604,299

Note: Yuan Cing Infocomm Tech Co. (YCIC) which had been dissolved due to the merger with Far Eastone conducted a tender offer to acquire the common shares of New Century InfoComm Tech Co., Ltd. (NCIC); therefore, the net defined benefit liability of NT$10,529 thousand each as of December 31, 2015, December 31, 2014 and January 1, 2014 have been written off in the consolidated financial statements.

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2015	$ 8,422,270	$ (5,815,659)	$ 2,606,611
Service cost			
Current service cost	89,396	-	89,396
Interest expense (income)	165,446	(118,489)	46,957
Recognized in profit or loss (Note)	254,842	(118,489)	136,353
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	985,248	985,248
Actuarial (gain) loss - changes in demographic assumptions	6,922	-	6,922

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Actuarial (gain) loss - changes in financial assumptions	$ 235,873	$ -	$ 235,873
Actuarial (gain) loss - experience adjustments	294,387	-	294,387
Recognized in other comprehensive income	537,182	985,248	1,522,430
Contributions from the employer	-	(314,215)	(314,215)
Benefits paid	(374,616)	326,431	(48,185)
Balance at December 31, 2015	$ 8,839,678	$ (4,936,684)	$ 3,902,994
Balance at January 1, 2014	$ 8,215,720	$ (5,656,632)	$ 2,559,088
Service cost			
Current service cost	117,511	-	117,511
Loss (gain) on settlements	840	-	840
Interest expense (income)	172,804	(120,059)	52,745
Recognized in profit or loss (Note)	291,155	(120,059)	171,096
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(24,275)	(24,275)
Actuarial (gain) loss - changes in demographic assumptions	8,263	-	8,263
Actuarial (gain) loss - changes in financial assumptions	134,376	-	134,376
Actuarial (gain) loss - experience adjustments	42,095	-	42,095
Recognized in other comprehensive income	184,734	(24,275)	160,459
Contributions from the employer	-	(282,626)	(282,626)
Benefits paid	(268,499)	267,093	(1,406)
Liabilities extinguished on settlement	(840)	840	-
Balance at December 31, 2014	$ 8,422,270	$ (5,815,659)	$ 2,606,611

(Concluded)

Note: In 2015, the Group transferred defined benefit costs NT$135 thousand to related parties. Pension costs capitalized to fixed assets were NT$4,850 thousand in 2015 and NT$4,745 thousand in 2014.

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is seperate to the above. This pension fund is invested in domestic listed companies' stocks and time deposits. It is exposed to the risks of changes in market price and interest rates.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31, 2015	December 31, 2014	January 1, 2014
Discount rate(s)	1.25%-2.00%	1.50%-2.25%	1.75%-2.25%
Expected rate(s) of salary increase	1.50%-4.00%	1.50%-4.00%	1.50%-4.00%

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

	December 31, 2015
Discount rate(s)	
0.50% increase	$ (1,045,828)
0.50% decrease	$ 1,106,962
Expected rate(s) of salary increase	
0.50% increase	$ 1,103,099
0.50% decrease	$ (1,046,720)

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

	December 31, 2015	December 31, 2014	January 1, 2014
The expected contributions to the plan for the next year	$ 370,107	$ 536,572	$ 421,624
The average duration of the defined benefit obligation	7.9-17.4 years	8-17.3 years	8-17.3 years

26. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of Far Eastern Construction Co., Ltd. (FECC), Far Eastern General Contractor Inc. (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:

	December 31, 2015		
	Within One Year	Over One Year	Total
Assets			
Notes and accounts receivable	$ 431,941	$ 285,370	$ 717,311
Inventories - construction and real estate	4,019,173	700,887	4,720,060
Amounts due from customers for construction contracts	90,542	883,346	973,888
Other financial assets - current	80,249	1,546,727	1,626,976
Refundable deposits - current	25,003	9,180	34,183
Liabilities			
Notes and accounts payable	1,919,971	407,525	2,327,496
Notes and accounts payable to related parties	97,249	-	97,249
Amounts due to customers for construction contracts	2,133	118,563	120,696
Provisions - current	-	53,620	53,620
Advance real estate receipts	4,308	-	4,308

	December 31, 2014		
	Within One Year	Over One Year	Total
Assets			
Notes and accounts receivable	$ 126,283	$ 174,481	$ 300,764
Inventories - construction and real estate	2,454,578	700,887	3,155,465
Amounts due from customers for construction contracts	1,195,314	1,091,597	2,286,911
Other financial assets - current	315,863	1,276,691	1,592,554
Refundable deposits - current	531	7,068	7,599
Liabilities			
Notes and accounts payable	1,461,336	356,256	1,817,592
Notes and accounts payable to related parties	193,195	-	193,195
Amounts due to customers for construction contracts	3,737	106,857	110,594
Provisions - current	-	53,445	53,445

27. EQUITY

a. Share capital

Common shares

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

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

b. Capital surplus

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

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

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

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

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

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on March 25, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 23, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 28. (c) Employee benefits expense.

Under Rule No. 1010012865 and Rule No. 1010047490 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. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed. Furthermore, Rule No. 1030006415 is followed.

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.

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 2014 and 2013 earnings were approved in the stockholders' meetings on June 26, 2015 and 2014, respectively. The appropriations and dividends per share were as follows:

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

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

The appropriations of earnings for 2015 had been proposed by the Company's board of directors on May 25, 2016. The appropriations and dividends per share were as follows:

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

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

d. Special reserves

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

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

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

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

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

e. Other equity items

The changes in other equity items were as follows:

	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Gains on Property Revaluation	Total
Balance at January 1, 2015	$ 2,871,860	$ 3,629,652	$ (173,051)	$ 512,607	$ 6,841,068
Exchange differences on translating foreign operations	(528,586)	-	-	-	(528,586)
Unrealized gain (loss) on available-for-sale financial assets	-	(296,466)	-	-	(296,466)
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	76,436	-	76,436
Gains on property revaluation	-	-	-	188,026	188,026
Share of the other comprehensive income (loss) of associates	(68,591)	(2,213,259)	671	1,397	(2,279,782)
Balance at December 31, 2015	$ 2,274,683	$ 1,119,927	$ (95,944)	$ 702,030	$ 4,000,696
Balance at January 1, 2014	$ 291,196	$ 4,472,732	$ (118,363)	$ 8,161	$ 4,653,726
Exchange differences on translating foreign operations	1,587,070	-	-	-	1,587,070
Unrealized gain (loss) on available-for-sale financial assets	-	(555,439)	-	-	(555,439)
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(54,885)	-	(54,885)
Share of the other comprehensive income (loss) of associates	993,594	(287,641)	197	504,446	1,210,596
Balance at December 31, 2014	$ 2,871,860	$ 3,629,652	$ (173,051)	$ 512,607	$ 6,841,068

f. Non-controlling interests

	For the Year Ended December 31	
	2015	2014
Beginning balance	$ 63,818,325	$ 66,133,950
Attributable to non-controlling interests:		
Share of net income	6,651,678	6,154,881
Cash dividends distributed by subsidiaries	(7,933,930)	(7,960,785)
Remeasurement on defined benefit plans	(52,098)	47,734
Exchange differences arising on translation of foreign operations	(17,249)	571,964

(Continued)

	For the Year Ended December 31	
	2015	2014
Unrealized gain (loss) on available-for-sale financial assets	$ (72,600)	$ 20,206
Gain (loss) on hedging instruments in cash flow hedges arising from fair value changes	15,012	(100,060)
Gains on property revaluation	9,934	-
Share of other comprehensive loss of associates accounted for using the equity method	(191,292)	(158,529)
Adjustment relating to changes in capital surplus of associates accounted for using the equity method	40	152
Adjustment relating to changes in special reserve of associates accounted for using the equity method	(1)	-
Adjustment relating to changes in unappropriated earnings of associates accounted for using the failing stake	(82)	(42)
Effect on changes in percentage of ownership in associates	2	-
Acquisition (disposal) of partial interests in associates	(70)	1,850
Acquisition (disposal) of partial interests in subsidiaries	(183,230)	56,063
Effect on changes in percentage of ownership in subsidiaries	(19,716)	-
Non-controlling interests arising from the new capital stock issued by subsidiaries	490,917	820,589
Acquisition of subsidiary (Note 31)	646,063	-
Non-controlling decreases arising from the losing control of subsidiaries	-	(1,769,648)
Remittance of cash due to the liquidation of subsidiary	(16,265)	-
Ending balance	$ 63,145,438	$ 63,818,325

(Concluded)

g. Treasury shares

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

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

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

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

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	For the Year Ended December 31	
	2015	2014
Capitalized interests on properties	$ 241,904	$ 213,198
Capitalization rates	1.07%-1.72%	1.07%-1.71%

b. Depreciation and amortization

	For the Year Ended December 31	
	2015	2014
Property, plant and equipment	$ 14,310,140	$ 13,821,978
Intangible assets	3,748,046	2,842,427
Long-term prepayments for lease	206,757	243,605
	$ 18,264,943	$ 16,908,010
An analysis of deprecation by function		
Operating costs	$ 12,610,981	$ 12,145,992
Operating expenses	1,581,585	1,579,562
Other expense	117,574	96,424
	$ 14,310,140	$ 13,821,978
An analysis of amortization by function		
Operating costs	$ 3,233,758	$ 2,027,198
Operating expenses	721,045	1,058,834
	$ 3,954,803	$ 3,086,032

c. Employee benefit expense

	For the Year Ended December 31	
	2015	2014
Post-employment benefits		
Defined contribution plans	$ 856,585	$ 759,098
Defined benefit plans	131,368	166,351
Other employee benefits	18,454,727	17,700,864
Total employee benefit expense	$ 19,442,680	$ 18,626,313
Analysis of employee benefit expense by function		
Operating costs	$ 9,367,054	$ 8,867,007
Operating expenses	10,075,626	9,759,306
	$ 19,442,680	$ 18,626,313

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

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

The Company accrued the bonuses to employees amounting to NT$270,860 and remunerations to directors and supervisors amounting to NT$203,145 for the year ended December 31, 2014.

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

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

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

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

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

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

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2015	2014
Current tax		
In respect of the current year	$ 2,282,698	$ 2,554,211
Adjustments for prior years	101,744	(53,861)
	2,384,442	2,500,350
Deferred tax	2,629,862	1,909,407
Income tax expense recognized in profit or loss	$ 5,014,304	$ 4,409,757

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

	For the Year Ended December 31	
	2015	2014
Profit before tax from continuing operations	$ 19,700,673	$ 21,417,729
Income tax expense calculated at the statutory rate (17%)	$ 3,349,114	$ 3,641,014
Adjustment items effect of income tax	(1,162,213)	(1,456,170)
Income tax on unappropriated earnings	4,544	4,565
Adjustments for prior years' tax	101,744	(53,861)
Effect of different tax rate of group entities operating in other jurisdictions	91,253	364,802
Current tax	2,384,442	2,500,350
Deferred tax	2,629,862	1,909,407
Income tax expense recognized in profit or loss	$ 5,014,304	$ 4,409,757

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
Deferred tax		
Current year		
Remeasurement on defined benefit plan	$ 256,999	$ 53,973

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Decrease due to disposal	Closing Balance
Deferred tax assets					
Investment credits	$ -	$ 3,372	$ -	$ -	$ 3,372
Allowance for doubtful accounts	373,677	(73,235)	-	-	300,442
Inventory write-off	111,290	(31,463)	-	-	79,827
Loss carryforwards	1,011,871	(43,041)	-	-	968,830
Defined benefit obligation	292,364	(234,173)	256,999	-	315,190
Impairment loss	257,512	(112,715)	-	-	144,797
Others	690,943	(186,255)	-	-	504,688
	$ 2,737,657	$ (677,510)	$ 256,999	$ -	$ 2,317,146
Deferred tax liabilities					
Share of profit of associates	$ 641,436	$ (93,236)	$ -	$ -	$ 548,200
Amortization of goodwill	1,210,232	134,470	-	-	1,344,702
Provision of land value incremental tax	12,592,782	1,682,034	-	(240,402)	14,034,414
Investment properties	521,706	108,228	-	-	629,934
Others	144,291	120,856	-	-	265,147
	$ 15,110,447	$ 1,952,352	$ -	$ (240,402)	$ 16,822,397

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Investment credits	$ 384	$ (384)	$ -	$ -
Allowance for doubtful accounts	292,007	81,670	-	373,677
Inventory write-off	70,237	41,053	-	111,290
Loss carryforwards	1,222,526	(210,655)	-	1,011,871
Defined benefit obligation	304,698	(66,307)	53,973	292,364
Impairment loss	234,220	23,292	-	257,512
Others	688,500	2,443	-	690,943
	$ 2,812,572	$ (128,888)	$ 53,973	$ 2,737,657
Deferred tax liabilities				
Share of profit of associates	$ 693,770	$ (52,334)	$ -	$ 641,436
Amortization of goodwill	1,075,762	134,470	-	1,210,232
Provision of land value incremental tax	11,129,817	1,462,965	-	12,592,782
Investment properties	406,300	115,406	-	521,706
Others	24,279	120,012	-	144,291
	$ 13,329,928	$ 1,780,519	$ -	$ 15,110,447

d. Items for which no deferred tax assets have been recognized

	December 31	
	2015	2014
Loss carryforwards	$ 19,394,249	$ 16,567,175
Expiry year	2016-2025	2016-2024
Investment credits		
Acquisition of initial share offering	$ 4,447	$ 22,695
Deductible temporary differences	$ 10,013,188	$ 8,295,553

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2015 comprised:

Unused Amount	Expiry Year
$ 24,463,906	2016-2025

f. Information about unused investment credits

As of December 31, 2015, investment tax credits comprised of:

Yuan Tong

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Acquisition of initial share offering	$ 4,447	2019

Far Eastern General Contractor Inc.

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Acquisition of initial share offering	$ 3,372	2019

g. Integrated income tax

	December 31	
	2015	2014
Unappropriated earnings		
Generated before January 1, 1998	$ 78,778	$ 98,793
Balance of imputation credits accounts (ICA)	$ 785,893	$ 922,151

	For the Year Ended December 31	
	2015 (Expected)	2014
Creditable ratio for distribution of earning	5.77%	9.85%

h. Income tax assessments

	Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared
Far Eastern New Century Corporation	2009
Far Eastern Resources Development Co.	2009
Far Eastern Fibertech Co., Ltd.	2013
Oriental Petrochemical (Taiwan) Co., Ltd.	2013
Yuan Tong Investment Co., Ltd.	2013
Ding Ding Integrated Marketing Service Co., Ltd.	2013
Ding Ding Hotel Co., Ltd.	2013
Fu Kwok Garment Manufacturing Co., Ltd.	2012
Far Eastern Apparel Co., Ltd.	2013
Yuan Cheng Human Resources Consultant Corp.	2013
Yuan Ding Investment Co., Ltd.	2013
Oriental Resources Development Ltd.	2014
Yuan Faun Co., Ltd.	2013
Kai Yuan International Investment Co., Ltd.	2013
Ding Yuan International Investment Co., Ltd.	2013
An Ho Garment Co., Ltd.	2013
Far Eastern Electronic Toll Collection Co., Ltd.	2013
Far Eastern Textile Co., Ltd.	2013
Far Eastern Construction Co., Ltd.	2013
Far Eastern General Contractor Inc.	2013
Yuan Ding Co., Ltd.	2013
FET Consulting Engineers Co., Ltd.	2013
Far Eastern Technical Consultants Co., Ltd.	2013
Far Eastern Electronic Commerce Co., Ltd.	2013
YDT Technology International Co., Ltd.	2013
Far EasTone Telecommunications Co., Ltd.	2013
New Century InfoComm Tech Co., Ltd.	2013
Arcoa Communication Co., Ltd.	2013
Simple InfoComm Co., Ltd.	2013
Q-Ware Communication Corp.	2013
Information Security Service Digital United Co., Ltd.	2013
Linkwell Tech. Co., Ltd.	2013
Data Express Infotech Co., Ltd.	2012
Yuan Cing Co., Ltd.	2013
O-music Co., Ltd.	2013
New Diligent Co., Ltd.	2013
KGEx.com Co., Ltd.	2013
Homet Master Technology Co., Ltd.	2013
Yuan Cing Co., Ltd.	2014
Hiiir Co., Ltd.	2014

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

Income tax returns through 2010, except for 2009, of KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2004 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

NCIC

NCIC disagreed with the tax authorities' assessment of its 2009 return and thus applied for reexamination. Nevertheless, NCIC accrued the related tax.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	**2014**
Basic earnings per share	$ 1.61	$ 2.17
Diluted earnings per share	$ 1.60	$ 2.16

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

Net Income for the Year

	For the Year Ended December 31	
	2015	**2014**
Net income for the period attributable to owners of the Company	$ 8,034,691	$ 10,853,091

Weighted Average Number of Common Shares Outstanding

Unit: In Thousand Shares

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

In calculating the weighted average number of share outstanding for consolidated EPS, the Group 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 Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus 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 weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for stock dividends.

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

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Equity Interests with Voting Rights/ Acquisition Percentage (%)	Consideration Transferred
Malaysia Garment Manufactures Pte. Ltd.	Garment production and investment	September 30, 2015	13.00	$ 171,115

On September 30, 2015, the Group acquired a 13% equity interest in Malaysia Garment Manufactures Pte. Ltd. (MG) for organization restructuring. With this acquisition, the Group's original equity interest of 37.92% in MG exceeded 50%. Thus, the Group began to include MGMP in the consolidated financial statements on September 30, 2015.

b. Considerations transferred

	Malaysia Garment Manufactures Pte. Ltd.
Cash	$ 171,115

c. Assets acquired and liabilities assumed at the date of acquisition

	Malaysia Garment Manufactures Pte. Ltd.
Current assets	
Cash and cash equivalents	$ 11,666
Accounts receivables	303
Prepayments	108
Other current assets	593
Noncurrent assets	
Property, plant and equipment	1,429,993
Other noncurrent assets	302
Current liabilities	
Short-term borrowings	(104,711)
Accounts payable	(13,039)
Other payable	(944)
Other noncurrent liabilities	(7,882)
Noncurrent liabilities	
Credit balance of investment accounted for using the equity method	(43)
	$ 1,316,346

d. Noncontrolling interests

The noncontrolling interest in Malaysia Garment Manufactures Pte. Ltd. was recognized at NT$646,063 thousand, the fair value of the interest at the acquisition date.

e. Net cash outflow on the acquisition of a subsidiary

	Year Ended December 31, 2015
Consideration paid in cash	$ 171,115
Less: Cash and cash equivalent balances acquired	(11,666)
	$ 159,449

f. Impact of acquisition on the results of the Group

The following operating results of the acquire since the acquisition date were included in the consolidated statements of comprehensive income:

	December 31, 2015
Revenue	
Malaysia Garment Manufactures Pte. Ltd.	$ -
Net income	
Malaysia Garment Manufactures Pte. Ltd.	$ (2,237)

Had this business combination been in effect at the beginning of the annual reporting period, the Group's pro forma consolidated revenue from Malaysia Garment Manufactures Pte. Ltd. would have been NT$217,948,202 thousand for the year ended December 31, 2015, and the pro forma consolidated profit from continuing operations would have been NT$14,702,391 thousand for the year ended December 31 2015. This pro forma information is for illustrative purposes only and is not necessarily an indication of the Group's revenue and results of operations had the acquisition been completed on January 1, 2015, nor is it intended to be a projection of future results.

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2015

The Group acquired additional equity interests in Far Eastern Ishizuka Green Pet Corporation, Sino Belgium (Holding) Ltd., DDIM (Virgin Islands) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc. and Magna View Sdn. Bhd.

	Far Eastern Ishizuka Green Pet Corporation	Sino Belgium (Holding) Ltd.	DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Magna View Sdn. Bhd.
Cash consideration received (paid)	$ (59,701)	$ (63,550)	$ -	$ -	$ (115,539)
The proportionate share of the carrying amount of the net assets of the subsidiary	55,952	59,537	37,408	149	183,230
Difference arising from equity transaction	$ (3,749)	$ (4,013)	$ 37,408	$ 149	$ 67,691
Line items adjusted for equity transaction					
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ -	$ -	$ -	$ -	$ 67,691
Capital surplus - changes in percentage of ownership interest in subsidiaries	$ -	$ -	$ 37,408	$ 149	$ -
Retained earnings	$ (3,749)	$ (4,013)	$ -	$ -	$ -

In August 2015, Sino Belgium (Holding) Ltd. ("Sino") issued new shares for cash, but the Group did not subscribe for these new shares. Thus, the consolidated ownership of Sino by the Company and its subsidiaries decreased from 93.72% to 90.88%.

	Sino Belgium (Holding) Ltd.
Cash consideration received (paid)	$ 75,420
The proportionate share of the carrying amount of the net assets of the subsidiary	(10,079)
Differences arising from equity transactions	$ 65,341
Line items adjusted for equity transactions	
Capital surplus - changes in percentage of ownership interest in subsidiaries	$ 65,341

For the year ended December 31, 2014

	Hiiir Co., Ltd.	PET Far Eastern (Holding) Ltd.	ARCOA Communication Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Sino Belgium (Holding) Ltd.
Cash consideration received (paid)	$ (457,260)	$ -	$ (10,767)	$ (780,120)	$ (317,650)
The proportionate share of the carrying amount of the net assets of the subsidiary	456,198	(35)	10,475	780,685	294,948
Difference arising from equity transaction	$ (1,062)	$ (35)	$ (292)	$ 565	$ (22,702)
Line items adjusted for equity transaction					
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ (1,062)	$ -	$ (292)	$ 565	$ -
Retained earnings	$ -	$ (35)	$ -	$ -	$ (22,702)

33. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Operating leases were main related to leases of building, cell sites and office space.

The future minimum lease payments for non-cancellable operating lease commitments were as follows:

	December 31	
	2015	2014
Up to 1 year	$ 3,684,769	$ 3,493,052
More than 1 year up to 5 years	6,968,830	6,181,599
Later than 5 years	1,149,250	1,326,541
	$ 11,802,849	$ 11,001,192

b. The Group as lessor

The operating lease were main related to lease of investment properties owned by the Group. The future minimum lease payments for noncancellable operating lease commitments were as follows:

	December 31	
	2015	2014
Up to 1 year	$ 538,746	$ 797,771
More than 1 year up to 5 years	1,657,723	2,544,406
Later than 5 years	2,358,556	1,912,682
	$ 4,555,025	$ 5,254,859

34. 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.

35. FINANCIAL INSTRUMENTS

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

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.

	December 31			
	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Financial liabilities measured at amortized cost				
Bonds payable	$ 84,284,520	$ 84,706,177	$ 74,053,607	$ 74,247,159

Fair value hierarchy as at December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 84,706,177	$ -	$ -	$ 84,706,177

Fair value hierarchy as at December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 74,247,159	$ -	$ -	$ 74,247,159

b. Fair value of financial instruments that are measured at fair value

1) Fair value hierarchy

December 31, 2015

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

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	$ 630,567	$ -	$ -	$ 630,567
Marketable equity securities	374,567	-	-	374,567
Guarantee deposits - cotton futures contracts	-	-	41,450	41,450

(Continued)

	Level 1	Level 2	Level 3	Total
Guarantee deposits - PTA futures contracts	$ -	$ -	$ 12,451	$ 12,451
Combined foreign exchange options	-	-	40,085	40,085
Forward exchange contracts	-	-	24,996	24,996
	$ 1,005,134	$ -	$ 118,982	$ 1,124,116
Available-for-sale financial assets				
Marketable equity securities	$ 4,620,397	$ -	$ -	$ 4,620,397
Mutual funds - beneficial certificates	111,100	701,421	-	812,521
Oversea equity securities	214,801	-	-	214,801
	$ 4,946,298	$ 701,421	$ -	$ 5,647,719
Financial liabilities at FVTPL				
Combined foreign exchange options	$ -	$ -	$ 807	$ 807
Hedging derivative financial liabilities				
Cross currency swaps	$ -	$ -	$ 3,150	$ 3,150
Forward exchange contracts	-	-	11,800	11,800
Interest rate swaps	-	-	535,837	535,837
	$ -	$ -	$ 550,787	$ 550,787

(Concluded)

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

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

For the year ended December 31, 2015

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2015	$ 118,175	$ (550,787)	$ (432,612)
Total gains or losses			
In profit or loss	2,397	64,477	66,874
In other comprehensive income	-	143,289	143,289
Balance at December 31, 2015	$ 120,572	$ (343,021)	$ (222,449)

December 31, 2014

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2014	$ 63,235	$ (416,838)	$ (353,603)
Total gains or losses			
In profit or loss	54,940	45,747	100,687
In other comprehensive income	-	(179,696)	(179,696)
Balance at December 31, 2014	$ 118,175	$ (550,787)	$ (432,612)

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

Financial Instruments	Valuation Techniques and Inputs
Oversea 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

Financial Instruments	Valuation Techniques and Inputs
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 swaps and interests rate 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, discounted at a 0% rate; the counterparties' high credit ratings and short contract terms indicate a low credit risk on counterparties.

c. Categories of financial instruments

	December 31	
	2015	2014
Financial assets		
FVTPL		
Held for trading	$ 3,997,895	$ 1,124,116
Derivative instruments in designated hedge accounting relationships	6,015	-
Loans and receivables (Note 1)	83,170,332	68,954,539
Available-for-sale financial assets (Note 2)	6,352,922	6,718,871
Financial liabilities		
FVTPL		
Held for trading	-	807
Derivative instruments in designated hedge accounting relationships	349,036	550,787
Amortized cost (Note 3)	229,139,543	204,645,872

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 carried 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.

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 nonoperating 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.

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 40.

Sensitivity analysis

The Group was mainly exposed to 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.

	December 31	
	2015	**2014**
5% change in profit or loss		
USD	$ (589,910)	$ 309,065

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:

	December 31	
	2015	**2014**
Fair value interest rate risk		
Financial assets	$ 33,333,704	$ 19,741,105
Financial liabilities	150,927,513	129,025,561
Cash flow interest rate risk		
Financial assets	12,913,827	12,333,670
Financial liabilities	43,087,204	42,650,591

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.

For the years ended December 31, 2015 and 2014, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased/increased by NT$83,126 thousand and NT$49,230 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased by NT$32,285 thousand and NT$30,834 thousand, respectively.

For the years ended December 31, 2015 and 2014, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased by NT$376,378 thousand and NT$321,760 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have increased by NT$107,718 thousand and NT$106,626 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 December 31, 2015 and 2014 would have decreased by NT$454,581 thousand and NT$332,643 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
December 31, 2015				
Long-term borrowings	$ 48,596,038	$ 12,013,572	$ 16,395,282	$ 77,004,892
Bonds payable	16,450,000	13,500,000	33,500,000	63,450,000
	$ 65,046,038	$ 25,513,572	$ 49,895,282	$ 140,454,892
December 31, 2014				
Long-term borrowings	$ 32,253,523	$ 16,784,033	$ 14,961,654	$ 63,999,210
Bonds payable	20,944,000	16,450,000	23,400,000	60,794,000
	$ 53,197,523	$ 33,234,033	$ 38,361,654	$ 124,793,210

36. TRANSACTIONS WITH RELATED PARTIES

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

37. 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.

	December 31	
	2015	2014
Other financial assets - current	$ 2,057,606	$ 1,815,650
Inventories - available-for-sale - buildings and land	1,401,999	-
Inventories - available-for-construction - land	693,157	693,157
Inventories - construction-in-progress - buildings and land	-	1,459,429
Property, plant and equipment, net	13,599,735	12,689,384
Investment properties	36,689,061	37,648,280

(Continued)

	December 31	
	2015	2014
Available-for-sale financial assets - current and noncurrent	$ 146,850	$ 157,500
Investment accounted for using the equity method	2,975,552	3,509,089
Concession	2,857,000	1,936,000
Other financial assets - noncurrent	2,697,969	2,995,948
	$ 63,118,929	$ 62,904,437

(Concluded)

As of December 31, 2015 and 2014, FENC and some of its subsidiaries had provided 122,094 thousand shares and 123,794 thousand shares, respectively, of the common shares of Far EasTone Telecommunications Co., Ltd. and both 16,500 thousand common shares of Yuan Ding, as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Issued but unused letters of credit aggregated approximately NT$1,022,874 thousand.

b. Of (a) unpaid building construction and equipment installation contracts (excluding an FENC subsidiary, Far EasTone Telecommunications Co., Ltd. and its subsidiaries) amounting to approximately NT$7,764,224 thousand, and (b) property, plant and equipment and cellular phone equipment (an FENC subsidiary, Far EasTone Telecommunications Co., Ltd. and its subsidiaries) acquired for NT$6,668,933 thousand and NT$13,372,760 thousand, respectively, NT$1,716,273 thousand and NT$8,264,134 thousand, respectively, had been paid.

c. There were undelivered cotton contracts amounting to NT$222,091 thousand and recognized payable onerous contracts (recognized as provisions) NT$1,461 thousand, as of December 31, 2015.

d. Construction project contracts already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT$26,466,265 thousand.

e. Eastern Electronic Toll Collection Co., Ltd. (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 Co., Ltd. (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT$3,598,241 thousand.

f. Endorsements and guarantees provided to the related parties are shown in Schedule E (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 Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of March 25, 2016, the lawsuit was pending before the Taipei High Court.

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 March 25, 2016, the result of the lawsuit was still being awaited.

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

i. A company subsidiary, FECC, and Far Eastern Department Store Co., Ltd. (FEDS) had jointly developed Ban Ciao Zhong Ben (Construction License Number: Year 2010 Letter Chang No. 00135) in line with the Directions for the Urban Land Development Application (the "Directions"). Under the Directions, for the joint developers to be entitled to larger floor area and have a building occupancy permit, they should complete the construction within four years after passing an urban design review. If this deadline is unmet, the joint developers should either donate the building or remit a certain amount to the New Taipei City Government (NTCG). Later, the NTCG claimed the construction was not completed on time, but the joint developers disagreed with the NTCG's claim. Thus, a dispute on this issue arose. Steps have been taken to settle this dispute, and while the settlement is being negotiated, FECC had placed in the Far Eastern International Bank a negotiable certificate of deposit amounting to NT$109,995 thousand as a pledge based on the NTCG's requirement. The Ministry of the Interior had dismissed the administrative appeal. FECC disagree the administrative appeal decision, and thus filed an administrative litigation with the Taipei High Administrative Court. As of March 25, 2016, the administrative litigation was pending before the Taipei High Administrative Court.

j. A company subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), has cooperated with government authorities to establish an electronic toll collection system based on the "Establishment and Operating Contract" with Taiwan Area National Freeway Bureau (TANFB). However, on the basis of the system usage rate and the manner of system implementation, TANFB claimed it had the right to penalize FETC for the latter's failing to achieve the requirements for the electronic toll collection (ETC) system stated in the contract. However, FETC disagreed with the bureau's interpretation of the contract terms and filed for arbitration with the Negotiation Committee. Nevertheless, both the FETC and TANFB did not agree with the Negotiation Committee's arbitration. FETC filed a lawsuit against TANFB. The contract terms were as follow:

   1) Usage rate

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

      TANFB commented that FETC failed to reach the 70% designated usage rate of ETC in the sixth year of the contract and thus violated the contract, for which FETC was liable for a penalty amounting to NT$427,500 thousand. Nevertheless, TANFB and ETC have reached a consensus to consider the implementation of the above improvement plan as making up for FETC's not meeting the 70% usage rate requirement; there was no reason for TANFB to penalize FETC. In addition, FETC exceeded the 65% usage rate stated in the "Establishment and Operating Contract" for the taximeter phase, the usage rate was markedly increased 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. As of March 19, 2015, this case was pending before the Tainan District Court and FETC has prepared the possible loss which was likely to be imposed.

2) Taximeter system infrastructure

TANFB stated FETC breached the contract when FETC was unable to complete the ETC driveway infrastructure by September 21, 2012 as required in the contract. But after FETC negotiated with TANFB through the Negotiation Committee, both the FETC and TANFB agreed to extend the construction period by four months until January 21, 2013. Thus, TANFB should reset the contract expiry date according to the agreement. However, TANFB has not reset the expiry date and set the date FETC had been informed of violation of contract on February 3, 2013 and obligated FETC to complete the ETC driveway infrastructure and taximeter system infrastructure by April 21, 2013. After FETC's conciliation with TANFB through the Negotiation Committee in July 2013, the Negotiation Committee suggested that TANFB recheck the construction results and determine if after four months after the original contract expiry date of September 21, 2012, FETC violated the contract. Nevertheless, TANFB did not agree with the Negotiation Committee's decision and filed a lawsuit against FETC and imposed a penalty of NT$142,500 thousand on FETC. As of December 31, 2015, FETC had completed the ETC highway infrastructure as TMSI required in the contract and accrued a penalty loss because the penalty was likely to be imposed.

k. In May 2015, an FENC subsidiary, Far EasTone applied to the Taipei District Court for a temporary injunction order against Taiwan Mobile 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. Under the preliminary injunction process, in July 2015, Far EasTone lodged $1,049,000 thousand in negotiable certificates (recognized as other financial assets - current) however TWM posted a bond of $927,000 thousand as part of its appeal of the preliminary injunction and request that the Court allow TWM to use the C1 spectrum. On September 11, 2015, the High Court rejected TWM's interlocutory appeal and upheld provisional injunction.

TWM no longer filed another appeal of the preliminary injunction. On July 28, 2015, Far EasTone filed a civil litigation against TWM, asking TWM to escheat the C4 spectrum immediately and declared that TWM should refrain from using the C1 spectrum even before escheating the C4 spectrum. At the same time, Far EasTone demanded a compensation of $1,005,800 thousand from TWM.

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

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

m. An FENC subsidiary, Far EasTone bid for a 4G wireless communication license for GSM2600 on December 7, 2015, with the getting price of $9,130,000 thousand. The deposit for bidding in the amount of $1,000,000 thousand (recognized as other non-current assets) was applied as partial payment of the bid price and the rest of the bid price was paid on January 4, 2016.

39. SUBSEQUENT EVENTS

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

40. EXCHANGE RATE OF FINANCIAL 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:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 549,405	32.88 (USD:NTD)	$ 18,064,436
USD	112,975	6.589 (USD:RMB)	3,714,618
USD	51,429	7.800 (USD:HKD)	1,690,986
USD	3,746	4.478 (USD:MYR)	123,168
			$ 23,593,208
Financial liabilities			
Monetary items			
USD	157,132	32.88 (USD:NTD)	$ 5,166,500
USD	191,217	6.589 (USD:RMB)	6,287,215
USD	7,630	7.800 (USD:HKD)	250,874
USD	2,750	4.478 (USD:MYR)	90,420
			$ 11,795,009

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 466,307	31.65 (USD:NTD)	$ 14,758,617
USD	199,154	6.215 (USD:RMB)	6,303,224
USD	130,553	7.800 (USD:HKD)	4,132,002
USD	8,158	3.641 (USD:MYR)	258,201
			$ 25,452,044
Financial liabilities			
Monetary items			
USD	257,061	31.65 (USD:NTD)	$ 8,135,981
USD	689,603	6.215 (USD:RMB)	21,825,935
USD	46,718	7.800 (USD:HKD)	1,478,625
USD	6,092	3.641 (USD:MYR)	192,812
			$ 31,633,353

For the years ended December 31, 2015 and 2014, (realized and unrealized) net foreign exchange losses (gains) were NT$(916,502) thousand and NT$632,174 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of functional currencies of the group entities.

41. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Schedule D (attached)

2) Endorsement/guarantee provided: Schedule E (attached)

3) Marketable securities held: Schedule F (attached)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital: Schedule G (attached)

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital: Schedule H (attached)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: Schedule I (attached)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule J (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule K (attached)

9) Trading in derivative instruments: Note 7

10) Intercompany relationships and significant intercompany transactions: Schedule L

11) Information on investees: Schedule M

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.: Schedule N and N-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: Schedules N (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.

42. SEGMENT 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. Thus, under IFRS 8 "Operating Segments," 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 expenses allocated in group headquarter, remuneration for directors, share of the profit or loss of associates, interest revenue, gain or loss on disposal of property, plant and equipment, investment properties and intangible assets, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance.

a. Segments revenues and results

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

	Segment Revenue For the Year Ended December 31		Segment Profit For the Year Ended December 31	
	2015	2014	2015	2014
Petrochemical business			$ (1,647,019)	$ (3,079,551)
Revenues generated from external customers	$ 17,113,429	$ 22,765,358		
Intersegment revenues	12,862,128	17,617,123		
	29,975,557	40,382,481		
Chemical fiber business			896,875	1,001,924
Revenues generated from external customers	59,735,118	70,702,994		
Intersegment revenues	741,307	897,797		
	60,476,425	71,600,791		
Textile business			672,603	697,417
Revenues generated from external customers	32,150,979	35,634,097		
Intersegment revenues	109,355	196,014		
	32,260,334	35,830,111		
Mobile services business			15,393,037	15,052,589
Revenues generated from external customers	97,067,215	93,936,218		
Intersegment revenues	226,003	239,382		
	97,293,218	94,175,600		
Real estate development			692,255	677,942
Revenues generated from external customers	6,401,964	6,286,296		
Intersegment revenues	241,650	219,590		
	6,643,614	6,505,886		
Investment and other			1,048,898	2,656,660
Revenues generated from external customers	$ 8,156,591	$ 11,000,999		
Intersegment revenues	626,657	676,288		
	8,783,248	11,677,287		
Adjustment and elimination	(14,532,416)	(19,684,067)	408,657	(332,596)
	$ 220,899,980	$ 240,488,089	17,465,306	16,674,385
Interest revenue			483,727	482,434
Exchange gain (loss)			(916,502)	632,174
Interest expense			(2,450,149)	(1,934,871)
Other revenue and income (other expenses and losses)			5,118,291	5,563,607
Profit before tax			$ 19,700,673	$ 21,417,729

Note: As of December 31, 2015 and 2014, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT$2,721,771 thousand and NT$4,293,787 thousand, respectively, and dividend income from associates, which amounted to NT$230,007 thousand and NT$687,663 thousand, respectively.

b. Segment total assets and liabilities

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

c. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and oversea.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2015	2014	2015	2014
Taiwan	$ 162,206,048	$ 174,737,410	$ 287,388,157	$ 279,630,180
China	33,240,514	39,092,913	41,668,721	41,130,706
Oversea	22,501,640	21,676,316	4,867,246	3,412,754
	$ 217,948,202	$ 235,506,639	$ 333,924,124	$ 324,173,640

Non-current assets exclude non-current assets classified as held for sale, financial instruments, investments accounted for using the equity method, deferred tax assets, net benefit assets, and guarantee deposits.

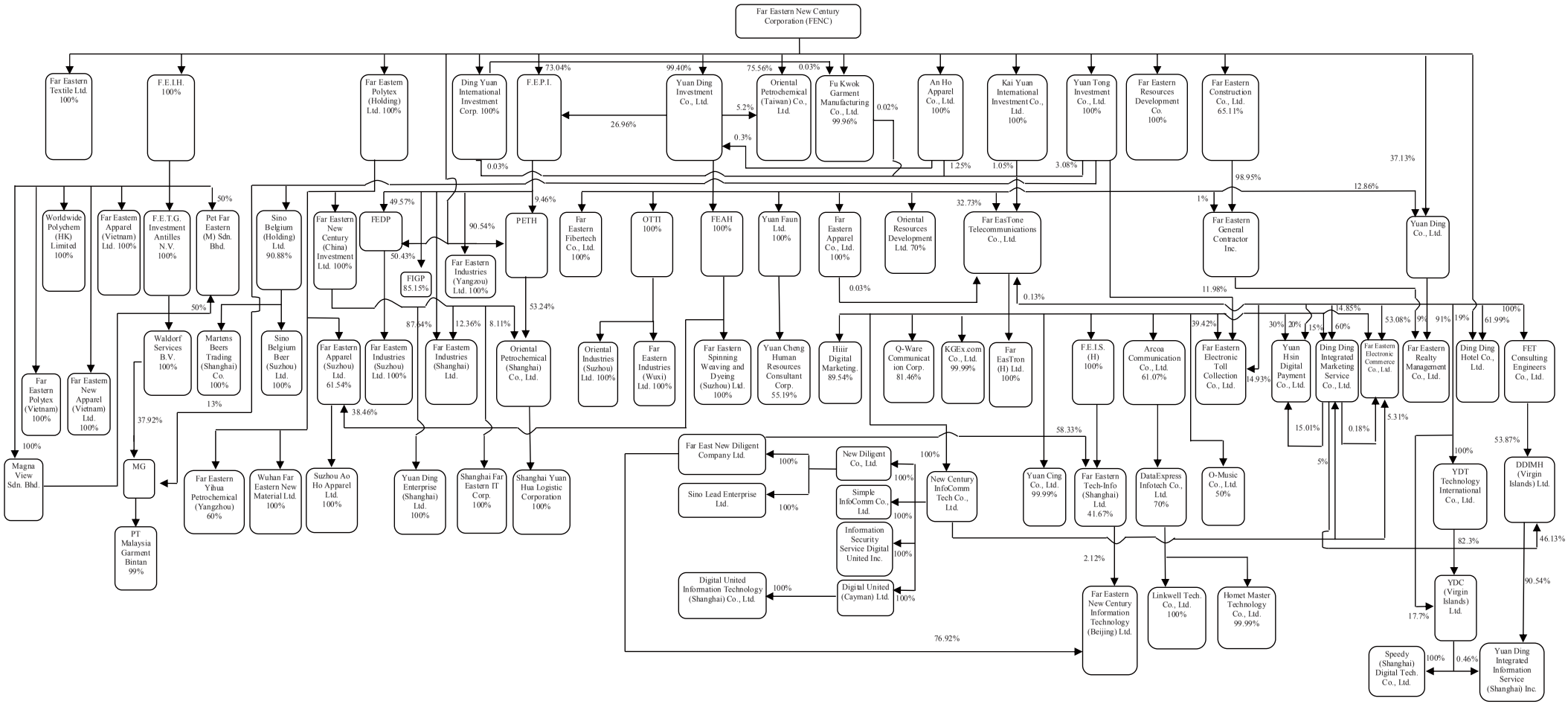
d. Information about major customers

No other single customers contributed 10% or more to the Group's revenue for both 2015 and 2014.

SCHEDULE A

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2015



SCHEDULE B

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2015	2014
Sales		
Associates	$ 1,461,674	$ 1,636,914
Others	1,076,849	1,169,632
	$ 2,538,523	$ 2,806,546
Operating cost	$ 1,378,989	$ 1,323,694
Associates	876,565	1,279,515
Others		
	$ 2,255,554	$ 2,603,209
Operating expense		
Associates	$ 56,509	$ 66,779
Others	364,865	361,464
	$ 421,374	$ 428,243
Rental revenue		
Associates	$ 263,075	$ 242,586
Others	352,729	339,221
	$ 615,804	$ 581,807
Rental expense (recognized as operating cost and expense)		
Associates	$ 102,311	$ 117,437
Others	180,299	192,218
	$ 282,610	$ 309,655

Note:

a. The terms of sales to and purchases from the related parties were based on agreements.

b. The Group had donated NT$14,487 thousand and NT$22,391 thousand to other related parties as of December 31, 2015 and 2014.

c. For the year ended December 31, 2015, the Group had purchased the office equipment from associates amounted to NT$63 thousand and had purchased the software equipment, machinery and equipment, and construction contracts from the other related parties amounted to NT$59,546 thousand. For the year ended December 31, 2014, the Group had purchased the software equipment, machinery and equipment, and construction contracts from other related parties amounted to NT$188,111 thousand.

(Continued)

d. The Group had sold office equipment and other assets amounting to NT$199,640 thousand to the associates and recognized the gain on disposal as of NT$34,275 thousand (recognized as other income) for the year ended December 31, 2015. The Group had sold office equipments amounted to NT$342 thousand and NT$23 thousand, respectively to the associates and other related parties for the year ended December 31, 2014.

e. The Group had sold investment properties - land to its related parties for NT$1,878,322 thousand and recognized a gain of NT$815,643 thousand on this disposal for the year ended December 31, 2015. The disposal proceeds of NT$78,322 thousand had been received in cash, and the rest of the proceeds amounting to NT$1,800,000 thousand and to be received in the next several years was recognized as follows as of December 31, 2015: NT$180,000 thousand as other receivables from related parties, and NT$1,620,000 as long-term other receivables from related parties.

f. The Group had exchanged its investment properties - land with a fair value NT$1,115,520 thousand and paid an extra NT$776,850 thousand for lands with fair value NT$1,892,370 thousand with other related parties, and recognized a gain of NT$167,986 thousand on this exchange for the year ended December 31, 2015. In addition, based on the exchange contract the Group paid NT$158,255 thousand for related transaction cost for this exchange. The Group recognized the exchanging lands as inventories-available for sale-land and building amounting to NT$1,665,015 thousand and investment properties - land amounting to NT$385,610 thousand as of December 31, 2015.

g. The fund transactions between the Group and Opas Fund Segregated Porfolio Company ("Opas Company") involved the acquisition and disposal of the Opas Fund Segregated Portfolio Tranches B, C, and D through the trading platform of Opas Company. The decisions on these overseas mutual funds with different tranches were made by the investment committee formed by the Group and other investors. For the year ended December 31, 2015, the Group acquired Opas Fund Segregated Portfolio Tranches for NT$653,400 thousands, and disposed of funds with a carrying amount of NT$603,900 thousand. The disposal proceeds were NT$687,033 thousand and the gain on fund disposal were NT$83,133 thousand.

h. The rental expense incurred for rental agreements on factories in Hukou and Hsinchu, 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 Xinhuo development zone in Shanghai City; the related lease term was from November 2006 to December 2026. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.

j. Compensation of key management personnel:

	For the Year Ended December 31	
	2015	2014
Short-term employee benefits	$ 435,978	$ 453,086
Post-employment benefits	3,147	(3,167)*
	$ 439,125	$ 449,919

* The post-employment benefit were gain for the years ended December 31, 2014 based on the actuarial result applied by 2010 version of IAS 19 "Employee Benefits".

(Concluded)

SCHEDULE C

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS
(In Thousands of New Taiwan Dollars)

	December 31	
	2015	2014
Notes and accounts receivable from related parties		
Associates	$ 562,937	$ 372,985
Others	582,024	585,496
	$ 1,144,961	$ 958,481
Notes and accounts payable from related parties		
Associates	$ 71,596	$ 109,211
Others	309,787	404,414
	$ 381,383	$ 513,625
Billing on construction-in-progress		
Associates	$ -	$ 3,311,893
Others	707,564	698,986
	$ 707,564	$ 4,010,879
Guarantee deposits received		
Associates	$ 10,899	$ 10,915
Others	177,306	173,467
	$ 188,205	$ 184,382
Deferred credit - gains on related-party transactions		
Associates	$ 139,736	$ 140,291
Others	9,338	9,338
	$ 149,074	$ 149,629

Financing to related parties

Loans to related parties (recognized as other receivables)

	December 31	
	2015	2014
Associates	$ 4,186,100	$ 940,000

(Continued)

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

	December 31	
	2015	2014
Others	$ 3,592,852	$ 3,989,830

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$258,524 thousand and NT$249,828 thousand as of December 31, 2015 and 2014.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

(Continued)

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

(Continued)

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

(Continued)

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

(Continued)

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

(Continued)

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

(Continued)

Notes: A. Reasons for financing are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

N. The limit is equal to business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

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

B. Equity-method investee.

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

D. Parent company of the investee.

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

(Continued)

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

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

H. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements as of December 31, 2015) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements as of December 31, 2015.)

I. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements as of December 31, 2015) and the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements as of December 31, 2015.)

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

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

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

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

N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows:

1. Far Eastern Industries (WuXi) Ltd.: RMB9,909 thousand (NT$49,446 thousand), the actual remittance was this same amount.

2. Far Eastern Apparel (Suzhou) Ltd.: RMB2,100 thousand (NT$10,479 thousand), the actual remittance was this same amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	$ 18,571,971	22.33	$ 20,564,001	19,900 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	4,749,095	17.06	4,412,303	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	81,216	1,359,418	9.17	1,701,475	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	129	1,519	0.03	1,935	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	140,278	1,948,952	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	135,000	1,777,417	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	40,135,283	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Investments accounted for using the equity method	557,354	99,278,697	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	124	8,149,514	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,875,339	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	7,887,200	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,274,785	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	9,309,702	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	5,573,361	90.54	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,183,311	7,562,475	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	7,931,482	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,176,146	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,932,594	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,670,534	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	238,841	50.43	-	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,998	282,479	99.96	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,772	45,587	19.00	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,371	100.00	-	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	79,778	781,027	2.63	781,027	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	15,839	565,776	0.47	433,989	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	82,835	1,594,342	9.35	1,735,393	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,615	419,372	1.38	357,974	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,869	1,129,055	25.23	1,783,035	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	23,473,128	32.73	72,106,081	43,145 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,906,889	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	2,716,824	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,305	1,490,394	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	282,860	100.00	-	
	Yuan Faun Ltd.	(Note A)	Investments accounted for using the equity method	5,000	121,305	100.00	-	
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	3,729	62,904	45.50	-	
	Yuan Ding Leasing Corp.	(Note A)	Investments accounted for using the equity method	36,706	416,261	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,139,108	100.00	-	
	Oriental Resources Development Ltd.	(Note A)	Investments accounted for using the equity method	34,242	322,577	70.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,874,964	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	355,217	29.80	-	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	185,247	2,680,310	25.96	-	78,125 thousand shares pledged or mortgaged as collaterals for loans.

(Continued)

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

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

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

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	$ 3,196,041	100.00	$ -	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	5,625,341	100.00	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	233,298	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,033,086	100.00	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	870,609	61.54	-	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,795,843	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	4,379,090	60.00	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,139,644	12.36	-	
	Shanghai Yuan Zi Information Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	67,200	100.00	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	519,968	8.11	-	
	Yuan Ding Enterprise (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	257,404	100.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	6,956	100.00	-	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	27,820	100.00	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	133,408	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	15,111	75,403	-	75,403	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	561,532	2,802,042	-	2,802,042	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	304,877	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	41,633	229,537	60.00	-	
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	4,550	50,226	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	-	8,790	17.70	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,502	148,571	61.99	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	23,913	(119,795)	53.08	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	85,000	533,356	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	206,878	0.16	146,015	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	112,317	0.13	281,486	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	129,637	1,527,843	25.02	-	104,000 thousand shares pledged or mortgaged as collaterals for loans
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	82	576	1.00	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,175	42,590	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	130,303	5.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	96,312	393,847	14.93	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	30,000	217,726	20.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,592	74,326	0.25	74,326	
	Far Eastern New Century Corporation	(Note J)	Financial assets at fair value through profit or loss - current	779	20,069	-	20,069	
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	79	(407)	0.18	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	22,515	163,400	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	32,161	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	12,192	140,761	-	140,761	
Far Eastern Technical Consultants Co, Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial assets carried at cost - non-current	480	4,800	4.00	-	

(Continued)

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

(Continued)

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

Notes:

A. Equity-method investee.

B. Investor company and investee have the same chairman.

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

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

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

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

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

H. A private company.

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

J. Parent company of the investee.

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

(Continued)

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

Notes: A. Subsidiary.

B. A private company

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

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

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

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

FAR EASTERN NEW CENTURY CORPORATION 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 YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

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

(Continued)

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

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note A)	Operating revenues	$ (242,740)	-	Based on contract	-	-	$ -	-	$ 97,761	2	
			Cost of telecommunications services, marketing expenses and cost of sales	16,048,386	25	Based on contract	-	-	-	-	(1,181,896)	(7)	
	New Century InfoComm Co., Ltd.	(Note A)	Operating revenues	(749,882)	(1)	Based on contract	-	-	-	-	3,845	-	
			Cost of telecommunications services	3,791,289	8	Based on contract	-	-	-	-	(779,035)	(5)	(Note J)
	KGEx.com Co., Ltd.	(Note A)	Operating revenues	(170,078)	-	Based on contract	-	-	-	-	27,352	-	
	O-music Co., Ltd.	(Note A)	Cost of telecommunications services	202,417	-	Based on contract	-	-	-	-	(41,089)	-	
	Yuan Cheng Human Resources Consultant Corp.	(Note C)	Service fee	105,089	1	Based on contract	-	-	-	-	(9,015)	-	
New Century InfoComm Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(3,791,289)	(28)	Based on contract	-	-	-	-	779,035	49	(Note K)
			Cost of telecommunications services	749,882	8	Based on contract	-	-	-	-	(3,845)	-	
	KGEx.com Co., Ltd.	(Note C)	Cost of telecommunications services	153,225	2	Based on contract	-	-	-	-	(27,189)	(4)	
	Sino Lead Enterprise Limited	(Note A)	Cost of telecommunications services	114,336	1	Based on contract	-	-	-	-	(19,723)	(3)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(16,048,386)	(78)	Based on contract	-	-	-	-	1,181,896	82	
			Cost of sales and cost of telecommunications services	242,740	1	Based on contract	-	-	-	-	(97,761)	(6)	
KGEx.com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Cost of telecommunications services	170,078	33	Based on contract	-	-	-	-	(27,352)	(47)	
	New Century InfoComm Co., Ltd.	(Note C)	Operating revenues	(153,225)	(26)	Based on contract	-	-	-	-	27,189	31	
O-music Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(202,417)	(99)	Based on contract	-	-	-	-	41,089	98	
Sino Lead Enterprise Limited	New Century InfoComm Co., Ltd.	(Note B)	Operating revenues	(114,336)	(100)	Based on contract	-	-	-	-	19,723	94	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Purchase	114,875	4	Based on contract	-	-	-	-	(16,385)	(5)	
Linkwell Tech. Ltd.	DataExpress Infotech Co., Ltd.	(Note B)	Operating revenues	(114,875)	(8)	Based on contract	-	-	-	-	16,385	40	

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

D. Equity-method investee.

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

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

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

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

F. The turnover rate was unavailable as the receivables from related parties were due to including retentions receivables, expected to remain as receivables until the satisfaction of conditions in each contract, usually more than 12 months.

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

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

(Concluded)

SCHEDULE L

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd.	1	Other receivables	$ 1,913,400	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest receivables	38,186	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest revenue	38,382	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Other receivables	1,946,100	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest receivables	50,818	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest revenue	64,508	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Sales	240,470	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Accounts receivable	648,962	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Sales	1,947,085	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	775,108	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	234,997	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Sales	276,380	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Sales	139,810	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Sales	110,058	Based on agreement	-
1	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Other receivables	254,000	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	7,662	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	485,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	11,485	Based on agreement	-
		An Ho Garment Co., Ltd	3	Other receivables	400,000	Based on agreement	-
		An Ho Garment Co., Ltd	3	Interest revenue	6,536	Based on agreement	-
2	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	1	Interest revenue	132	Based on agreement	-
3	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	255,837	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	878,051	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Other receivables	98,640	Based on agreement	-
		Far Eastern Ishizuka Green Pet	1	Other receivables	368,415	Based on agreement	-
		Far Eastern Ishizuka Green Pet	1	Interest receivables	961	Based on agreement	-
		Far Eastern Ishizuka Green Pet	1	Interest revenue	3,066	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	319,679	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Other receivables	648,700	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	271,317	Based on agreement	-
4	Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	2	Accounts receivable	478,203	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	6,664,674	Based on agreement	3

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
5	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Interest revenue	$ 1,214	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other receivables	2,058,288	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest revenue	25,771	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interest revenue	305	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	910,776	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	26,329	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest revenue	2,574	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	217,122	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest receivables	55,110	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest revenue	1,720	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Other receivables	542,520	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	154,536	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	2,462	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Other receivables	341,952	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	571	Based on agreement	-
6	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	1	Sales	277,341	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	903	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Other receivables	2,095,800	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Interest receivables	4,358	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Interest revenue	4,397	Based on agreement	-
7	Far Eastern Polytex (Holding) Ltd.	Far Eastern New Century (China) Investment Ltd.	1	Other receivables	2,052,766	Based on agreement	-
8	Yuan Ding Company Ltd.	Far Eastern Electronic Commerce Co., Ltd.	1	Other receivables	70,000	Based on agreement	-
		Far Eastern Electronic Commerce Co., Ltd.	1	Interest receivables	76	Based on agreement	-
		Far Eastern Electronic Commerce Co., Ltd.	1	Interest revenue	76	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Interest revenue	3,609	Based on agreement	-
9	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	1	Other receivables	411,741	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Other receivables	90,947	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Other receivables	199,600	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Interest receivables	10	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	3	Interest revenue	10	Based on agreement	-
10	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1	Other receivables	202,584	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Other receivables	50,430	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Accounts receivable	170,151	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Sales	230,158	Based on agreement	-
11	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	345,722	Based on agreement	-
12	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	242,374	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	1,167,688	Based on agreement	1
		Far Eastern New Century Corporation	2	Sales	382,847	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
13	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	2	Accounts receivable	$ 955,307	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Sales	7,078,515	Based on agreement	3
		Worldwide Polychem (HK) Ltd.	3	Sales	182,081	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	145,647	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Notes receivable	89,979	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	888,607	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	215,071	Based on agreement	-
14	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Other receivables	249,500	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Interest receivables	2,661	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Interest revenue	2,685	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Interest revenue	3,268	Based on agreement	-
15	Far Eastern Ishizuka Green Pet	Far Eastern New Century Corporation	2	Sales	116,353	Based on agreement	-
16	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	2	Accounts receivable	437,589	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Sales	2,531,504	Based on agreement	1
		Far Eastern Apparel (Suzhou) Ltd.	3	Sales	253,645	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	178,557	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	524	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	1,896	Based on agreement	-
17	Waldorf Services B.V.	Far Eastern Investment (Holding) Ltd.	2	Other receivables	493,200	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Interest receivables	471	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Interest revenue	1,435	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	348,528	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest receivables	831	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	6,906	Based on agreement	-
18	An Ho Garment (Suzhou) Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales	207,994	Based on agreement	-
19	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	400,205	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	583,870	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	4,578,892	Based on agreement	2
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	125,369	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Notes receivable	270,702	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	1,511,153	Based on agreement	1
		Shanghai Far Eastern Petrochemical Logistic Ltd.	1	Other receivables	34,930	Based on agreement	-
20	Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	2	Sales	415,852	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	167,729	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	479	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	2,330	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	266,530	Based on agreement	-
21	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	442,767	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales	3,001,224	Based on agreement	1

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	$ 632,862	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Interest receivables	1,657	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Interest revenue	13,741	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	680,766	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest receivables	1,869	Based on agreement	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest revenue	18,605	Based on agreement	-
22	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	226,677	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Notes receivable	17,884	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	2,449,615	Based on agreement	1
23	Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Sales	372,929	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	157,004	Based on agreement	-
24	Far Eastern Apparel (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables	595,512	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	1,277	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	15,608	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	270,832	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	1,283,209	Based on agreement	1
		Far Eastern New Century Corporation	2	Sales	699,573	Based on agreement	-
25	Far Eastern New Century (China) Investment Ltd.	Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	481,984	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Interest receivables	3,541	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Interest revenue	498	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Other receivables	2,014,223	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Interest receivables	2,849	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Interest revenue	3,075	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	747,826	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	668	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	674	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Other receivables	50,424	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Interest receivables	177	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Interest revenue	187	Based on agreement	-
26	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	110,000	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interest receivables	128	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interest revenue	1,877	Based on agreement	-
27	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	140,000	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interest receivables	163	Based on agreement	-
		Yuan Ding Company Ltd.	2	Interest revenue	1,915	Based on agreement	-
28	Shanghai Far Eastern Petrochemical Logistic Ltd.	Oriental Petrochemical (Shanghai) Corp.	2	Other operating revenue	120,564	Based on agreement	-
29	Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunications Co., Ltd.	3	Other operating revenue	105,089	Based on agreement	-

(Continued)

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 INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

(Continued)

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

(Continued)

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

(Continued)

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

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. A private company.

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

F. Shares in thousands.

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

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

(Continued)

Notes: A. Investment type as follows:

1. The Group made the investment directly.

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

3. Other.

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

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Sino Belgium (Suzhou) Limited, Far Eastern Apparel (Suzhou) Ltd., Oriental Petrochemical (Shanghai) Corp., Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Far Eastern Industries (WuXi) Ltd. and Oriental Industries (Suzhou) Ltd.

2. Financial statements of these companies, which were audited by the parent company's accounting firm: Far Eastern Tech-info Ltd. (Shanghai), Digital United Information Technology (Shanghai) Co., Ltd., New Diligence Tech-info (Shanghai) Ltd. and Far Eastern New Century Information Technology (Beijing) Limited.

3. Others: Far Eastern New Century (China) Investment Ltd., Martens Beers Trading (Shanghai) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) Digital Tech. Co., Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Far Eastern Industries (Yangzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation., Shanghai Yuan Zi Information Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Ltd., An Ho Garment (Suzhou) Ltd., Suqian Far Eastern Apparel Co., Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Concluded)

6. Financial Report (Stand-alone)

Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

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

We have audited the accompanying balance sheets of Far Eastern New Century Corporation (the "Company") as of December 31, 2015, December 31, 2014 and January 1, 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Far Eastern New Century Corporation as of December 31, 2015, December 31, 2014 and January 1, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

March 25, 2016

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2015 Amount	%	December 31, 2014 (Restated) Amount	%	January 1, 2014 (Restated) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 14,213,766	5	$ 9,630,098	3	$ 9,542,173	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	99,125	-	87,055	-	46,516	-
Debt investments with no active market - current (Note 8)	-	-	585,979	-	145,947	-
Notes and accounts receivable, net (Notes 4, 5, 9 and 26)	7,193,069	3	8,705,703	3	8,849,369	3
Other receivables (Note 26)	4,063,193	1	4,792,589	2	4,621,850	2
Current tax assets	14,663	-	16,074	-	2,314	-
Inventories (Notes 4, 5 and 10)	6,349,136	2	6,499,650	2	6,605,481	2
Prepayments	113,066	-	180,825	-	467,163	-
Other current assets	250,048	-	210,557	-	352,909	-
Total current assets	32,296,066	11	30,708,530	10	30,633,722	11
NON-CURRENT ASSETS						
Available-for-sale financial assets - noncurrent (Notes 4 and 12)	781,027	-	794,978	-	902,112	-
Investments accounted for using equity method (Notes 4, 11 and 27)	235,733,762	80	235,549,257	81	227,000,975	80
Property, plant and equipment (Notes 4, 5, 13 and 27)	24,340,572	8	24,198,238	8	21,969,289	8
Investment properties, net (Notes 4, 14 and 27)	1,446,491	1	1,455,418	1	1,429,000	1
Other intangible assets (Notes 4 and 15)	20,622	-	21,607	-	16,392	-
Deferred tax assets (Notes 4, 5 and 22)	148,237	-	189,922	-	291,062	-
Prepayment for equipment (Note 13)	236,690	-	234,306	-	327,575	-
Refundable deposits (Note 26)	53,776	-	61,249	-	62,792	-
Other financial assets - non-current (Note 27)	48,205	-	48,205	-	34,381	-
Other non-current assets	62,165	-	114,081	-	86,981	-
Total non-current assets	262,871,547	89	262,667,261	90	252,120,559	89
TOTAL	$ 295,167,613	100	$ 293,375,791	100	$ 282,754,281	100

LIABILITIES AND EQUITY	December 31, 2015 Amount	%	December 31, 2014 (Restated) Amount	%	January 1, 2014 (Restated) Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ 40,366	-	$ 2,229,422	1	$ 6,260,388	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	-	-	272	-
Notes and accounts payable	2,133,929	1	2,596,714	1	4,145,447	2
Notes and accounts payable to related parties (Note 26)	637,379	-	748,460	-	948,175	-
Payables to suppliers of machinery and equipment	8,716	-	2,113	-	1,173	-
Other payable (Note 26)	3,438,101	1	3,797,299	2	3,644,611	1
Provisions - current (Note 17)	1,461	-	8,340	-	12,171	-
Receipts in advance	358,988	-	344,143	-	328,753	-
Current portion of long-term liabilities (Note 18)	13,575,460	5	8,743,734	3	7,246,540	3
Other current liabilities	775,790	-	739,966	-	754,607	-
Total current liabilities	20,970,190	7	19,210,191	7	23,342,137	8
NON-CURRENT LIABILITIES						
Bonds payable (Note 18)	36,447,254	12	31,453,279	11	34,790,061	12
Long-term borrowings (Note 16)	36,169,650	12	39,864,033	13	27,961,684	10
Deferred tax liabilities (Notes 4, 5 and 22)	1,930,822	1	1,986,224	1	2,045,892	1
Net defined benefit liabilities - non-current (Notes 4, 5 and 19)	2,359,176	1	1,157,021	-	1,057,386	1
Guarantee deposits received	3,043	-	3,059	-	3,059	-
Deferred credit - gain on related-party transactions (Note 26)	35,913	-	35,998	-	50,795	-
Total non-current liabilities	76,945,858	26	74,499,614	25	65,908,877	24
Total liabilities	97,916,048	33	93,709,805	32	89,251,014	32
EQUITY (Note 20)						
Capital stock						
Common stock	53,528,751	18	52,479,168	18	51,450,165	18
Capital surplus	2,807,683	1	3,666,948	1	4,681,042	2
Retained earnings						
Legal reserve	14,511,559	5	13,408,217	5	12,687,509	5
Special reserve	108,721,550	37	105,911,942	36	105,911,942	37
Unappropriated earnings	13,706,389	5	17,383,706	6	14,143,946	5
Total retained earnings	136,939,498	47	136,703,865	47	132,743,397	47
Other equity	4,000,696	1	6,841,068	2	4,653,726	1
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity	197,251,565	67	199,665,986	68	193,503,267	68
TOTAL	$ 295,167,613	100	$ 293,375,791	100	$ 282,754,281	100

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

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

FAR EASTERN NEW CENTURY CORPORATION

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

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 26)				
Net sales	$ 46,837,024	100	$ 58,095,688	100
Other operating revenue	12,505	-	12,786	-
Total operating revenues	46,849,529	100	58,108,474	100
OPERATING COSTS (Notes 10, 21 and 26)				
Cost of sales	42,559,154	91	53,419,481	92
Other operating cost	13,759	-	17,294	-
Total operating costs	42,572,913	91	53,436,775	92
GROSS PROFIT	4,276,616	9	4,671,699	8
OPERATING EXPENSES (Notes 21 and 26)				
Selling and marketing	2,691,283	6	2,864,462	5
General and administrative	1,281,387	3	1,238,557	2
Research and development	757,250	1	718,285	1
Total operating expenses	4,729,920	10	4,821,304	8
OPERATING LOSS	(453,304)	(1)	(149,605)	-
NONOPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates (Note 11)	9,177,312	20	11,196,928	19
Interest income	137,142	-	129,615	-
Rental income	22,566	-	22,728	-
Dividend income	30,285	-	18,115	-
Other income	215,466	-	332,956	1
Gain on disposal of property, plant and equipment (Note 13)	11,352	-	12,902	-
Gain on disposal of investments, net	85,873	-	48	-
Exchange gain, net (Note 4)	92,332	-	287,254	1
Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	283,364	1	211,806	-
Gain on change in fair value of investment properties (Note 14)	33,138	-	26,418	-
Interest expense	(1,025,841)	(2)	(929,809)	(2)
Other expense	(203,712)	-	(199,931)	-
Loss on disposal of investment properties (Note 14)	(42,065)	-	-	-
Impairment loss	(108,150)	-	(1,334)	-
Total nonoperating income and expenses	8,709,062	19	11,107,696	19

(Continued)

	For the Years Ended December 31			
	2015		2014 (Restated)	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	8,255,758	18	10,958,091	19
INCOME TAX EXPENSE (Notes 4, 5 and 22)	(221,067)	(1)	(105,000)	-
NET INCOME	8,034,691	17	10,853,091	19
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(1,381,087)	(3)	(215,814)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates	(145,808)	-	483,213	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	234,785	-	63,528	-
	(1,292,110)	(3)	330,927	-
Items that may be reclassified subsequently to profit or loss:				
Unrealized loss on available-for-sale financial assets	(13,951)	-	(107,134)	-
Share of other comprehensive income (loss) of subsidiaries and associates	(3,015,844)	(6)	1,790,031	3
	(3,029,795)	(6)	1,682,897	3
Total other comprehensive income (loss), net	(4,321,905)	(9)	2,013,824	3
TOTAL COMPREHENSIVE INCOME	$ 3,712,786	8	$ 12,866,915	22
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 23)				
Basic	$ 1.61		$ 2.17	
Diluted	$ 1.60		$ 2.16	

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

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

FAR EASTERN NEW CENTURY CORPORATION

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

	Common Stock (Note 20)	Capital Surplus (Notes 4 and 20)	Legal Reserve (Note 20)	Special Reserve (Note 20)
BALANCE AT JANUARY 1, 2014	$ 51,450,165	$ 4,681,042	$ 12,687,509	$ 105,911,942
Effect of retrospective application and restatement	-	-	-	-
BALANCE AT JANUARY 1, 2014 AS RESTATED	51,450,165	4,681,042	12,687,509	105,911,942
Appropriation of the 2013 earnings				
Legal reserve	-	-	720,708	-
Cash dividends - NT$1.3 per share	-	-	-	-
Stock dividends from capital surplus - NT$0.2 per share	1,029,003	(1,029,003)	-	-
Net income for the year ended December 31, 2014	-	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-
Change in equity in associates	-	13,935	-	-
Effect on changes in percentage of ownership in associates	-	-	-	-
Change in capital surplus from dividends distributed to subsidiaries	-	974	-	-
BALANCE, DECEMBER 31, 2014	52,479,168	3,666,948	13,408,217	105,911,942
Appropriation of the 2014 earnings				
Legal reserve	-	-	1,103,342	-
Special reserve	-	-	-	4,348,583
Cash dividends - NT$1.2 per share	-	-	-	-
Stock dividends from capital surplus - NT$0.2 per share	1,049,583	(1,049,583)	-	-
Net income for the year ended December 31, 2015	-	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-
Change in equity in associates	-	179,117	-	(10)
Effect on changes in percentage of ownership in associates	-	10,285	-	-
Change in capital surplus from dividends distributed to subsidiaries	-	916	-	-
Reversal of special reserve	-	-	-	(1,538,965)
BALANCE, DECEMBER 31, 2015	$ 53,528,751	$ 2,807,683	$ 14,511,559	$ 108,721,550

	Other Equity					
Unappropriated Earnings (Note 20)	Exchange Differences on Translating Foreign Operations (Notes 4 and 20)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 20)	Cash Flow Hedges (Notes 4 and 20)	Gain on Property Revaluation (Notes 4 and 20)	Treasury Shares (Note 20)	Total Equity
$ 13,955,940	$ 291,196	$ 4,472,732	$ (118,363)	$ 8,161	$ (25,063)	$ 193,315,261
188,006	-	-	-	-	-	188,006
14,143,946	291,196	4,472,732	(118,363)	8,161	(25,063)	193,503,267
(720,708)	-	-	-	-	-	-
(6,688,522)	-	-	-	-	-	(6,688,522)
-	-	-	-	-	-	-
10,853,091	-	-	-	-	-	10,853,091
(173,518)	2,580,664	(843,080)	(54,688)	504,446	-	2,013,824
10,679,573	2,580,664	(843,080)	(54,688)	504,446	-	12,866,915
(30,548)	-	-	-	-	-	(16,613)
(35)	-	-	-	-	-	(35)
-	-	-	-	-	-	974
17,383,706	2,871,860	3,629,652	(173,051)	512,607	(25,063)	199,665,986
(1,103,342)	-	-	-	-	-	-
(4,348,583)	-	-	-	-	-	-
(6,297,500)	-	-	-	-	-	(6,297,500)
-	-	-	-	-	-	-
8,034,691	-	-	-	-	-	8,034,691
(1,481,533)	(597,177)	(2,509,725)	77,107	189,423	-	(4,321,905)
6,553,158	(597,177)	(2,509,725)	77,107	189,423	-	3,712,786
(20,015)	-	-	-	-	-	159,092
-	-	-	-	-	-	10,285
-	-	-	-	-	-	916
1,538,965	-	-	-	-	-	-
$ 13,706,389	$ 2,274,683	$ 1,119,927	$ (95,944)	$ 702,030	$ (25,063)	$ 197,251,565

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

FAR EASTERN NEW CENTURY CORPORATION

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

	For the Years Ended December 31	
	2015	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 8,255,758	$ 10,958,091
Adjustments for:		
Depreciation	2,145,777	1,795,070
Amortization	10,517	12,692
Interest expenses	1,025,841	929,809
Interest income	(137,142)	(129,615)
Dividend income	(30,285)	(18,115)
Share of the profit of subsidiaries and associates	(9,177,312)	(11,196,928)
Gain on disposal of property, plant and equipment	(11,352)	(12,902)
Loss on disposal of investment properties	42,065	-
Gain on disposal of investments	(85,873)	(48)
Impairment loss	108,150	1,334
Allowance for inventory valuation and obsolescence loss	146,280	106,122
Net (gain) loss on unrealized foreign currency exchange	(120,500)	20,500
Gain on change in fair value of investment properties	(33,138)	(26,418)
Reversal of allowance for doubtful accounts	-	(10,549)
Net changes in operating assets and liabilities		
Financial assets held for trading	(12,070)	(40,539)
Notes and accounts receivable	1,512,634	154,215
Other receivables	716,211	(315,032)
Inventories	4,234	(291)
Prepayments	67,759	286,338
Other current assets	(39,491)	142,352
Financial liabilities held for trading	-	(272)
Notes and accounts payable	(462,785)	(1,548,733)
Notes and accounts payable to related parties	(111,081)	(199,715)
Other payables	(410,918)	192,120
Provisions	(6,879)	(3,831)
Receipts in advance	14,845	15,390
Other current liabilities	35,824	(14,641)
Net defined benefit liabilities - non-current	(178,932)	(116,178)
Cash generated from operations	3,268,137	980,226
Interest received	137,577	129,033
Dividend received	7,628,632	8,602,565
Interest paid	(985,952)	(945,544)
Income tax received (paid)	1,412	(13,760)
Net cash generated from operating activities	10,049,806	8,752,520

(Continued)

	For the Years Ended December 31	
	2015	2014 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) of debt investments with no active market	585,979	(440,032)
Acquisition of investments accounted for using the equity-method	(1,511,164)	(3,560,110)
Proceeds on sale of investments accounted for using the equity-method	53	-
Payments for property, plant, equipment and prepayments for equipment	(2,389,653)	(3,933,612)
Proceeds from disposal of property, plant and equipment	15,113	1,955
Decrease in refundable deposits	7,473	1,543
Decrease in other receivables	120,750	1,250
Payments for intangible assets	(9,532)	(17,907)
Increase in other financial assets	-	(13,824)
Decrease (increase) in other non-current assets	45,766	(28,434)
Net cash used in investing activities	(3,135,215)	(7,989,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(2,189,056)	(4,030,966)
Proceeds from issue of bonds	18,600,000	5,400,000
Repayments of bonds payable	(8,750,000)	(7,250,000)
Proceeds from long-term borrowings	164,439,396	167,007,094
Repayment of long-term borrowings	(168,133,779)	(155,104,745)
Decrease in guarantee deposits received	(16)	-
Dividends paid	(6,297,468)	(6,696,807)
Net cash used in financing activities	(2,330,923)	(675,424)
INCREASE IN CASH AND CASH EQUIVALENTS	4,583,668	87,925
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	9,630,098	9,542,173
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 14,213,766	$ 9,630,098

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

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

FAR EASTERN NEW CENTURY CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

1) IFRS 11 "Joint Arrangements"

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

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

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

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

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

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

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

4) IFRS 13 “Fair Value Measurement”

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

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

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

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

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

6) Revision to IAS 19 "Employee Benefits"

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

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

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

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

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

(Continued)

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

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

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

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

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

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

9) Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"

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

10) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

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

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

The impairment of financial assets

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

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

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

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

3) IFRIC 21 "Levies"

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

4) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

5) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

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

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

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

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

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

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

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

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

8) IFRS 15, "Revenue from Contracts with Customers"

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

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

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

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

9) IAS 16 and IAS 41 "Agriculture: Bearer Plants"

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

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

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

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

11) Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

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

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

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

13) IFRS 16 "Leases"

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

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

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

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

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

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

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

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

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

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

e. Inventories

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

f. Investment in subsidiaries

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

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

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

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

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

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

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

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

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

g. Investment in associates

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

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

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

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

i. Investment properties

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

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

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

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

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

k. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

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

ii. Held-to-maturity investments

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

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

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

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

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

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

iv. Loans and receivables

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

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

b) Impairment of financial assets

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

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

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

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

m. Provisions

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

Onerous contracts

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

n. Revenue recognition

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

1) Sale of goods

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

a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

2) Dividend and interest income

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

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

o. Leasing

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

1) The Company as lessor

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

2) The Company as lessee

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

p. Borrowing costs

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

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

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Income Taxes

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

Estimated Impairment of Notes and Accounts Receivable

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

Fair Value Measurements and Valuation Processes

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

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

Useful Lives of Property, Plant and Equipment

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

Write-down of Inventory

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

Recognition and Measurement of Defined Benefit Plans

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

6. CASH AND CASH EQUIVALENTS

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

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

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

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

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

a. Cotton futures contracts

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

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

b. Forward exchange contracts

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

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

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

c. Option contracts

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

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

d. Combined foreign exchange options

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

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

8. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2015	2014
Time deposits with original maturities more than 3 months	$ -	$ 585,979

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

9. NOTES AND ACCOUNTS RECEIVABLE

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

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

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

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

The above aging schedule was based on the invoice date.

Movements of the allowance for doubtful accounts were as follows:

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

10. INVENTORIES

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

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

a. Investments in subsidiaries

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

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

b. Investment in associates

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

1) Material associates

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

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

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

All the associates are accounted for using the equity method.

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

Asia Cement Co. Ltd.

	December 31	
	2015	2014
Current assets	$ 14,560,998	$ 14,346,035
Noncurrent assets	175,117,807	173,693,360
Current liabilities	(23,780,564)	(13,024,234)
Noncurrent liabilities	(29,999,368)	(33,181,597)
Equity	$ 135,898,873	$ 141,833,564
Proportion of the Company's ownership	22.33%	22.33%
Equity attributable to the Company	$ 30,346,218	$ 31,671,435
Cross shareholdings	(11,774,247)	(11,483,428)
Carrying amount	$ 18,571,971	$ 20,188,007

	For the Year Ended December 31	
	2015	2014
Operating revenue	$ 12,012,770	$ 12,394,201
Net income for the year	$ 4,860,241	$ 9,361,635
Other comprehensive income	(3,516,579)	3,911,755
Total comprehensive income (loss) for the year	$ 1,343,662	$ 13,273,390
Dividends received from Asia Cement Co. Ltd.	$ 1,651,125	$ 1,324,432

2) Aggregate information of associates that are not individually material

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

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

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

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

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS - NONCURRENT

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

13. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

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

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

(Continued)

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

(Concluded)

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

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

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

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

14. INVESTMENT PROPERTIES

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

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

The major investment properties of the Company were as follows:

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

The fair values of investment properties were as follows:

	December 31	
	2015	2014
Independent valuation	$ 1,446,491	$ 1,455,418

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

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

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

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

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

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

15. OTHER INTANGIBLE ASSETS

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

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

Computer software	3-5 years
Others	5 years

16. BORROWINGS

a. Short-term borrowings

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

b. Long-term borrowings

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

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

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

17. PROVISION

	December 31	
	2015	2014
Current		
Onerous contracts	$ 1,461	$ 8,340

	Onerous Contracts
Balance at January 1, 2015	$ 8,340
Additional provisions recognized	1,461
Reductions arising from payments	(8,340)
Balance at December 31, 2015	$ 1,461
Balance at January 1, 2014	$ 12,171
Additional provisions recognized	8,340
Reductions arising from payments	(12,171)
Balance at December 31, 2014	$ 8,340

18. BONDS PAYABLE

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

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

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

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

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

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

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

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

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

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

(Continued)

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

(Concluded)

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

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

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate to the above. This pension fund is invested in domestic listed companies' stocks and time deposits. It is exposed to the risks of changes in market price and interest rates.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

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

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

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

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

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

20. EQUITY

a. Share capital

Common shares

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

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

b. Capital surplus

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

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or may be transferred to share capital once a year within a certain percentage of the Company's capital issued.

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, with these changes treated as equity transactions instead of actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries.

c. Retained earnings and dividend policy

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

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

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

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

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

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

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

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

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

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

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

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

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

d. Special reserves

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

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

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

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

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

e. Other equity items

The changes in other equity items are as follow:

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

f. Treasury shares

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

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

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

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

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

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

b. Depreciation and amortization

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

(Continued)

	For the Year Ended December 31	
	2015	2014
An analysis of amortization by function		
Operating costs	$ 3,189	$ 3,189
Operating expenses	7,328	9,503
	$ 10,517	$ 12,692

(Concluded)

c. Employee benefit expense

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

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

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

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

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

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

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

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

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

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

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

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

The were as follows:

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

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

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

b. Income tax expense recognized in other comprehensive income

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

c. Current tax assets

	December 31	
	2015	2014
Current tax assets		
Tax refund receivable	$ 14,663	$ 16,074

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2015

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

(Continued)

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

(Concluded)

For the year ended December 31, 2014

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

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

	December 31	
	2015	2014
Deductible temporary differences	$ 3,971,671	$ 2,306,988

f. Integrated income tax

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

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

g. Income tax assessments

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

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	$ 1.61	$ 2.17
Diluted earnings per share	$ 1.60	$ 2.16

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

Net Income for the Year

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

Weighted Average Number of Common Shares Outstanding

Unit: In Thousand Shares

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

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

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

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

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

24. CAPITAL MANAGEMENT

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

25. FINANCIAL INSTRUMENTS

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

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

1)

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

2) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 50,296,590	$ -	$ -	$ 50,296,590

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Bonds payable	$ 40,344,673	$ -	$ -	$ 40,344,673

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

1) Fair value hierarchy

December 31, 2015

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

December 31, 2014

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

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

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

For the year ended 2015

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

For the year ended 2014

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

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

Financial Instruments	Valuation Techniques and Inputs
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 foreign exchange options	Discounted cash flow. Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates, discounted at a 0% rate; the counterparties' high credit ratings and short contract terms indicate a low credit risk on counterparties.

c. Categories of financial instruments

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

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

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	December 31	
	2015	**2014**
5% change in profit or loss		
USD	$ (591,025)	$ (321,389)

b) Interest rate risk

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

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

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

Sensitivity analysis

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

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

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

c) Other price risks

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

Sensitivity analysis

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

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

2) Credit risk

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

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

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

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

3) Liquidity risk

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

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

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

26. RELATED-PARTY TRANSACTIONS

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

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

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

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2015:

a. Issued but unused letters of credit aggregated approximately NT$953,496 thousand.

b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT$404,355 thousand.

c. There were undelivered cotton contracts amounting to NT$222,091 thousand and have been recognized NT$1,461 thousand on purchasing contract payable (accounted as provisions) as of December 31, 2015.

d. Endorsements and guarantees provided to the related parties are shown in Schedule D (attached).

e. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of March 25, 2016, the lawsuit was pending before the Taipei High Court.

29. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

The board of directors of the Company decided to issue unsecured bonds on March 25, 2016. The bonds will have an aggregate face value of not more than NT$8,000,000 thousand, a par value of NT$1,000 thousand and a term of less than 10 years.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 370,727	32.83	$ 12,170,967
Financial liabilities			
Monetary items			
USD	10,643	32.93	350,474

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (NT$)
Financial assets			
Monetary items			
USD	$ 311,279	31.6	$ 9,836,416
Financial liabilities			
Monetary items			
USD	107,528	31.7	3,408,638

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

1) Financing provided to others: Schedule C (attached)

2) Endorsement/guarantee provided: Schedule D (attached)

3) Marketable securities held: Schedule E (attached)

4) Marketable securities acquired or disposed at costs or prices of at least NT$300 million or 20% of the paid-in capital: Schedule F (attached)

5) Acquisition of real states at costs of at least NT$300 million or 20% of the paid-in capital: Schedule G (attached)

6) Disposal of real states at prices of at least NT$300 million or 20% of the paid-in capital: Schedule H (attached)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule I (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule J (attached)

9) Trading derivative transactions: Note 7

10) Information on investees: Schedule K (attached)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule L and L-1 (attached)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Schedule L

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as rendering or receiving services.

SCHEDULE A

FAR EASTERN NEW CENTURY CORPORATION

RELATED-PARTY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	Notes	For the Year Ended December 31 2015	2014
Sales			
Subsidiaries		$ 3,617,986	$ 2,571,405
Associates		331,472	387,200
Others		307,698	366,689
		$ 4,257,156	$ 3,325,294
Operating cost and expense			
Purchase			
Subsidiaries		$ 7,540,408	$ 9,264,108
Associates		1,287,430	1,298,697
Others		300,808	349,289
		$ 9,128,646	$ 10,912,094
Contract costs			
Subsidiaries		$ 22,153	$ 26,058
Associates		15,561	14,049
Others		181,803	127,326
		$ 219,517	$ 167,433
Computer processing expense			
Subsidiaries	d.	$ 3,068	$ 1,641
Others		77,446	67,856
		$ 80,514	$ 69,497
Rental expense			
Subsidiaries	e.	$ 185,842	$ 185,116
Others		17,583	16,976
		$ 203,425	$ 202,092
Non-operating revenue			
Rental revenue			
Subsidiaries		$ 16,434	$ 17,004
Others		5,632	5,593
		$ 22,066	$ 22,597

(Continued)

	Notes	For the Year Ended December 31 2015	2014
Nonoperating expenses			
Other expenses - endorsement/guarantee expense			
Subsidiaries		$ 10,792	$ 12,728

Notes:

a. The terms of sales to and purchases from the related parties were based on agreements.

b. The Company commissioned subsidiaries to manufacture clothing products to sell to the Company. For this transaction, the Company recognized manufacturing expenses - processing cost of NT$1,082,420 thousand for 2015 and NT$1,682,936 thousand for 2014, and recognized NT$392,843 thousand as other payables - processing cost as of December 31, 2014. In compliance with the subsidiaries' local regulations, the Company advanced raw materials costs to subsidiaries and recognized these costs as other receivables amounting to NT$284 thousand and NT$570,992 thousand as of December 31, 2015 and 2014, respectively.

c. The Company provided agent services to a subsidiary, and recognized commission incomes of NT$39,813 thousand for 2015 and NT$148,164 thousand for 2014. In addition, the Company recognized NT$9,647 thousand and NT$117,990 thousand as other receivables as of December 31, 2015 and 2014, respectively.

d. As of December 31, 2015, the Company rented the office building and factories from Yuan Ding Co., Ltd. and Far Eastern Resource Development Co., Ltd. and Far Eastern Fibertech Co., Ltd. and rental expense were paid by monthly and quarterly. All the terms of lease contract had been agreed upon by the lessor and the tenants.

e. The Company had revenue incurred from renting out factories and land in Xinpu, Guanyin and Hukou to Far EasTone, Oriental Resources Development Ltd and Oriental Petrochemical (Taiwan) Co. Rent was received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.

f. Compensation of key management personnel:

	For the Year Ended December 31 2015	2014
Short-term employee benefits	$ 262,977	$ 350,857
Post-employment benefits	3,147	(3,167) (Note)
	$ 266,124	$ 347,690

Note: The post-employment benefits for the year ended December 31, 2014 was based on the results of the actuarial valuations made in accordance with 2010 version of IAS 19 "Employee Benefits".

(Concluded)

SCHEDULE B

FAR EASTERN NEW CENTURY CORPORATION

RELATED-PARTY TRANSACTIONS
AS OF DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	Notes	For the Year Ended December 31 2015	2014
Notes and accounts receivables			
Subsidiaries		$ 992,108	$ 660,643
Associates		26,868	13,982
Others		44,634	49,828
		$ 1,063,610	$ 724,453
Refundable deposits			
Subsidiaries		$ 33,859	$ 34,318
Others		8,000	8,260
		$ 41,859	$ 42,578
Accounts payable			
Subsidiaries		$ 566,623	$ 627,996
Associates		59,203	93,030
Others		11,553	27,434
		$ 637,379	$ 748,460
Deferred credit			
Sale of securities			
Subsidiaries	a., b.	$ 33,334	$ 33,419
Others	c.	2,579	2,579
		$ 35,913	$ 35,998

Financing to related parties

Loans to related parties (recognized as other receivables)

	December 31			
	2015		2014	
	Carrying Amount	Interest receivable	Carrying Amount	Interest receivable
Subsidiaries	$ 3,859,500	$ 89,004	$ 3,872,250	$ 89,439

(Continued)

Note:

a. In 1994, the Company sold the following shares to YDI and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for NT$30,256 thousand; Nan Shan Life Insurance Co., Ltd.'s shares for NT$216 thousand.

b. The deferred income was made by selling the shares of NCIC to YCIC in 2010 (dissolved on its merger with Far EasTone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of NCIC's net assets between fair value and book value and durable service life on the selling date.

c. The deferred income was made by selling the shares of OPTC to Yue Ding Industry Co., Ltd. in March 2008.

d. In 2014, the Company sold machinery and equipment to Oriental Resources Development Ltd. for NT$1,795 thousand, for a gain of NT$1,029 thousand. As of December 31, 2014, a portion of the receivables on this sale, amounting to NT$20 thousand, had been received. The rest amount had been received, as of December 31, 2015.

e. In 2015, the Company bought machinery and equipment from YDT Technology International Co. and NCIC for NT$5,591 thousand, and NT$4,730 thousand, respectively. As of December 31, 2015, the payables on these purchases had been paid. In 2014, the Company bought machinery and equipment from YDT Technology International Co., Ltd., Far Eastern Technical Consultants Co., Ltd. and Far Eastern Geant Company Ltd. for NT$5,115 thousand, NT$280 thousand and NT$30 thousand, respectively. As of December 31, 2014, the payables on these purchases had been paid.

f. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd.	Yes	Receivables from related parties	$ 1,944,350	$ 1,913,400	$ 1,913,400	1.5750-3.35	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 9,862,578	$ 98,625,783	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G)
		PET Far Eastern (Holding) Ltd.	Yes	Receivables from related parties	2,022,150	1,946,100	1,946,100	3.35	2	-	For revolving fund	-	Promissory note	-	9,862,578	98,625,783	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G)
1	Yuan Ding Investment Co., Ltd.	Oriental Resources Development Ltd.	Yes	Receivables from related parties	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Oriental Petrochemical (Taiwan) Co.	Yes	Receivables from related parties	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Ding Yuan International Investment Co., Ltd.	Yes	Receivables from related parties	300,000	300,000	-	1.71-1.72	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Far Eastern Resources Development Co.	Yes	Receivables from related parties	1,000,000	1,000,000	-	1.73-1.74	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yuan Tong Investment Co., Ltd.	Yes	Receivables from related parties	800,000	750,000	254,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	340,000	340,000	340,000	1.63-1.77	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		An Ho Garment Co., Ltd	Yes	Receivables from related parties	400,000	400,000	400,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Kai Yuan International Investment Co., Ltd.	Yes	Receivables from related parties	800,000	800,000	485,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	800,000	752,000	752,000	1.63-1.79	2	-	For revolving fund	-	Promissory note	-	4,071,049	20,355,245	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
2	Yuan Tong Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	155,000	-	-	1.50-1.54	2	-	For revolving fund	-	Promissory note	-	825,216	4,126,079	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Far Eastern Resources Development Co.	Yes	Receivables from related parties	500,000	500,000	-	1.54-1.78	2	-	For revolving fund	-	Promissory note	-	825,216	4,126,079	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
3	Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Yes	Receivables from related parties	$ 50,000	$ -	$ -	-	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 269,143	$ 1,345,713	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	140,000	-	-	1.50-2.11	2	-	For revolving fund	-	Promissory note	-	269,143	1,345,713	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	100,000	-	-	1.52-1.54	2	-	For revolving fund	-	Promissory note	-	269,143	1,345,713	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
4	Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	527,493	2,637,463	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
		Yu Ding Industry Co., Ltd.	Yes	Receivables from related parties	150,000	150,000	150,000	1.88	2	-	For revolving fund	-	Promissory note	-	527,493	2,637,463	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
5	An Ho Garment Co., Ltd	Far Eastern Apparel Co., Ltd.	Yes	Receivables from related parties	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	200,851	1,004,256	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
6	Far EasTone Telecommunications Co., Ltd.	Q-ware Communications Co., Ltd.	Yes	Receivables from related parties	250,000	250,000	241,000	1.48-1.66	2	-	For revolving fund	-	-	-	7,190,637	35,953,183	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G)
7	New Century InfoComm Co., Ltd.	Q-ware Communications Co., Ltd.	Yes	Receivables from related parties	250,000	-	-	1.64	2	-	For revolving fund	-	-	-	4,931,909	12,329,772	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far EasTone Telecommunications Co., Ltd.	Yes	Receivables from related parties	4,500,000	4,500,000	2,500,000	1.00-1.14	2	-	For revolving fund	-	-	-	4,931,909	12,329,772	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far EasTone Telecommunications Co., Ltd.	Yes	Receivables from related parties	4,000,000	4,000,000	4,000,000	1.00-1.14	1	4,541,171	-	-	-	-	4,541,171	12,329,772	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note G)
8	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		FET Consulting Engineers Co., Ltd.	Yes	Receivables from related parties	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far Eastern Technical Consultants Co, Ltd.	Yes	Receivables from related parties	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Ding Ding Integrated Marketing Services Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Ding Ding Hotel Co., Ltd.	Yes	Receivables from related parties	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Yes	Receivables from related parties	$ 503,360	$ 328,800	$ -	1.5	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 1,513,251	$ 3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
		Far Eastern Electronic Commerce Co., Ltd.	Yes	Receivables from related parties	100,000	100,000	70,000	1.3735	2	-	For revolving fund	-	Promissory note	-	1,513,251	3,783,128	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)
9	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Yes	Receivables from related parties	200,000	200,000	110,000	1.1955-1.3788	2	-	For revolving fund	-	Promissory note	-	137,840	172,300	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G)
10	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Yes	Receivables from related parties	220,000	140,000	140,000	1.1955-1.3788	2	-	For revolving fund	-	Promissory note	-	208,919	261,149	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G)
11	Far Eastern Investment (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	756,240	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,818,587	3,818,587	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Worldwide Polychem (HK) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		FEDP (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Apparel (Holding) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Polychem Industries Ltd.	Yes	Other receivables - loans to related parties	1,150,800	1,150,800	-	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	998,000	998,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Sino Belgium (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	154,536	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	3,818,587	3,818,587	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		PET Far Eastern (M) Sdn. Bhd.	Yes	Other receivables - loans to related parties	328,800	328,800	217,122	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		PET Far Eastern (Holding) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	341,952	1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Apparel (Vietnam) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	542,520	-	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Oriental Textile (Holding) Ltd.	Yes	Other receivables - loans to related parties	3,288,000	3,288,000	910,776	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Polytex (Holding) Ltd.	Yes	Other receivables - loans to related parties	2,630,400	2,630,400	2,058,288	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	4,773,234	14,319,701	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
12	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	$ 657,600	$ 657,600	$ -	-	1	$ 1,764,770	-	$ -	Promissory note	$ -	$ 1,764,770	$ 1,861,051	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note H)
		Far Eastern Apparel (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	50,430	-	2	-	For revolving fund	-	Promissory note	-	1,329,322	3,987,967	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	986,400	986,400	202,584	-	2	-	For revolving fund	-	Promissory note	-	1,329,322	3,987,967	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
13	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	1,578,240	1,578,240	-	-	1	3,769,215	-	-	Promissory note	-	3,769,215	5,681,609	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	197,280	197,280	-	-	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Sino Belgium (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	1.3628	2	-	For revolving fund	-	Promissory note	-	3,246,634	3,246,634	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (WuXi) Ltd.	Yes	Other receivables - loans to related parties	2,133,912	2,133,912	90,947	-	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	1,946,100	1,946,100	199,600	1.265	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Oriental Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	2,959,200	2,959,200	411,741	-	2	-	For revolving fund	-	Promissory note	-	4,058,292	12,174,877	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
14	Far Eastern Polychem Industries Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	230,160	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,311,730	4,311,730	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Other receivables - loans to related parties	2,170,080	2,170,080	-	-	1	9,378,820	-	-	Promissory note	-	7,545,527	7,545,527	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	328,800	-	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Other receivables - loans to related parties	3,222,240	1,709,760	98,640	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	1,282,320	1,282,320	319,679	-	2	-	For revolving fund	-	Promissory note	-	5,389,662	16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Ishizuka Green Pet Corporation	Yes	Other receivables - loans to related parties	545,800	545,800	368,415	1.13929-1.14443	2	-	For revolving fund	-	Promissory note	-	4,311,730	4,311,730	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	$ 2,944,100	$ 2,944,100	$ 648,700	1.265	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 5,389,662	$ 16,168,987	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
15	PET Far Eastern (Holding) Ltd.	Tong Da Air Industry (Yangzhou) Co., Ltd.	Yes	Other receivables - loans to related parties	1,644,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,485,552	2,485,552	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Oriental Petrochemical (Shanghai) Corp.	Yes	Other receivables - loans to related parties	1,262,592	624,720	-	-	2	-	For revolving fund	-	Promissory note	-	2,485,552	2,485,552	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	1,315,200	1,315,200	-	1.3628	2	-	For revolving fund	-	Promissory note	-	3,106,941	9,320,822	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	2,095,800	2,095,800	2,095,800	1.265	2	-	For revolving fund	-	Promissory note	-	3,106,941	9,320,822	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
16	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	164,400	164,400	-	-	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Industries (Suzhou) Ltd.	Yes	Other receivables - loans to related parties	427,440	295,920	-	-	2	-	For revolving fund	-	Promissory note	-	236,805	710,414	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
17	Waldorf Services B.V.	Far Eastern Polychem Industries Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	-	1.3628	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Oriental Textile (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	348,528	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	493,200	493,200	493,200	1.36280-1.44485	2	-	For revolving fund	-	Promissory note	-	785,985	2,357,954	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
18	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Yes	Other receivables - loans to related parties	328,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Wuhan Far Eastern New Material Ltd.	Yes	Other receivables - loans to related parties	295,920	131,520	-	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
		Far Eastern New Century (China) Investment Ltd.	Yes	Other receivables - loans to related parties	4,274,400	2,170,080	2,052,766	-	2	-	For revolving fund	-	Promissory note	-	4,057,449	12,172,347	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J)
19	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	499,000	499,000	178,557	1.83479-3.37245	2	-	For revolving fund	-	Promissory note	-	2,130,667	4,734,815	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
20	Far Eastern Apparel (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	998,000	998,000	595,512	1.83479-3.37245	2	-	For revolving fund	-	Promissory note	-	1,273,234	2,829,408	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)

(Continued)

No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
21	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	$ 499,000	$ 149,700	$ -	2.67653-3.18567	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 209,969	$ 466,597	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
22	Oriental Industries (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yes	Receivables from related parties	499,000	499,000	-	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Suzhou) Ltd.	Yes	Receivables from related parties	499,000	499,000	-	3.30863	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Far Eastern Industries (WuXi) Ltd.	Yes	Receivables from related parties	1,497,000	998,000	-	3.04394-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	349,300	349,300	349,300	2.5	2	-	For revolving fund	-	Promissory note	-	2,246,642	2,246,642	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,497,000	1,497,000	632,862	2.91159-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Sino Belgium Beer (Suzhou) Ltd.	Yes	Receivables from related parties	1,671,650	1,671,650	680,766	2.61000-3.57332	2	-	For revolving fund	-	Promissory note	-	5,054,945	11,233,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
23	Sino Belgium Beer (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	49,900	-	-	-	2	-	For revolving fund	-	Promissory note	-	6,260	13,911	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
24	Far Eastern Industries (WuXi) Ltd.	Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	1,497,000	998,000	167,729	1.83479-3.37245	2	-	For revolving fund	-	Promissory note	-	2,871,971	6,382,159	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
25	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Yes	Receivables from related parties	49,900	-	-	-	2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	99,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	249,500	249,500	-	1.265	2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Shanghai Far Eastern Petrochemical Logistic Ltd.	Yes	Receivables from related parties	74,850	74,850	34,930	5.9	2	-	For revolving fund	-	Promissory note	-	320,572	961,715	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
26	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	598,800	499,000	-	3	2	-	For revolving fund	-	Promissory note	-	3,688,172	3,688,172	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

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No.	Lender	Borrower	Related Parties	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	$ 748,500	$ 748,500	$ -	1.265	2	$ -	For revolving fund	$ -	Promissory note	$ -	$ 4,610,215	$ 8,298,386	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
		Everest Textile (Shanghai) Ltd.	Yes	Receivables from related parties	249,500	249,500	149,700	4.2	2	-	For revolving fund	-	Promissory note	-	3,688,172	3,688,172	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	1,846,300	1,846,300	1,846,300	3	2	-	For revolving fund	-	Promissory note	-	3,688,172	3,688,172	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
27	Wuhan Far Eastern New Material Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	49,900	-	-	3	2	-	For revolving fund	-	Promissory note	-	413,235	413,235	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern New Century (China) Investment Ltd.	Yes	Receivables from related parties	99,800	99,800	-	1.265	2	-	For revolving fund	-	Promissory note	-	516,543	929,778	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
28	Far Eastern New Century (China) Investment Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	Yes	Receivables from related parties	59,880	59,880	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Textile (Holding) Ltd.	Yes	Receivables from related parties	99,800	99,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Ltd.	Yes	Receivables from related parties	99,800	99,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		PET Far Eastern (Holding) Ltd.	Yes	Receivables from related parties	99,800	99,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Wuhan Far Eastern New Material Ltd.	Yes	Receivables from related parties	99,800	99,800	50,424	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	898,200	898,200	481,984	1.26500-3.00	2	-	For revolving fund	-	Promissory note	-	718,337	718,337	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Oriental Industries (Suzhou) Ltd.	Yes	Receivables from related parties	748,500	748,500	747,826	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	5,788,400	5,788,400	2,014,223	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,607	6,285,449	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
29	Far Eastern Industries (Yangzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Yes	Receivables from related parties	598,800	-	-	3	2	-	For revolving fund	-	Promissory note	-	622,262	622,262	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)
		Far Eastern Industries (Shanghai) Ltd.	Yes	Receivables from related parties	249,500	249,500	249,500	3	2	-	For revolving fund	-	Promissory note	-	1,400,089	3,111,309	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Yes	Receivables from related parties	598,800	598,800	598,800	2.50-3.00	2	-	For revolving fund	-	Promissory note	-	622,262	622,262	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F)

(Continued)

Notes: A. Reasons for financing are as follows:

1. Business relationship.
2. For short-term financing.

B. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

C. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

D. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

E. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

F. The limit is equal to 40% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

G. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

H. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

I. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

J. The limit is equal to 150% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

K. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

L. The limit is equal to 250% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

M. The limit is equal to 350% of the net value of the financier (based on audited financial statements) as of December 31, 2015.

N. The limit is equal to business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note E)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note E)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note E)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	$ 98,625,783	$ 2,293,800	$ 2,293,200	$ 300,000	$ -	1.16	$ 197,251,565	Y	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
1	Far EasTone Telecommunications Co., Ltd.	KGEx.com Co., Ltd.	(Note A)	35,953,183	45,000	45,000	5,994	-	0.06	71,906,365	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
2	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	(Note A)	20,355,245	130,000	130,000	50,000	-	0.32	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Oriental Resources Development Ltd.	(Note A)	20,355,245	250,000	250,000	34,000	-	0.61	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Da Ju Fiber Co., Ltd.	(Note B)	20,355,245	394,000	360,000	120,000	-	0.88	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		PET Far Eastern (Holding) Ltd.	(Note C)	19,725,157	1,091,925	657,600	-	-	1.62	19,725,157	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note H); maximum amounts allowed for the period (Note I).
		Far Eastern Apparel (Holding) Ltd.	(Note A)	20,355,245	1,582,500	986,400	51,851	-	2.42	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Polychem Industries Ltd.	(Note C)	19,725,157	2,215,500	1,315,200	-	-	3.23	19,725,157	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note H); maximum amounts allowed for the period (Note I).
		Oriental Textile (Holding) Ltd.	(Note A)	20,355,245	2,848,500	1,545,360	60,038	-	3.80	40,710,489	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note E)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note E)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note E)	Note
		Name	Relationship											
		Far Eastern New Century Corporation	(Note D)	$ 20,355,245	$ 300,000	$ 300,000	$ 300,000	$ -	0.74	$ 40,710,489	N	Y	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Resources Development Co.	(Note A)	20,355,245	1,644,000	1,644,000	-	-	4.04	40,710,489	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
3	Far Eastern Resources Development Co.	Far Eastern New Century Corporation	(Note D)	13,789,999	6,271,448	5,596,448	2,640,000	5,596,448	2.84	27,579,998	N	Y	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
4	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	3,783,128	1,103,000	1,103,000	710,000	50,000	0.56	7,566,256	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	3,783,128	65,840	65,760	32,880	-	0.03	7,566,256	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note F); maximum amounts allowed for the period (Note G).
5	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	38,163,858	350,000	350,000	-	-	2.75	38,163,858	N	N	N	Limits on each counter-party's endorsement/guarantee amount (Note J); maximum amounts allowed for the period (Note J).
6	PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	98,625,783	4,274,400	2,219,400	1,150,800	-	1.13	197,251,565	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note K); maximum amounts allowed for the period (Note L).
7	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	98,625,783	1,266,650	1,141,900	464,759	-	2.80	197,251,565	N	N	Y	Limits on each counter-party's endorsement/guarantee amount (Note K); maximum amounts allowed for the period (Note L).

Notes: A. Parent company's direct or indirect subsidiary.

B. Equity-method investee.

C. The guarantee provider and counter-party have the same ultimate parent company.

D. Parent company of the investee.

(Continued)

E. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.

F. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor, based on latest audited financial statements.

G. The amount of the collateral/guarantee is equal to the net value of the guarantor, based on latest audited financial statements.

H. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements as of December 31, 2015) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements as of December 31, 2015.)

I. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements as of December 31, 2015) and the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements as of December 31, 2015.)

J. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor, based on latest audited financial statements.

K. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company, based on latest audited financial statements.

L. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company, based on latest audited financial statements.

M. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.

N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows:

1. Far Eastern Industries (WuXi) Ltd.: RMB9,909 thousand (NT$49,446 thousand), the actual remittance was this same amount.

2. Far Eastern Apparel (Suzhou) Ltd.: RMB2,100 thousand (NT$10,479 thousand), the actual remittance was this same amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	$ 18,571,971	22.33	$ 20,564,001	19,900 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	4,749,095	17.06	4,412,303	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	81,216	1,359,418	9.17	1,701,475	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	129	1,519	0.03	1,935	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	140,278	1,948,952	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	135,000	1,777,417	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	40,135,283	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Investments accounted for using the equity method	557,354	99,278,697	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	124	8,149,514	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,875,339	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	7,887,200	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,274,785	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	9,309,702	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	5,573,361	90.54	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,183,311	7,562,475	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	7,931,482	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,176,146	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,932,594	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,670,534	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	238,841	50.43	-	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,998	282,479	99.96	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,772	45,587	19.00	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,371	100.00	-	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	79,778	781,027	2.63	781,027	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	15,839	565,776	0.47	433,989	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	82,835	1,594,342	9.35	1,735,393	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,615	419,372	1.38	357,974	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,869	1,129,055	25.23	1,783,035	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	23,473,128	32.73	72,106,081	43,145 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,906,889	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	2,716,824	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,305	1,490,394	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	282,860	100.00	-	
	Yuan Faun Ltd.	(Note A)	Investments accounted for using the equity method	5,000	121,305	100.00	-	
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	3,729	62,904	45.50	-	
	Yuan Ding Leasing Corp.	(Note A)	Investments accounted for using the equity method	36,706	416,261	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,139,108	100.00	-	
	Oriental Resources Development Ltd.	(Note A)	Investments accounted for using the equity method	34,242	322,577	70.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,874,964	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	355,217	29.80	-	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	185,247	2,680,310	25.96	-	78,125 thousand shares pledged or mortgaged as collaterals for loans.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	64,759	$ 1,129,042	12.86	$ -	16,500 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	75,268	1,146,754	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	8,197,180	100.00	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	119,653	1,489,063	14.92	-	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	98,198	560,876	18.96	-	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,490	22,341	1.00	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	81,374	526,742	5.20	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	8,599	229,163	1.02	229,163	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	108,534	1,062,553	3.58	1,062,553	
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - non-current	1,029	22,493	0.16	-	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	0.00	-	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	-	
	Financial assets under asset management contracts (Note F)							
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	700	42,525	-	42,525	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	350	25,900	-	25,900	
	United Microelectronics Corporation	-	Financial assets at fair value through profit or loss - current	2,000	24,200	-	24,200	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	103	15,958	-	15,958	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	16,160	-	16,160	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	325	46,475	-	46,475	
	Foxconn Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	175	12,180	-	12,180	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	300	13,890	-	13,890	
	Yuanta Financial Holdings	-	Financial assets at fair value through profit or loss - current	1,800	21,870	-	21,870	
	LOTES Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	6,125	-	6,125	
	Chipbond Technology Corporation.	-	Financial assets at fair value through profit or loss - current	550	26,153	-	26,153	
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	250	10,775	-	10,775	
	Yuanta Daily Taiwan 50 Bull 2X ETF	-	Financial assets at fair value through profit or loss - current	350	6,289	-	6,289	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,552,545	100.00	-	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	182,977	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	13,975	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	407,054	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	100,021	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note H)	1,710	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	171,601	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	133,197	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	181,629	100.00	-	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	183,230	50.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	483,471	0.39	362,283	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,551	84,135	0.25	64,806	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,582	41,626	0.97	68,730	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	27,710	703,116	3.13	580,525	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	$ 41,570	0.03	$ 62,192	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	218,672	2.24	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,074	301,648	13.20	-	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	66	0.03	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	80,649	789,559	2.66	789,559	15,000 thousand shares pledged or mortgaged as collaterals for loans.
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	728,529	0.60	553,672	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,145,553	1.05	2,308,472	23,800 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	36,367	787,414	4.11	761,889	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	568,929	1.46	377,264	
	Kowloon Cement Corp.	(Note A)	Investments accounted for using the equity method	1,127	482,746	49.00	-	
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	74,970	1,146,933	16.80	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	218,874	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	97,912	958,557	3.23	958,557	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	819	21,826	0.10	21,826	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	8,078,503	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	587,671	9.46	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	235,028	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,555,215	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	172	37,134	85.15	-	
	Bank of Chungqing	-	Available-for-sale financial assets - non-current	3,883	115,317	0.25	115,317	
	Nippon Parison Co., Ltd	-	Financial assets carried at cost - non-current	4	71,865	10.00	-	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	589,826	0.53	485,692	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	147,413	2,031,182	98.95	-	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	42,368	0.19	42,368	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	544,955	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,371,075	100.00	-	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	18,803	0.01	12,851	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	1,985	0.00	6,084	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	7	949	0.01	-	
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	450	4,705	9.00	-	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	19,894	0.09	19,894	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	7,572	44,863	2.72	-	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,595	50,000	-	50,000	
	Union Money Market	-	Financial assets at fair value through profit or loss - current	4,984	65,016	-	65,016	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	3,431	50,159	-	50,159	
	Fubon Chi-Hsiang Money Market	-	Financial assets at fair value through profit or loss - current	3,227	50,015	-	50,015	
	Taishin Ta-Chong Money Market	-	Financial assets at fair value through profit or loss - current	7,137	100,098	-	100,098	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,571,969	100.00	-	
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	497,746	37.92	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,531)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,627)	50.00	-	
	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	9.95	-	
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note H)	(46)	99.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	$ 1,077,250	1.25	$ 2,759,297	21,050 thousand shares pledged or mortgaged as collaterals for loans.
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	249,363	0.18	166,976	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	11,204	272,344	1.26	234,724	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,175	0.03	6,753	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	5,890	86,703	0.83	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,146	259,754	15.66	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	9,681	122,852	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	164,796	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	20,083	196,613	0.66	196,613	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	(Note A)	Investments accounted for using the equity method	745	12,359	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	4,256	41,663	0.14	41,663	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - non-current	3,504	28,519	3.56	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,734	0.02	35,152	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,812,888	3.08	6,776,021	34,100 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	39,619	1,234,733	2.80	723,047	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	49,705	1,732,471	5.61	1,041,320	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,132,423	0.85	783,065	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	217,675	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	77,257	320,276	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	27	0.00	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	36	23,146	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	36	0.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	170,641	13.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,407	189,998	0.64	189,998	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-	
	Bockhold N.V- stock	-	Financial assets carried at cost - non-current	1	182,283	12.51	-	
	Financial assets under asset management contracts (Note F)				-			
	YUANTA DAILY TAIWAN 50 BULL 2X ETF	-	Financial assets at fair value through profit or loss - current	400	7,188	-	7,188	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	361	16,714	-	16,714	
	Yuanta Financial Holdings	-	Financial assets at fair value through profit or loss - current	2,240	27,216	-	27,216	
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	432	18,619	-	18,619	
	Foxconn Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	132	9,196	-	9,196	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	63	9,820	-	9,820	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	347	49,621	-	49,621	
	Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	893	54,250	-	54,250	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	220	17,776	-	17,776	
	Fubon SSE180 ETF	-	Financial assets at fair value through profit or loss - current	450	14,405	-	14,405	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	290	21,460	-	21,460	
	United Microelectronics Corporation	-	Financial assets at fair value through profit or loss - current	1,170	14,157	-	14,157	
	Chipbond Technology Corporation.	-	Financial assets at fair value through profit or loss - current	140	6,657	-	6,657	
	Innolux Corporation	-	Financial assets at fair value through profit or loss - current	830	8,250	-	8,250	
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	53,874	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	3,410,208	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,728,099	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,043,410	50.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	$ 3,196,041	100.00	$ -	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	5,625,341	100.00	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	233,298	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,033,086	100.00	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	870,609	61.54	-	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,795,843	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	4,379,090	60.00	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,139,644	12.36	-	
	Shanghai Yuan Zi Information Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	67,200	100.00	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	519,968	8.11	-	
	Yuan Ding Enterprise (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	257,404	100.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	6,956	100.00	-	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	27,820	100.00	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	133,408	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	15,111	75,403	-	75,403	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	561,532	2,802,042	-	2,802,042	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	304,877	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	41,633	229,537	60.00	-	
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	4,550	50,226	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	-	8,790	17.70	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,502	148,571	61.99	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	23,913	(119,795)	53.08	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	85,000	533,356	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	206,878	0.16	146,015	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	112,317	0.13	281,486	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	129,637	1,527,843	25.02	-	104,000 thousand shares pledged or mortgaged as collaterals for loans
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	82	576	1.00	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,175	42,590	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	130,303	5.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	96,312	393,847	14.93	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	30,000	217,726	20.00	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,592	74,326	0.25	74,326	
	Far Eastern New Century Corporation	(Note J)	Financial assets at fair value through profit or loss - current	779	20,069	-	20,069	
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	79	(407)	0.18	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	22,515	163,400	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	32,161	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	12,192	140,761	-	140,761	
Far Eastern Technical Consultants Co, Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial assets carried at cost - non-current	480	4,800	4.00	-	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	$ 37,557	53.87	$ -	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	329	0.46	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	47,628	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note H)	69,226	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	120	1,146	0.03	1,800	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	94,846	0.19	50,443	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,342	0.00	1,671	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	1	40,872	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,670	26,137	0.09	26,137	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	0.00	-	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	27,274,470	100.00	-	
	Arcoa Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	1,311,282	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	88,894	948,235	99.99	-	
	Hiiir Digital Marketing Co., Ltd.	(Note A)	Investments accounted for using the equity method	53,726	123,831	89.54	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,350	137,951	99.99	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Other liabilities - other	1	(49,267)	100.00	-	
	O-music Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,500	3,925	50.00	-	
	Q-Ware Communication Co., Ltd.	(Note A)	Other liabilities - other	33,983	(62,915)	81.46	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	254,240	631,848	39.42	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	6,691	(33,032)	14.85	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,408	57,692	15.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	45,000	326,458	30.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,000	16,008	13.33	-	
	AppWorks Venture Co., Ltd.	-	Financial assets carried at cost - non-current	15,000	150,000	11.11	-	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	80,000	563,778	100.00	-	
	Information Security Service Digital United Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,249	104,491	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	4,320	32,555	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,469	19,231	5.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Other liabilities - other	2,392	(11,809)	5.31	-	
	Opas Fund Segregated Portfolio Tranche A	-	Available-for-sale financial assets - current	15	492,375	-	492,375	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	4	172,920	-	172,920	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	205,417	70.00	-	
	THI Consultants, Inc.	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	-	100	100.00	-	
	Far Eastern New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	50,460	100.00	-	
	New Diligent (HK) Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Investments accounted for using the equity method	-	43,413	100.00	-	
	Home Master Technology Ltd.	(Note A)	Other liabilities - other	-	(9,177)	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technologies (Shanghai) Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	10,817	100.00	-	
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	2,105	2.12	-	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	$ 76,364	76.92	$ -	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	62,894	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	44,931	41.67	-	

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

C. The vice chairman of investee is the chairman of investor.

D. The vice chairman of investee is the chairman of FENC.

E. The chairman of the investee is FENC's chairman.

F. Financial assets under asset management contracts and the financial assets can be sold in the open market by the investee, Oriental Securities Corp.

G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.

H. A private company.

I. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.

J. Parent company of the investee.

K. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedules M and N.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,032,195	$ 6,665,722	151,116	$ 1,511,163	-	$ -	$ -	$ -	$ (614,410)	1,183,311	$ 7,562,475
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	89	7,009,140	21	1,300,271	-	-	-	-	(112,231)	110	8,197,180
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US$ 132,802	(Note B)	US$ 40,740	-	-	-	-	US$ (2,455)	(Note B)	US$ 171,087
Yuan Ding Company Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	9,833	119,481	31,800	318,000	-	-	-	-	(207,944)	41,633	229,537
Ding Ding Integrated Marketing Services Co., Ltd.	DDIM (Virgin Islands) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	-	(Note B)	357,940	-	-	-	-	(325,779)	(Note B)	32,161
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US$ (3,506)	(Note B)	US$ 11,000	-	-	-	-	US$ (5,389)	(Note B)	US$ 2,105
Far Eastern Construction Co., Ltd.	Hua Nan Phoenix Money Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	18,746	300,000	18,746	300,030	300,000	30	-	-	-
	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	27,712	300,000	27,712	300,268	300,000	268	-	-	-
Far Eastern General Contractor Co., Ltd.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	30,488	330,021	26,246	285,000	52,139	565,555	565,021	524	-	4,595	50,000
	Hua Nan Phoenix Money Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	36,477	430,000	36,477	430,185	430,000	185	-	-	-
	Mirae Asset Solomon Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	12,102	150,000	13,029	162,000	25,131	312,160	312,000	160	-	-	-
	UPAMC James Bond Mouey Market Fund.	Financial assets at fair value through profit or loss - current	-	-	-	-	22,379	368,000	22,379	368,225	368,000	225	-	-	-
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	34,032	541,000	34,032	541,260	541,000	260	-	-	-
Far Eastern Industries (Yangzhou) Ltd.	Yoshizane Money Market Fund B (Note C)	Financial assets at fair value through profit or loss - current	-	-	-	-	110,000	RMB 110,000	96,000	RMB 96,000	RMB 96,000	RMB -	-	15,111	RMB 15,111
Far Eastern Yihua petrochemical (Yangzhou) Coporation	Yoshizane Money Market Fund B (Note C)	Financial assets at fair value through profit or loss - current	-	-	-	-	837,583	RMB 837,583	282,497	RMB 282,497	RMB 282,497	RMB -	-	561,532	RMB 561,532
Ding Ding Integrated Marketing Services Co., Ltd.	DFE DWS Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	45,158	520,000	32,966	380,000	379,591	409	-	12,192	140,409
Far Eastern Electronic Commerce Co., Ltd.	DFE DWS Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	12,235	140,541	21,696	250,000	33,931	390,749	390,541	208		-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
New Century InfoComm Co., Ltd.	Opas Fund Segregated Portfolio Tranche A	Available-for-sale financial assets - current	-	-	-	$ -	15	$ 487,050	-	$ -	$ -	$ -	$ -	15	$ 487,050
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	11	445,500	-	-	11	505,614	445,500	60,114	-	-	-

Notes: A. Subsidiary.

B. A private company

C. The transaction of Yoshizane Money Market Fund B were purchased and redeemed based on one unit for RMB 1, the dividend were reinvested original unit when holding period, difference of unit were the dividend reinvested.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Far Eastern Resources Development Co.	Lands located in the Bangiao Xin-Ya and Bangiao Ya-Tong Section in New Taipei City	February 2, 2015	$ 1,892,370	(Note)	Oriental Institute of Technology (OIT)	The buyer and the counterparty have the same chairman	Far Eastern New Century Corporation	Parent company	From 1973 to 1978	$ 2,244	Elite Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm CCIS Real Estate Joint Appraisers Firm	Future operation planning	Referencing Institute of Technology - Taiwan Ministry of Education (2) letter No. 103016686, the land increment tax and other taxes amounting to NT$158,255 thousand incurred from the seller were paid by Far Eastern Resources Development Co.
							National Property Administration	-	September 16, 1989	4,124	REPro Real Estate Joint Appraisers Firm		
							Taoyuan Irrigation Association	-	June 29, 1979	235			

Note: Far Eastern Resources Development Co. (FERD) exchanged its investment properties - land amounting to NT$1,115,520 thousand and paid an extra NT$776,580 thousand to Oriental Institute of Technology (OIT) for this exchange.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Far Eastern Resources Development Co.	Land No. 1006 located in the Bangiao Ya-Tong Section in New Taipei City	March 3, 2015	June 10, 2004	$ 1,048,780	$ 1,878,322	(Note B)	$ 815,643	Far Eastern Medical Foundation	(Note A)	Operation planning	Elite Appraisers Firm REPro Real Estate Joint Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm	-
	Lands located in the Bangiao Ya-Tong Section in New Taipei City	February 2, 2015	June 10, 2004	949,458	1,115,520	(Note C)	167,986	Oriental Institute of Technology (OIT)	(Note A)	Operation planning	Elite Appraisers Firm REPro Real Estate Joint Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm CCIS Real Estate Joint Appraisers Firm	-

Note: A. The chairman of the seller is the chairman of FENC.

B. The payment was made by NT$78,322 thousand cash and the rest NT$1,800,000 thousand will be paid by installment annually.

C. Far Eastern Resources Development Co. (FERD) exchanged its land with fair value NT$1,892,370 thousand and paid an extra NT$776,580 thousand to Oriental Institute of Technology (OIT) for this exchange.

FAR EASTERN NEW CENTURY CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern New Century Corporation	Oriental Resources Development Ltd.	(Note A)	Purchase	$ 345,722	1	Based on contract	-	-	$ -	-	$ (35,481)	(1)	
	Oriental Petrochemical (Taiwan) Co.	(Note A)	Purchase	6,664,674	16	Based on contract	-	-	-	-	(478,203)	(17)	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	116,353	-	Based on contract	-	-	-	-	(51,194)	(2)	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,947,085)	(4)	Based on contract	-	-	-	-	648,962	9	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	(775,108)	(2)	Based on contract	-	-	-	-	234,997	3	
	Far Eastern Industries (WuXi) Ltd.	(Note A)	Sale	(276,380)	(1)	Based on contract	-	-	-	-	38,690	1	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(139,810)	-	Based on contract	-	-	-	-	10,449	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Sale	(240,470)	(1)	Based on contract	-	-	-	-	15,610	-	
	Pet Far Eastern (M) Sdn. Bhd.	(Note A)	Sale	(110,058)	-	Based on contract	-	-	-	-	27,746	-	
	Fu-Da Transport Corp.	(Note G)	Purchase	137,525	-	Based on contract	-	-	-	-	(4,533)	-	
	Oriental Union Chemical Corp.	(Note D)	Purchase	1,285,907	3	Based on contract	-	-	-	-	(59,166)	(2)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note E)	Sale	(307,698)	(1)	Based on contract	-	-	-	-	44,634	1	
	Everest Textile Co., Ltd.	(Note D)	Sale	(331,357)	(1)	Based on contract	-	-	-	-	37	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Sale	(277,341)	(100)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Purchase	2,531,504	51	Based on contract	-	-	-	-	(437,589)	(45)	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Purchase	1,283,209	26	Based on contract	-	-	-	-	(270,832)	(28)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	1,167,688	23	Based on contract	-	-	-	-	(242,374)	(25)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(230,158)	(4)	Based on contract	-	-	-	-	170,151	37	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note C)	Purchase	266,530	7	Based on contract	-	-	-	-	(89,298)	(15)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	215,071	6	Based on contract	-	-	-	-	(53,794)	(9)	
	Far Eastern Apparel (Holding) Ltd.	(Note B)	Sale	(2,531,504)	(60)	Based on contract	-	-	-	-	437,589	47	
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sale	(253,645)	(6)	Based on contract	-	-	-	-	91,844	10	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	775,108	4	Based on contract	-	-	-	-	(234,997)	(9)	
	Oriental Petrochemical (Shanghai) Corp.	(Note C)	Purchase	4,578,892	23	Based on contract	-	-	(583,870)	(87)	(400,205)	(16)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	157,004	1	Based on contract	-	-	-	-	(50,967)	(2)	
	Far Eastern Polychem Industries Ltd.	(Note B)	Sale	(7,078,515)	(33)	Based on contract	-	-	-	-	955,307	43	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(888,607)	(4)	Based on contract	-	-	89,979	27	145,647	7	
	Worldwide Polychem (HK) Ltd.	(Note C)	Sale	(182,081)	(1)	Based on contract	-	-	-	-	16,516	1	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(215,071)	(1)	Based on contract	-	-	-	-	53,794	2	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(116,353)	(1)	Based on contract	-	-	-	-	51,194	58	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note C)	Purchase	1,511,153	53	Based on contract	-	-	(270,702)	(100)	(125,369)	(71)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(2,449,615)	(86)	Based on contract	-	-	17,884	62	226,677	68	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Purchase	7,078,515	92	Based on contract	-	-	-	-	(955,307)	(81)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	372,929	5	Based on contract	-	-	-	-	(24,528)	(2)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(878,051)	(11)	Based on contract	-	-	-	-	255,837	21	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(271,317)	(3)	Based on contract	-	-	-	-	63,248	5	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Oriental Petrochemical (Shanghai) Corp.	PET Far Eastern (Holding) Ltd.	(Note B)	Purchase	$ 277,341	2	Based on contract	-	-	$ -	-	$ -	(61)	
	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Other operating cost	120,564	1	Based on contract		-	-	-	(11,985)	(2)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(4,578,892)	(31)	Based on contract	-	-	583,870	44	400,205	59	
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Sale	(1,511,153)	(10)	Based on contract	-	-	270,702	21	125,369	18	
Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	(Note B)	Sale	(6,664,674)	(50)	Based on contract	-	-	-	-	478,203	39	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Purchase	2,449,615	39	Based on contract	-	-	(17,884)	100	(226,677)	(49)	
	Oriental Textile (Holding) Ltd.	(Note B)	Sale	(3,001,224)	(43)	Based on contract	-	-	-	-	442,767	36	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note A)	Purchase	3,001,224	88	Based on contract	-	-	-	-	(442,767)	(83)	
	Far Eastern Industries (WuXi) Ltd.	(Note A)	Purchase	415,852	12	Based on contract	-	-	-	-	(93,695)	(17)	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note F)	Sale	(259,912)	(12)	Based on contract	-	-	-	-	29,060	22	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	230,158	12	Based on contract	-	-	-	-	(170,151)	(74)	
	Far Eastern New Century Corporation	(Note B)	Purchase	139,810	8	Based on contract	-	-	-	-	(10,449)	(5)	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,167,688)	(55)	Based on contract	-	-	-	-	242,374	75	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	878,051	63	Based on contract	-	-	-	-	(255,837)	(89)	
	Far Eastern New Century Corporation	(Note B)	Purchase	110,058	8	Based on contract	-	-	-	-	(27,746)	(10)	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	888,607	62	Based on contract	-	-	(89,979)	(100)	(145,647)	(51)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	271,317	19	Based on contract	-	-	-	-	(63,248)	(22)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(157,004)	(10)	Based on contract	-	-	-	-	50,967	28	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(372,929)	(23)	Based on contract	-	-	-	-	24,528	14	
Worldwide Polychem (HK) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	182,081	8	Based on contract	-	-	-	-	(16,516)	(2)	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,947,085	84	Based on contract	-	-	-	-	(648,962)	(94)	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp.	(Note H)	Purchase	444,591	9	Based on contract	-	-	(47,532)	(12)	(41,303)	(3)	
	Far Eastern Department Stores Co., Ltd.	(Note F)	Construction revenue	(206,519)	(4)	Based on contract	-	-	-	-	159,968	27	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(345,722)	(61)	Based on contract	-	-	-	-	35,481	55	
Far Eastern Industries (WuXi) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	276,380	9	Based on contract	-	-	-	-	(38,690)	(93)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(266,530)	(8)	Based on contract	-	-	-	-	89,298	24	
	Oriental Textile (Holding) Ltd.	(Note B)	Sale	(415,852)	(13)	Based on contract	-	-	-	-	93,695	25	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	253,645	9	Based on contract	-	-	-	-	(91,844)	(21)	
	Far Eastern New Century Corporation	(Note B)	Purchase	240,470	9	Based on contract	-	-	-	-	(15,610)	(4)	
	An Ho Garment (Suzhou) Co., Ltd.	(Note A)	Purchase	207,994	8	Based on contract	-	-	-	-	(12,067)	(3)	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,283,209)	(44)	Based on contract	-	-	-	-	270,832	52	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note B)	Other operating revenue	(120,564)	(64)	Based on contract	-	-	-	-	11,985	39	
An Ho Garment (Suzhou) Co., Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note B)	Sale	(207,994)	(100)	Based on contract	-	-	-	-	12,067	30	
Yuan Cheng Human Resources Consultant Corp.	Far Eastern International Bank	(Note I)	Other operating revenue	(134,727)	(42)	Based on contract	-	-	-	-	-	-	
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Other operating revenue	(105,089)	(33)	Based on contract	-	-	-	-	9,015	83	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note A)	Operating revenues	$ (242,740)	-	Based on contract	-	-	$ -	-	$ 97,761	2	
			Cost of telecommunications services, marketing expenses and cost of sales	16,048,386	25	Based on contract	-	-	-	-	(1,181,896)	(7)	
	New Century InfoComm Co., Ltd.	(Note A)	Operating revenues	(749,882)	(1)	Based on contract	-	-	-	-	3,845	-	
			Cost of telecommunications services	3,791,289	8	Based on contract	-	-	-	-	(779,035)	(5)	(Note J)
	KGEx.com Co., Ltd.	(Note A)	Operating revenues	(170,078)	-	Based on contract	-	-	-	-	27,352	-	
	O-music Co., Ltd.	(Note A)	Cost of telecommunications services	202,417	-	Based on contract	-	-	-	-	(41,089)	-	
	Yuan Cheng Human Resources Consultant Corp.	(Note C)	Service fee	105,089	1	Based on contract	-	-	-	-	(9,015)	-	
New Century InfoComm Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(3,791,289)	(28)	Based on contract	-	-	-	-	779,035	49	(Note K)
			Cost of telecommunications services	749,882	8	Based on contract	-	-	-	-	(3,845)	-	
	KGEx.com Co., Ltd.	(Note C)	Cost of telecommunications services	153,225	2	Based on contract	-	-	-	-	(27,189)	(4)	
	Sino Lead Enterprise Limited	(Note A)	Cost of telecommunications services	114,336	1	Based on contract	-	-	-	-	(19,723)	(3)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(16,048,386)	(78)	Based on contract	-	-	-	-	1,181,896	82	
			Cost of sales and cost of telecommunications services	242,740	1	Based on contract	-	-	-	-	(97,761)	(6)	
KGEx.com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Cost of telecommunications services	170,078	33	Based on contract	-	-	-	-	(27,352)	(47)	
	New Century InfoComm Co., Ltd.	(Note C)	Operating revenues	(153,225)	(26)	Based on contract	-	-	-	-	27,189	31	
O-music Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note B)	Operating revenues	(202,417)	(99)	Based on contract	-	-	-	-	41,089	98	
Sino Lead Enterprise Limited	New Century InfoComm Co., Ltd.	(Note B)	Operating revenues	(114,336)	(100)	Based on contract	-	-	-	-	19,723	94	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Purchase	114,875	4	Based on contract	-	-	-	-	(16,385)	(5)	
Linkwell Tech. Ltd.	DataExpress Infotech Co., Ltd.	(Note B)	Operating revenues	(114,875)	(8)	Based on contract	-	-	-	-	16,385	40	

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

D. Equity-method investee.

E. Equity-method investee equity-method of FENC's subsidiary

F. Equity-method investee equity-method of FENC.

G. The chairman of the company is the vice chairman of FENC.

H. The chairman of the ultimate parent company is the chairman of FENC.

I. The vice chairman of the company is the chairman of FENC.

J. All interconnect revenues, costs and collection of international direct dial revenues between Far EasTone and NCIC were settled at net amounts and were included in accounts payable - related parties.

K. Including the receivables collected by Far EasTone for NCIC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	$ 648,962	3.94	$ -	-	$ 520,831	$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	234,997	4.73	-	-	172,799	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	255,837	2.95	-	-	219,095	-
Oriental Petrochemical (Taiwan) Co.	Far Eastern New Century Corporation	(Note C)	478,203	12.47	-	-	476,203	-
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note D)	170,151	2.71	-	-	8,589	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	242,374	6.59	-	-	51,616	-
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	955,307	13.32	-	-	924,362	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	235,626	4.41	-	-	145,647	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	437,589	7.42	-	-	383,999	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	984,075	3.45	-	-	603,186	-
	Far Eastern Industries (Suzhou) Ltd.	(Note D)	396,071	3.07	-	-	266,828	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	442,767	6.01	-	-	442,767	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	244,561	4.27	-	-	226,677	-
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	270,832	4.97	-	-	259,223	-
Far Eastern General Contractor Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note E)	159,968	(Note F)	-	-	11,069	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note B)	117,227	12.57	-	-	86,616	-
	New Century InfoComm Co., Ltd.	(Note B)	178,132	(Note G)	-	-	96,495	-
New Century InfoComm Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	7,374,579	(Note H)	-	-	723,227	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	1,181,896	11.71	-	-	1,181,896	-

(Continued)

Notes: A. For the receivables from the financing to affiliates, please refer to Schedule D.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

E. Equity-method investee equity-method of FENC.

F. The turnover rate was unavailable as the receivables from related parties because these receivables included retentions receivable, which will be settled only upon meeting the conditions in each contract, which usually have terms of more than 12 months.

G. The turnover rate was unavailable as the receivables from related parties were mainly due to the advances made for NCIC's daily operating expenditures and the management service charges to NCIC.

H. The turnover rate was unavailable as the receivables from related parties were due to (A) the collection of telecommunications bills by Far EasTone for NCIC and (B) financing provided by NCIC to Far EasTone.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	$ 2,652,282	$ 2,652,282	750,511	22.33	$ 18,571,971	$ 4,860,241	$ 660,862	Gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,749,095	1,655,135	279,387	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,359,418	(114,925)	(10,539)	(Notes A and K)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,519	451,520	135	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	1,948,952	(343,101)	(67,419)	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	810,000	810,000	135,000	16.83	1,777,417	391,170	65,834	(Note A)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,041	100,041	1,822,822	99.40	40,135,283	5,230,441	5,156,580	Including write off and reversed by side-stream transactions $(42,478) thousand, (Notes B and H)
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate construction and selling	14,931,733	14,931,733	557,354	100.00	99,278,697	2,510,790	2,535,929	$25,139 thousand, (Notes B and K)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,678,309	7,678,309	124	100.00	8,149,514	(433,539)	(433,539)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	7,875,339	(138,724)	(101,324)	(Note B)
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,887,200	159,121	169,027	$9,906 thousand, (Note B)
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,843	100.00	5,274,785	468,403	468,403	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	9,309,702	738,771	738,771	(Note B and K)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	5,811,250	333	90.54	5,573,361	(1,028,962)	(921,895)	Including premium and discount amortization $9,727 thousand, (Note B)
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	10,919,967	9,408,804	1,183,311	75.56	7,562,475	(711,208)	(596,084)	Including write off and reversed by upstream transactions $(58,695) thousand, (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	7,931,482	1,552,350	1,010,735	(Notes B and K)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,511	857,511	186,929	37.13	3,176,146	47,695	24,782	Including write off and reversed by side-stream transactions $7,073 thousand, (Notes B, I and K)
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Investment	1,023	1,023	66,346	100.00	1,932,594	178,886	172,012	Including write off and reversed by side-stream transactions $(6,874) thousand, (Note B)
	Ding Yuan International Investment Co., Ltd	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,670,534	69,440	63,758	Including write off and reversed by side-stream transactions $(5,682) thousand, (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	238,841	(195,313)	(98,496)	(Note B)
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,076	9,129	3,998	99.96	282,479	116,249	116,214	(Notes B and K)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	393,651	393,651	19,772	19.00	45,587	(294,126)	(55,884)	(Note B)
	Far Eastern Textile Ltd.	Taipei, Taiwan	Chemical fiber production	1,000	1,000	100	100.00	1,371	63	63	(Note B)
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	453,350	316,556	15,839	0.47	565,776	4,860,241	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,335,807	1,321,883	82,835	9.35	1,594,342	(114,925)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	408,054	169,831	19,615	1.38	419,372	1,655,135	-	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,129,055	451,520	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,473,128	11,485,695	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,906,889	(138,724)	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment	2,179,442	2,179,442	111	100.00	2,716,824	213,663	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Investment	263,790	263,790	27,305	41.86	1,490,394	498,555	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	282,860	(81,905)	-	(Note B)
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	121,305	2,801	-	(Note B)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	97,852	97,852	3,729	45.50	62,904	2,475	-	(Note A)
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	416,261	82,958	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taipei, Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,139,108	148,739	-	(Note B)
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	322,577	(21,694)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,874,964	1,657,664	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	355,217	521,895	-	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,680,310	(343,101)	-	(Note A)
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,129,042	47,695	-	(Note B)
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	1,146,754	1,528,756	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment	7,142,602	5,842,331	110	100.00	8,197,180	63,325	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	$ 796,491	$ 796,491	119,653	14.92	$ 1,489,063	$ 391,170	$ -	(Note A)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	673,704	673,704	98,198	18.96	560,876	508,158	-	(Note A)
	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,490	1.00	22,341	124,049	-	(Note B)
	Oriental Petrochemical (Taipei, Taiwan) Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	415,679	311,759	81,374	5.20	526,742	(711,208)	-	(Note B)
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	Antillem	Investment	US$ 6	US$ 6	6	100.00	1,552,545	381,395	-	(Note B)
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	8,000	50.00	182,977	24,075	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US$ 3,375	US$ 3,375	9,000	20.00	13,975	(1,150)	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US$ 9,000	US$ 9,000	-	100.00	407,054	139,853	-	(Notes B and D)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Polyester production trading	US$ 3,500	US$ 3,500	2,700	100.00	100,021	-	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US$ 51	US$ 51	-	34.00	1,710	15	-	(Notes A and D)
	Far Eastern Polytex (Vietnam) Ltd.	Vietnam	Chemical fiber and textile production	US$ 5,300	-	-	100.00	171,601	(2,558)	-	(Notes B and D)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US$ 4,300	-	-	100.00	133,197	(7,905)	-	(Notes B and D)
	Magna View Sdn. Bhd.	Malaysia	Investment	US$ 3,465	-	3,000	100.00	181,629	-	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	8,000	50.00	183,230	24,075	-	(Notes B and C)
Ding Yuan International Investment Co., Ltd	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	13,222	0.39	483,471	4,860,241	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	70,995	54,812	3,551	0.25	84,135	1,655,135	-	(Note A)
	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	74,932	70,428	4,582	0.97	41,626	451,520	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	684,551	596,353	27,710	3.13	703,116	(114,925)	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	41,570	11,485,695	-	(Note B)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	218,672	391,170	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	11,074	13.20	301,648	99,419	-	(Note A)
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	50	-	1	0.03	66	116,249	-	(Note B)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	483,448	483,448	20,207	0.60	728,529	4,860,241	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,145,553	11,485,695	-	(Note B)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	834,820	816,803	36,367	4.11	787,414	(114,925)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	519,473	519,473	20,672	1.46	568,929	1,655,135	-	(Note A)
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	482,746	58,054	-	(Note A)
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,146,933	1,528,756	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	218,874	391,170	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US$ 17,622	US$ 17,622	35	9.46	587,671	(1,028,962)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US$ 29,240	US$ 29,240	240	49.57	235,028	(195,313)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET PRODUCTION AND SALE	JPY 1,214,683	JPY 1,200,000	172	85.15	37,134	(184,221)	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	216,959	216,959	17,726	0.53	589,826	4,860,241	-	(Note A)
	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,031,182	124,049	-	(Note B)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	16,246	-	469	0.01	18,803	4,860,241	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	6,353	-	90	-	1,985	11,485,695	-	(Note B)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	29	29	7	0.01	949	99,419	-	(Note A)
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	4,705	2,071	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US$ 19	US$ 19	2	100.00	1,571,969	381,612	-	(Note B)
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production & Investment	SGD 3,000	SGD 3,000	30	37.92	497,746	13,785	-	(Note B)
	Far Eastern International Garments	Philippines	Garment production	US$ 290	US$ 290	59	41.00	(12,531)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	(11,627)	-	-	(Note A)
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	Malaysia	Garment production	IDR -	IDR -	-	99.00	(46)	-	-	(Notes B and D)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,077,250	11,485,695	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	206,551	206,551	6,094	0.18	249,363	4,860,241	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	287,121	286,049	11,204	1.26	272,344	(114,925)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	10,483	10,483	370	0.03	11,175	1,655,135	-	(Note A)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	95,103	95,103	5,890	0.83	86,703	(343,101)	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	13,146	15.66	259,754	99,419	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	67,285	67,285	9,681	1.21	122,852	391,170	-	(Note A)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	164,796	5,230,441	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Taipei, Taiwan	Personnel recruitment	$ 7,214	$ 7,214	745	55.19	$ 12,359	$ 3,672	$ -	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	19,734	11,485,695	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,812,888	11,485,695	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.80	1,234,733	1,655,135	-	(Note A)
	Oriental Union Chemical Corp.	Taipei, Taiwan	Petrochemical materials production	1,755,017	1,511,986	49,705	5.61	1,732,471	(114,925)	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	888,648	888,648	28,579	0.85	1,132,423	4,860,241	-	(Note A)
	Pacific Liu Tung Investment Corp. (Note E)	Taipei, Taiwan	Investment	90,000	90,000	18,000	2.24	217,675	391,170	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	320,276	(264,208)	-	(Note B)
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	20	20	1	-	27	1,657,664	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,191,960	36	90.88	23,146	(219,891)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taipei, Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	36	521,895	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production & Investment	SGD 7,354	SGD -	10	13.00	170,641	13,785	-	(Note B)
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Taipei, Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	304,877	44,370	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	558,000	240,000	41,633	60.00	229,537	(17,298)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	50,226	2,071	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US$ 200	US$ 200	-	17.70	8,790	2,481	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	645,021	645,021	64,502	61.99	148,571	(294,126)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	239,130	239,130	23,913	53.08	(119,795)	(249,925)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taipei, Taiwan	Business consulting	822,701	822,701	85,000	100.00	533,356	(147,542)	-	(Note B)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,037	136,037	5,329	0.16	206,878	4,860,241	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	100,412	100,412	4,164	0.13	112,317	11,485,695	-	(Note B)
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	411,187	411,187	129,637	25.02	1,527,843	508,158	-	(Note A)
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	787	787	82	1.00	576	2,475	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	22,676	22,676	2,175	2.59	42,590	99,419	-	(Note A)
	FEDS Asia Pacific Development Ltd.	Taipei, Taiwan	Department store operations	100,000	100,000	10,650	5.00	130,303	163,010	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	393,847	(264,208)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	300,000	300,000	30,000	20.00	217,726	(265,416)	-	(Note B)
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	745	745	79	0.18	(407)	(249,925)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	225,150	225,150	22,515	15.01	163,400	(265,416)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US$ 11,000	-	-	46.13	32,161	(170,927)	-	(Note B and D)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	-	53.87	37,557	(170,927)	-	(Note B and D)
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	Taipei, Taiwan	Chemical fiber production	10,161	16,173	120	0.03	1,146	451,520	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	51,673	51,673	2,764	0.19	94,846	1,655,135	-	(Note A)
	Asia Cement Corporation	Taipei, Taiwan	Cement production	862	862	61	-	2,342	4,860,241	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US$ 930	US$ 930	1	82.30	40,872	2,481	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	27,274,470	3,032,150	-	(Note B)
	ARCOA Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	1,311,282	201,715	-	(Note B)
	KGEx. com. Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	2,540,442	2,540,442	88,894	99.99	948,235	56,612	-	(Note B)
	Hiiir Inc.	Taipei, Taiwan	Electronic information providing services	537,260	537,260	53,726	89.54	123,831	(323,516)	-	(Note B)
	Yuan Cing Co., Ltd.	Taipei, Taiwan	Call center services	101,371	101,371	19,350	99.99	137,951	11,334	-	(Note B)
	E. World (Holdings) Ltd.	Cayman Islands	Investment	-	82,883	-	-	-	(215)	-	(Note B)
	Far EasTron Holding Ltd.	Cayman Islands	Investment	-	150,000	-	-	-	267	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	(49,267)	(37,686)	-	(Note B)
	Omusic Co., Ltd.	Taipei, Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	3,925	7,912	-	(Note B)
	Q-ware Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(62,915)	254	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	2,542,396	2,542,396	254,240	39.42	631,848	(264,208)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taipei, Taiwan	Other financing and supporting services	450,000	450,000	45,000	30.00	326,458	(265,416)	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	139,500	60,000	10,408	15.00	57,692	(17,298)	-	(Note B)
	Alliance Digital Technology Co., Ltd.	Taipei, Taiwan	Electronic information providing services	30,000	30,000	3,000	13.33	16,008	(53,481)	-	(Note A)
	iScreen Corporation	Taipei, Taiwan	Information service	-	100,000	-	-	-	1,626	-	(Note A)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	80,893	80,893	6,691	14.85	(33,032)	(249,925)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taipei, Taiwan	Sale of communications products	141,750	141,750	12,866	70.00	205,417	51,792	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Notes
				December 31, 2015	December 31, 2014	Shares (Thousands)	Percentage of Ownership	Carrying Value			
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taipei, Taiwan	Investment	$ 800,000	$ 800,000	80,000	100.00	$ 563,778	$ (68,414)	$ -	(Note B)
	Information Security Service Digital United Inc.	Taipei, Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	104,491	2,502	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	132,406	4,320	100.00	32,555	(6,821)	-	(Note B)
	Simple InfoComm Co., Ltd.	Taipei, Taiwan	Electronic information providing services	-	34,000	-	-	-	24	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	28,922	28,922	2,392	5.31	(11,809)	(249,925)	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Marketing	46,500	20,000	3,469	5.00	19,231	(17,298)	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	-	100.00	100	(126)	-	(Note B)
	Far Eastern New Diligent Company Ltd.	British Virgin Islands	Investment	133,048	133,048	-	100.00	50,460	(74,600)	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	-	-	-	-	-	-	-	(Notes B and J)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Ltd.	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	43,413	(6,369)	-	(Note B)
	Home Master Technology Ltd.	Taipei, Taiwan	Sale of communications products	10,000	9,999	-	100.00	(9,177)	(6,240)	-	(Note B)

Notes: A. Equity-method investee.

B. Subsidiary.

C. Included 5,000 thousand common shares and 3,000 thousand preferred shares.

D. A private company.

E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.

F. Shares in thousands.

G. Investment in mainland china, please refer to Schedule N.

H. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.

I. The share value of FENC shares held by Yuan Ding Company Ltd. and the shares of Yuan Ding Company Ltd. were adjusted resulting from investment properties are subsequently measured by the fair value.

J. New Diligent Hong Kong Co., Ltd. was established on December 4, 2014. The investment amount had not been remitted to the investee as of December 31, 2015.

K. Adjustment in investee's investment properties measured by market value method.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2015 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	$ 9,383,193	2	$ 3,700,967	$ -	$ -	$ 3,700,967	$ 248,052	100.00	$ 248,052	$ 9,218,147	$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Ltd.	Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,020,840	2	1,010,901	-	-	1,010,901	100,779	100.00	100,779	1,415,564	233,172	Notes F and G
Far Eastern Industries (WuXi) Ltd.	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, greige woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,402,538	2	2,018,430	-	-	2,018,430	(78,417)	100.00	(78,417)	3,196,041	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products	7,494,329	2	2,976,148	-	-	2,976,148	(1,528,223)	61.35	(937,565)	3,930,176	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,842,673	2	1,342,854	-	-	1,342,854	130,463	100.00	130,463	2,371,075	92,719	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,967,905	2	1,765,319	-	-	1,765,319	(195,405)	100.00	(195,405)	233,298	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products	853,528	2	724,110	-	-	724,110	29,542	100.00	29,542	1,033,086	-	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	5,463,285	2	3,656,977	1,300,271	-	4,957,248	212,473	100.00	212,473	5,625,341	-	Note H
Far Eastern New Century (China) Investment Ltd.	Investment	2,348,701	2	2,089,425	-	-	2,089,425	(485,854)	100.00	(485,854)	1,795,843	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2015 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outflow	Inflow							
Sino Belgium (Suzhou) Ltd.	Brewery	$ 1,901,979	2	$ 1,763,952	$ -	$ -	$ 1,763,952	$ (138,479)	100.00	$ (138,479)	$ 6,956	$ -	Note L
Martens Beers Trading (Shanghai) Ltd.	Brewery	391,247	2	200,473	31,002	-	231,475	(10,587)	100.00	(10,587)	27,820	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,252,222	2	4,181,323	-	-	4,181,323	388	60.00	233	4,379,090	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,541,423	2	1,436,190	-	-	1,436,190	16,637	100.00	16,637	1,555,215	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	4,072,392	2	1,962,908	-	-	1,962,908	(417,187)	50.00	(208,594)	1,728,099	-	
Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	63,423	3	-	-	-	-	794	100.00	794	67,200	-	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	94,810	3	-	-	-	-	9,676	100.00	9,676	133,408	-	
An Ho Garment (Suzhou) Ltd.	Garment production	4,990	3	-	-	-	-	4,678	100.00	4,678	53,874	-	
Yuan Ding Enterprise (Shanghai) Ltd.	Software development	528,940	3	-	-	-	-	(110,855)	100.00	(110,855)	257,404	-	
Tong Da air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, nitrogen and hydrogen warehousing	2,053,256	2	1,020,489	-	-	1,020,489	32,658	50.00	16,329	1,043,410	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	751,735	2	240,330	357,940	-	598,270	(171,666)	100.00	(171,666)	69,555	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	32,631	2	24,220	-	-	24,220	3,801	100.00	3,801	47,628	-	Note N
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and provision of network information	196,950	2	207,504	-	-	207,504	(44,223)	100.00	(44,223)	107,825	-	Note O
Digital United Information Technologies (Shanghai) Ltd.	Research and design of computer system	101,758	2	101,758	-	-	101,758	(7,549)	100.00	(7,549)	10,817	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	170,690	2	131,300	-	-	131,300	(64,464)	79.04	(50,951)	78,469	-	Note Q
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	36,994	-	-	36,994	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Co., Ltd. (Notes T and U)	$ 19,134,418	$ 25,638,872	$ -

(Continued)

Notes: A. Investment type as follows:

1. The Group made the investment directly.

2. The Group made the investment through a company registered in a third region. The companies registered in a third region are Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far Eastern New Diligent Company Ltd.

3. Other.

B. Recognition of gains/losses was based on the following three information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Sino Belgium (Suzhou) Limited, Far Eastern Apparel (Suzhou) Ltd., Oriental Petrochemical (Shanghai) Corp., Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Far Eastern Industries (WuXi) Ltd. and Oriental Industries (Suzhou) Ltd.

2. Financial statements of these companies, which were audited by the parent company's accounting firm: Far Eastern Tech-info Ltd. (Shanghai), Digital United Information Technology (Shanghai) Co., Ltd., New Diligence Tech-info (Shanghai) Ltd. and Far Eastern New Century Information Technology (Beijing) Limited.

3. Others: Far Eastern New Century (China) Investment Ltd., Martens Beers Trading (Shanghai) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) Digital Tech. Co., Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Far Eastern Industries (Yangzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation., Shanghai Yuan Zi Information Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Ltd., An Ho Garment (Suzhou) Ltd., Suqian Far Eastern Apparel Co., Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.

C. The ending balance of investment recognized by parent company.

D. As of December 31, 2015, the accumulated outflow of investment from Taiwan was NT$3,700,967 thousand which NT$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2015, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2015, the accumulated outflow of investment from Taiwan was NT$1,010,901 thousand which NT$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2015, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2015, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiaries, Oriental Textile (Holding) Ltd.

J. As of December 31, 2015, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2015, the accumulated outflow of investment from Taiwan was NT$1,765,319 thousand which NT$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.

L. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.

M. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd., Ding Ding Integrated Marketing Services Co., Ltd. and FET Consulting Engineers Co., Ltd.

N. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.

P. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Co., Ltd.

Q. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US$73 thousand, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.

R. As of December 31, 2015, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Co., Ltd.

S. As of December 31, 2015, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Ltd.

T. Investment amounts authorized by Investment Commission, MOEA were included by US$778,755 thousand and RMB6,695 thousand which was the original investment from Far Eastern Polytex (Holding) Ltd. and approved by Investment Commission under the Ministry of Economic Affairs.

U. Based on MOEA Approval Letter No. 10320431180, there is no cap on the amount of the Company's investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of U.S. Dollars)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US$)	Financed from Financial Institutions in Third Area (US$)	Investor Company in Third Area Using Its Own Capital to Invest (US$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Ltd.	$ 6,000	$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198 (Note E)				
	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500			
Far Eastern Apparel (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Industries (WuXi) Ltd.	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	1,228				$ 1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Shanghai) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	9,352				9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				FEDP (Holding) Ltd.	754 (Note G)				

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US$)	Financed from Financial Institutions in Third Area (US$)	Investor Company in Third Area Using Its Own Capital to Invest (US$)
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	$ 18,224	$ 18,224			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
Martens Beers Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V Martens HK Ltd. Sino Belgium (Holding) Ltd.	4,304				$ 4,304
		2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	1,500	1,500			
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10100115020 (Note M)	PET Far Eastern (Holding) Ltd.	100,000	100,000			
Yuan Ding Enterprise (Shanghai) Ltd.	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Ltd.	1,000	1,000			
	Far Eastern New Century Corporation	2014.01.28	No. 10200399290 (Note R)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Ltd.	82,340	82,340			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.01.28	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Ltd.	33,500	33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
	Ding Ding Integrated Marketing Service Co., Ltd.	2015.08.11	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
		2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US$)	Financed from Financial Institutions in Third Area (US$)	Investor Company in Third Area Using Its Own Capital to Invest (US$)
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	$ 2,500	$ 2,500			
	New Diligent Co., Ltd.	2014.01.29	No. 10300022990	Far Eastern New Diligent Company Ltd.	3,500	3,500			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				$ 3,100
	New Century InfoComm Tech Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note P)	1,127	1,127			
	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far Eastern New Diligent Company Ltd.	4,000	4,000			

Notes: A. Far Eastern New Century (China) Investment Ltd. invested US$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US$16,000 thousand in Oriental Petrochemical (Shanghai) Ltd.

B. Document No. 092035971 has been canceled and replaced with document No. 09800408170.

C. Document No. 092035970 has been canceled and replaced with document No. 09800408160.

D. The approved amount of US$12,000 thousand as stated in document No. 09800283970 dated September 18, 2009 had been changed to US$11,500 thousand while awaiting the completion of the-review process on April 19, 2010.

E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Oriental Petrochemical (Shanghai) Ltd. increased.

G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd. under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

I. After obtaining MOEA approval (No. 09900470520), FENC received from FEDP (Holding) Ltd. the equity of Yuan Tong Investment Co., Ltd. amounting US$18,224 thousand (MOEA approval No. 09600243260).

J. After obtaining MOEA approval (No. 10000021360), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of December 31, 2015, FENC paid US$139,400 thousand in this indirect investment.

K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to make its Oriental Textile (Holding) Ltd. indirectly invest US$43,000 thousand or equivalent RMB in Far Eastern Industries (Suzhou) Ltd. As of December 31, 2015, Yuan Ding Investment Co., Ltd. remitted RMB258,000 thousand to this indirect investment.

L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC made its subsidiary, Yuan Tong Investment Co., Ltd. amended to makes its Sino Belgium (Holding) Ltd. indirectly invest US$17,500 thousand in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers Trading (Shanghai) Ltd.

M. After obtaining MOEA approval (No. 10100115020), FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Ltd. As of December 31, 2015, FENC remitted US$66,000 thousand to this indirect investment.

N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of December 31, 2015, Yuan Tong Investment Co., Ltd. remitted US$1,065 thousand to this indirect investment.

O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US$11,000 thousand in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2015, FENC remitted US$10,950 thousand to this indirect investment.

P. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US$73 thousand, the investment registered with the MOEA's Investment Commission, which then canceled this amount.

Q. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirectly investment to US$33,500 thousand and made its subsidiary, PET Far Eastern (Holding) Ltd. indirectly invest Tong Da Air Industry (Yangzhou) Co., Ltd.

R. After obtaining MOEA approval (No. 10200399290), FENC made it subsidiary, Far Eastern Polytex (Holding) Ltd. and Far Eastern New Century (China) Investment Ltd., indirectly invest US$82,340 thousand in Yuan Ding Enterprise (Shanghai) Ltd. As of December 31, 2015, FENC remitted US$16,625 thousand as its indirect investment.

(Concluded)

VII. Review and Analysis of the Financial Condition, Performance and Risk Management

1. Review and Analysis of Financial Conditions

Financial Conditions Analysis (on a consolidated basis)

Unit: NT$ thousands

Item \ Year	2015	2014 (Note)	Variance	
			Amount	%
Current assets	113,653,244	98,075,086	15,578,158	15.88
Property, plant and equipment	148,141,804	139,055,972	9,085,832	6.53
Intangible assets	50,482,700	53,017,159	(2,534,459)	(4.78)
Other assets	206,487,374	206,456,073	31,301	0.02
Total assets	518,765,122	496,604,290	22,160,832	4.46
Current liabilities	94,848,512	88,076,648	6,771,864	7.69
Non-current liabilities	163,519,607	145,043,331	18,476,276	12.74
Total liabilities	258,368,119	233,119,979	25,248,140	10.83
Common stock	53,528,751	52,479,168	1,049,583	2.00
Capital surplus	2,807,683	3,666,948	(859,265)	(23.43)
Retained earnings	136,939,498	136,703,865	235,633	0.17
Other equity	4,000,696	6,841,068	(2,840,372)	(41.52)
Treasury stocks	(25,063)	(25,063)	-	-
Total equity attributable to owners of the Company	197,251,565	199,665,986	(2,414,421)	(1.21)
Non-controlling interests	63,145,438	63,818,325	(672,887)	(1.05)
Total equity	260,397,003	263,484,311	(3,087,308)	(1.17)

Note: Due to the IFRS amendments, prior financial reports have been restated.

Analysis of variation exceeding 20% and NT$10 million of the numbers in the previous year:

(1) Capital surplus decreased: mainly due to the issuance of 2014 stock dividend from capital surplus

(2) Other equity decreased: mainly due to the change of “share of the other comprehensive income (loss) of associates and joint venture”

2. Review and Analysis of Financial Performances

Unit: NT$ thousands

Item \ Year	2015	2014 (Note)	Variance	
			Amount	%
Operating revenues	217,948,202	235,506,639	(17,558,437)	(7.46)
Operating costs	167,464,920	187,774,546	(20,309,626)	(10.82)
Gross profit	50,483,282	47,732,093	2,751,189	5.76
Realized construction income	555	556	(1)	-
Operating expenses	35,970,309	36,039,714	(69,405)	(0.19)
Operating income	14,513,528	11,692,935	2,820,593	24.12
Nonoperating income (expenses)	5,187,145	9,724,794	(4,537,649)	(46.66)
Income before income tax	19,700,673	21,417,729	(1,717,056)	(8.02)
Income tax expenses	5,014,304	4,409,757	604,547	13.71
Net income	14,686,369	17,007,972	(2,321,603)	(13.65)
Other comprehensive income (net of income tax)	(4,630,229)	2,395,139	(7,025,368)	(293.32)
Total comprehensive income	10,056,140	19,403,111	(9,346,971)	(48.17)

Note: Due to the IFRS amendments, prior financial reports have been restated.

1. **Analysis of variance:**
   Operating income: mainly due to the gross margin ratio increased
   Nonoperating income (expenses): mainly due to the decrease in "share of the profit of associates" and "gain on change in fair value of investment properties"
   Other comprehensive income (net of income tax) and total comprehensive income: mainly due to the change of "share of the other comprehensive income (loss) of associates and joint venture".
2. **Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan:**
   Please refer to the "Letter to Shareholders".

3. Review and Analysis of Cash Flow

Unit: NT$ thousands

Cash and cash equivalents - Beginning balance	Total cash inflows from operating activities	Total cash outflows	Cash and cash equivalents – Ending balance	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
25,985,419	34,038,033	(55,830,745)	4,192,707	4,163,934	32,522,173

1. Cash flow analysis for year 2015:

(1) Operating activities： mainly due to the inflow of operating activities and cash dividends received from invested companies.

(2) Investing activities： mainly due to increasing capital expenditures and equity investments.

(3) Financing activities： mainly due to cash dividend payout and repayments of bonds payable.

2. Remedy plans for insufficient liquidity for year 2015: to issue corporate bonds, and borrow from banks.

Cash and cash equivalents – Beginning balance (1)	Total cash inflows from operating activities (2)	Total cash outflows (3)	Cash and cash equivalents – Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
40,878,814	36,178,000	(84,624,345)	(7,567,531)	—	14,000,000

3. 2016 estimated cash flow analysis of variance in cash flow balance:

(1) The Company expects the profit of production business and affiliate earnings booked from each subsidiary through equity method in 2016 could exceed those in 2015. When including the cash inflow generated from production business and cash dividends received from the aforesaid subsidiaries, the Company expects the net cash inflows from operating activities in 2016 to increase compared to those in 2015.

(2) When taking into consideration of the planned capital expenditures and the proposed cash dividends distribution, as the cash inflows from operating activities could be insufficient to meet the needs, the Company plans to issue corporate bonds or borrow from banks to finance the insufficient portion.

4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations

4.1 Major Capital Expenditures and Sources of Funding

Unit: NT$ thousands

Plan Item	Actual or estimated source of capital	Actual or estimated project completion date	Total capital needed (Note)	Capital utilization schedule				
				Actual		Estimated		
				Before 2014	2015	2016	2017	2018
Expansion of a PTA production line (capacity: 1.5 million tons/year)	Retained earnings and bank borrowings	Mar 2017	18,520,426	11,800,000	2,989,266	2,983,403	747,757	-
A new cogeneration plant		Jun 2019	2,590,000	-	-	518,000	1,036,000	1,036,000
3rd phase of ATG expansion plan		Dec 2016	1,906,914	531,239	806,533	492,115	77,027	-
A new nylon 6,6 industrial yarn plant		Dec 2016	1,409,475	637,727	369,375	361,584	40,789	-
A new LDI industrial yarn plant		Mar 2017	613,061	494,069	99,395	19,597	-	-
The expansion project in Vietnam production site		Feb 2017	820,000	-	487,560	332,440	-	-
Direct melt polymerization of Poly line 8		May 2017	600,000	1,186	5,757	304,473	288,584	-

Note: Working capital is excluded.

4.2 Expected Benefit

4.2.1 Production Volume, Sales Volume, Sales Revenue, and Gross Profit Expected to Increase:

Unit: NT$ thousands

Year	Item	Unit	Production volume	Sales volume	Revenue	Gross profit
2016	Dope dyed yarn and yarn for airbag	MT	7,884	7,884	646,834	165,374
	Apparel	equivalent dozens	517,000	477,000	566,000	29,700
2017	PTA	MT	900,000	900,000	19,256,049	645,743
	N66 dipped tire cord fabric	MT	11,520	11,520	2,076,938	269,998
	Yarns for automobile tire cord and yarn for airbag	MT	15,200	15,200	1,832,026	225,493
	Dope dyed yarn and yarn for airbag	MT	8,154	8,154	668,986	171,044
	Food grade PET resins	MT	68,400	68,400	2,086,200	384,750
	Apparel	equivalent dozens	2,000,000	2,000,000	2,300,000	368,000

4.2.2 Other Expected Benefits: None.

5. Investment Policies in Recent Years

5.1 Investment Policies：

The Company co-ordinates all resources in the Far Eastern Group to achieve two targets: 1) explore new business opportunities and extend the business territory of the Group; 2) upgrade and improve the existing affiliates and subsidiaries to achieve a sustainable growth of earnings.

5.2 Reasons for Profit/Loss in Recent Years and Plans for Improvement

The total affiliate earnings booked through equity method by the Company in 2015 was NT$2.7 billion, and the profit generated by invested subsidiaries remained stable.

5.3 Future Investment Plan：(Please refer to page 66-67)

The 1st five year strategy is to achieve a vertical integration in the production process, from the upstream petrochemical, mid-stream polyester to the downstream textiles business segments.

6. Sources of Risks and Evaluations

6.1 Impacts from Fluctuations of Interest Rate and Currency Exchange Rate and Inflation on the Company in Recent Years, and Measures the Company Undertake to Manage the Risks

6.1.1 In 2015, Taiwan's export fared poorly due to stagnant global economy, tumbling crude oil prices and the rise of China's "red supply chain". In response, Taiwan's Central Bank continued to adopt an accommodative monetary policy by lowering discount rate in September, the first cut in interest rate from July 2011. By April 2016, the discount rate has been reduced to 1.5%. According to a report from Directorate-General of Budget, Accounting and Statistics in February 2016, Taiwan's economy grew 0.75% whilst CPI slipped by 0.31% in 2015. The report estimates 2016 Taiwan's economic growth rate at 1.47% and CPI growth rate at 0.69%. In 2016, the advanced economic growth is expected to decelerate. Terrorist threats, refugee issues and low raw material prices are likely to cause a huge shake in the financial market; hence, an adverse impact on global economy. In addition, the economic outlook for emerging economies has many uncertainties; for example, China has continuously reduced overcapacity and adjusted industrial structures, thus slowing down its growth momentum. As the world is faced with sluggish growth, whilst the United States is likely to slow the pace of interest rate hikes, Europe and Japan have implemented negative interest rate policies, the effects of which remain to be seen. In Taiwan, the Central Bank is expected to keep its monetary policy accommodative to boost growth.

In response to the rapid change of domestic and global economic conditions, the Company aims to reduce the interest rate risk by managing the duration of its overall interest-bearing debts while issuing mid-to-long-term fixed rate corporate bonds to lock-in the current low borrowing cost. The Company will continue to monitor interest rate trends and maintain a low overall cost of capital through both short- and long-term financial planning options.

6.1.2 Assets and liabilities of the foreign currency portion arising from import and export businesses are affected by spot exchange rate fluctuations relative to their recorded costs, and are hedged by the Finance Department through spot or forward positions to minimize foreign exchange risk. Looking ahead, this policy will continue to be carried out in order to minimize the impact from fluctuations in exchange rates on the profit and loss of the Company and its consolidated subsidiaries.

6.2 Major Reasons for Transaction Policies, Gain or Loss from Engaging in High-risk and Hyper-leveraged Investments, Fund Lending to Others, Endorsement/ Guarantee and Derivatives and Correspondent Procedures

6.2.1 The Company and subsidiaries did not engage in any high-risk or hyper-leveraged investments. The trading of derivative products is to hedge the risks from fluctuations stemming from our exposure to interest and currency exchange rates. Under this policy, all positions of derivative products are covered by physical holdings of assets and liabilities owned by the Company and subsidiaries; in other words, these positions are not naked positions. Therefore, the risks of trading derivatives are minimized and can be effectively controlled. Gains or losses, if occurred, often resulting from reasons such as investment horizon miss-matches, are therefore, little and negligible. The Company and subsidiaries will maintain this policy, and will not proactively engage in naked positions of high-risk or hyper-leveraged derivative products. All trading of derivative products will be managed in accordance with the "Procedures for Acquisition and Disposition of Assets" approved by the Board of Directors and Shareholders' Meeting.

6.2.2 The Company and subsidiaries have established a bylaw on the "Procedures for Lending of Capital to Others" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the regulatory authority, and the said bylaw has been submitted to the Board of Directors and has also received approval from the Shareholders' Meeting. All matters regarding fund lending to others shall comply with the said bylaw to avoid any likely negative impact on the Company and subsidiaries.

6.2.3 The Company and subsidiaries have established a bylaw on the "Procedures for Endorsements and Guarantees" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by regulatory authority, and the said bylaw has been submitted to the Board of Directors and has also received approval from the Shareholders' Meeting. All matters regarding making endorsements/guarantees shall comply with the said bylaw to avoid any likely negative impact on the Company and subsidiaries.

6.3 R&D Plans and Estimated Expenses in Coming Years

6.3.1 **The R&D projects for the Polyester Material Division：**

The projected R&D expenses for 2016 are approximately NT$ 129.87 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

(1) Verification of the R&D results

(2) Product quality stability after the scaling-up production process

(3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing

(4) Mutually-beneficial interactive relationships with clients

(5) Production technology and cost competitiveness

6.3.2 **The R&D projects for the Fiber &Textile Division:**

The projected R&D expenses for 2016 are approximately NT$ 225.48 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

(1) Verification of the R&D results

(2) Product quality stability after the scaling-up production process

(3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing

(4) Mutually-beneficial interactive relationships with clients

(5) Production technology and cost competitiveness

6.3.3 **The R&D projects for the New Materials Division:**

The projected R&D expenses for 2016 are approximately NT$ 107.68 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

(1) Verification of the R&D results

(2) Product quality stability after the scaling-up production process

(3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing

(4) Mutually-beneficial interactive relationships with clients

(5) Production technology and cost competitiveness

6.3.4 **The R&D projects for the Biotech & Energy Division:**

The projected R&D expenses for 2016 are approximately NT$ 122.09 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

(1) Verification of the R&D results

(2) Product quality stability after the scaling-up production process

(3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing

(4) Mutually-beneficial interactive relationships with clients

(5) Production technology and cost competitiveness

6.4 Impacts and Responses of the Company in Regard to Material Changes of Policies and Regulations in Taiwan and Foreign Countries

The management team closely monitors and evaluates the changes and impacts of policies and regulations in domestic and overseas markets on the Company. Responsive measures will be planned and implemented accordingly.

6.5 Technology Developments and Impacts on the Company

The innovation and breakthrough of technology have changed the world in several ways, be it good or bad. The innovation of plastics is one such example. Plastic products provide convenience in our daily lives, but generate pollution as well, stemming from inappropriate disposals of plastic wastes. Therefore, developing a new material that is as convenient as plastic but more environmentally friendly is one of the most popular research projects in the world, and may also be the most important trend in the future of material development.

Given that the usage of plastic products is constrained by the Taiwanese government while green products are being promoted in globally, the Company believes that the applications of conventional petrochemical products will be limited. Therefore, the Company vows to be a pioneer to create more environmentally friendly materials, in hopes of enjoying the first-mover advantages. The Company has already engaged in the production of several bio-based or bio-degradable products such as polylactic acid (PLA), a material made from the fermentation process of corn. A wide range of product mix has been created via this or similar technologies and more applications are currently being innovated.

At this time, non-textile products account for more than 60% of the Company's sales. To name but a few, PLA materials, shoes materials, diapers, bio-degradable heat shrinkable films, bio-degradable shopping bags, bio-medical products, special industrial yarns, PET bottles, PET packaging sheets, and various optoelectronic films are all considered non-textile products. These recycled, bio-based or bio-degradable products are widely used for textile, packaging, bottling, high-tech optoelectronics films, and bio-medical dressing. In the future, the Company aims to be one of the largest providers of these products.

6.6 Changes of Corporate Image and Impacts on the Company's Crisis Management: None

6.7 Expected Benefits and Risks from Mergers and Acquisitions: None

6.8 Expected Benefits and Risks from Plant Expansion: Please refer to page 108

6.9 Risks from Concentration in Supply and Sales and Measures the Company Undertake:

In order to secure the supplies of raw materials, the Company invested in Oriental Petrochemical (Shanghai) Corporation and Oriental Petrochemical (Taiwan) Co., Ltd. and actively integrated upward its production process; the Company's products are sold worldwide with a diversified client portfolio.

6.10 Impacts and Risks from Changes in Directors, Supervisors and Shareholders with Greater than 10% Shareholding or Their Selling of a Large Number of Shares in Recent Years until the Annual Report Being Published: The change is mainly due to the individual financial behaviors of Directors and there is no significant influence on the Company's operations.

6.11 Impact and Risks from Change of Ownership in Recent Year until the Annual Report Being Published: None

6.12 Material Impacts on Shareholders' Equity or Share Price from Litigations, Non-Litigations or Administrative Actions in Directors, Supervisors, Chairman, President, Shareholders with Greater than 10% Shareholding and Subsidiaries in Recent Year until the Annual Report being Published:

None

6.13 Other Major Risks: None

7. Others

7.1 Valuation techniques and Assumptions Applied to Measure Fair Value of the Company and Subsidiaries:

7.1.1 The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied.

7.1.2 The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

7.1.3 The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

7.1.4 Categories of financial instruments:

(1) Financial assets: Fair value through profit or loss - held for trading, derivative instruments in designated hedge accounting relationships, held-to-maturity investments, loans and receivables, and available-for - sale financial assets.

(2) Financial liabilities: Fair value through profit or loss - held for trading, derivative instruments in designated hedge accounting relationships, amortized cost

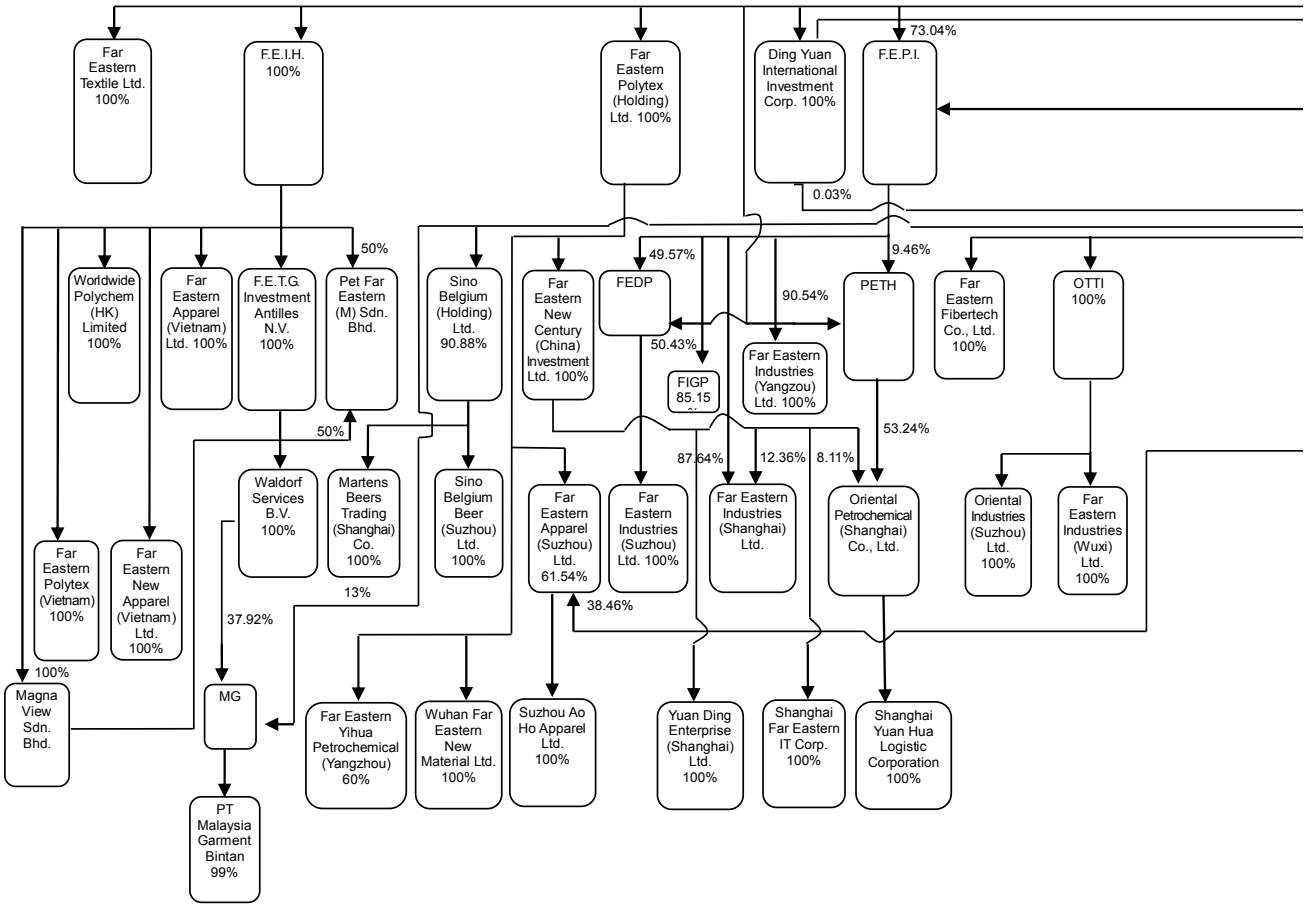
7.2 Estimated Impairment of Notes and Accounts Receivable: When there is objective evidence of impairment loss, the Company and subsidiaries take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If the actual future cash flows are less than expected, a material impairment loss may arise.

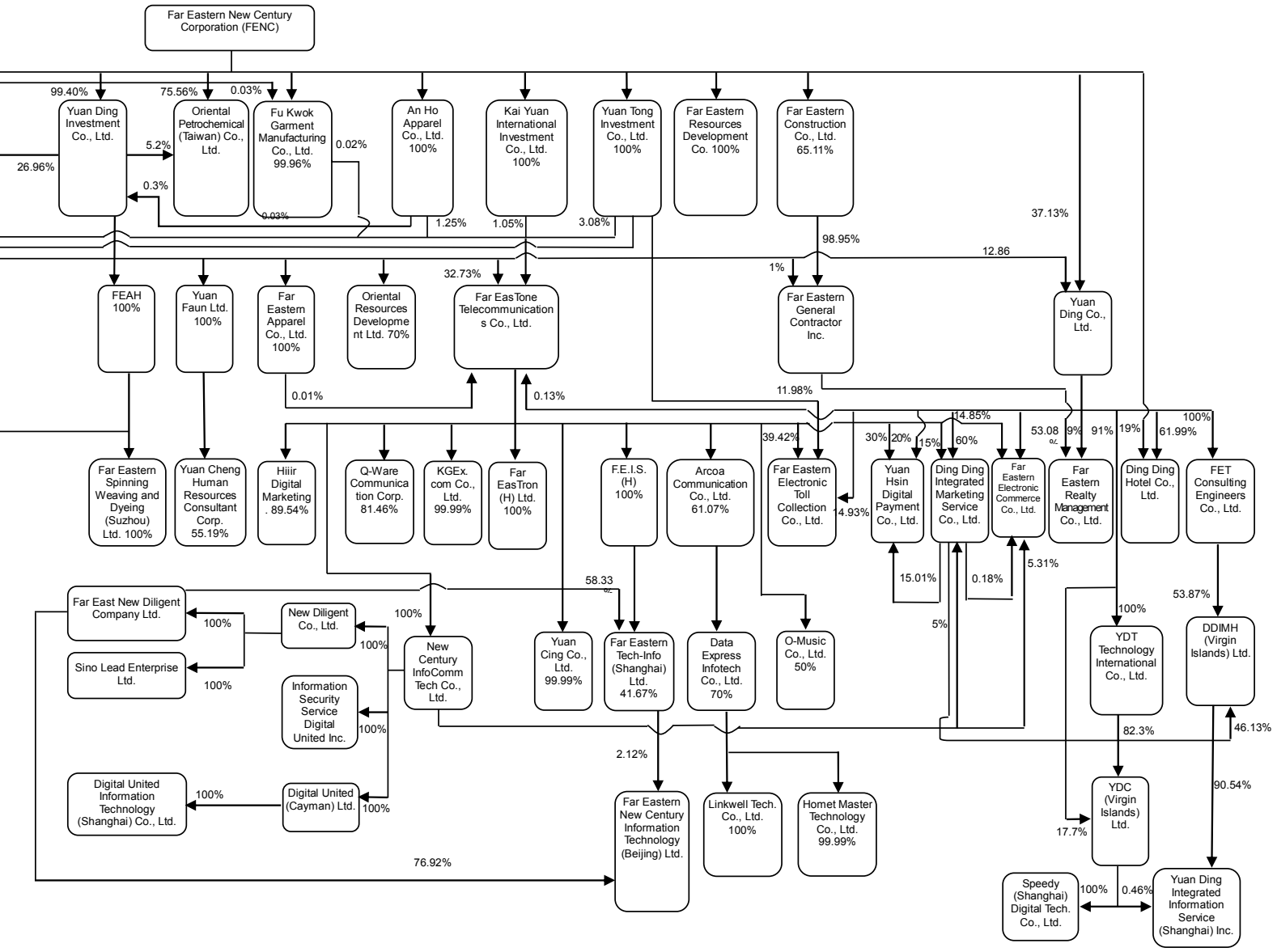
VIII. Special Disclosure

1. Affiliated Companies

1.1 Subsidiaries and Affiliated Companies in the Consolidated Financial Report

1.1.1 Holding Structure of the Organization




Far Eastern New Century Corporation (FENC)
99.40%
75.56%
0.03%
Yuan Ding Investment Co., Ltd.
Oriental Petrochemical (Taiwan) Co., Ltd.
Fu Kwok Garment Manufacturing Co., Ltd. 99.96%
An Ho Apparel Co., Ltd. 100%
Kai Yuan International Investment Co., Ltd. 100%
Yuan Tong Investment Co., Ltd. 100%
Far Eastern Resources Development Co. 100%
Far Eastern Construction Co., Ltd. 65.11%
5.2%
26.96%
0.3%
0.02%
0.03%
1.25%
1.05%
3.08%
37.13%
98.95%
12.86
1%
32.73%
FEAH 100%
Yuan Faun Ltd. 100%
Far Eastern Apparel Co., Ltd. 100%
Oriental Resources Development Ltd. 70%
Far EasTone Telecommunications Co., Ltd.
Far Eastern General Contractor Inc.
Yuan Ding Co., Ltd.
0.01%
0.13%
11.98%
14.85%
100%
39.42%
30%
20%
15%
60%
53.08%
9%
91%
19%
61.99%
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd. 100%
Yuan Cheng Human Resources Consultant Corp. 55.19%
Hiiir Digital Marketing . 89.54%
Q-Ware Communication Corp. 81.46%
KGEx.com Co., Ltd. 99.99%
Far EasTron (H) Ltd. 100%
F.E.I.S. (H) 100%
Arcoa Communication Co., Ltd. 61.07%
Far Eastern Electronic Toll Collection Co., Ltd.
4.93%
Yuan Hsin Digital Payment Co., Ltd.
Ding Ding Integrated Marketing Service Co., Ltd.
Far Eastern Electronic Commerce Co., Ltd.
Far Eastern Realty Management Co., Ltd.
Ding Ding Hotel Co., Ltd.
FET Consulting Engineers Co., Ltd.
58.33%
15.01%
0.18%
5.31%
5%
53.87%
100%
Far East New Diligent Company Ltd.
New Diligent Co., Ltd.
Sino Lead Enterprise Ltd.
New Century InfoComm Tech Co., Ltd.
Yuan Cing Co., Ltd. 99.99%
Far Eastern Tech-Info (Shanghai) Ltd. 41.67%
Data Express Infotech Co., Ltd. 70%
O-Music Co., Ltd. 50%
YDT Technology International Co., Ltd.
DDIMH (Virgin Islands) Ltd.
Information Security Service Digital United Inc.
82.3%
46.13%
2.12%
Digital United Information Technology (Shanghai) Co., Ltd.
Digital United (Cayman) Ltd.
Far Eastern New Century Information Technology (Beijing) Ltd.
Linkwell Tech. Co., Ltd. 100%
Homet Master Technology Co., Ltd. 99.99%
YDC (Virgin Islands) Ltd.
90.54%
17.7%
76.92%
Speedy (Shanghai) Digital Tech. Co., Ltd.
0.46%
Yuan Ding Integrated Information Service (Shanghai) Inc.

Special Disclosure

1.1.2 Information of Far Eastern New Century and Subsidiaries and Affiliates:

Unit: NT$ thousands, unless stated otherwise

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
0	Far Eastern New Century Corp.	1954/1/13	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	53,528,751	Petrochemical and polyester materials, semi-finished products, finished goods, woven and knitted garments
1	Yuan Ding Investment Co., Ltd.	1986/11/7	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	18,338,262	Investment
2	Oriental Petrochemical (Taiwan) Co., Ltd.	1987/1/26	47, Jingjian 4th Road, Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan	15,660,930	Production and sales of PTA
3	Yuan Tong Investment Co., Ltd.	1999/12/3	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	7,051,468	Investment
4	Far Eastern Electronic Toll Collection Co., Ltd.	2004/4/7	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	6,450,000	Information software service, telecom hardware construction, engineering design of auto-controlling system
5	Far Eastern Resources Development Co., Ltd.	2003/9/30	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	5,573,540	Development, sales and lease of real estates
6	Far Eastern Construction Co., Ltd.	1978/9/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	3,053,206	Construction contractor for residential housings; broker of housing rental and sales service
7	Kai Yuan International Investment Co., Ltd.	1998/10/6	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	3,028,434	Investment
8	Ding Yuan International Investment Co., Ltd.	1998/10/2	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	2,050,000	Investment
9	Yuan Hsin Digital Payment Co.,Ltd.	2014/6/27	5F,1, Yuan don Road, Banqiao Dist., New Taipei City, Taiwan	1,500,000	Digital Payment
10	Far Eastern General Contractor Inc.	1982/10/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	1,489,776	Construction of housing and public infrastructures.
11	Far Eastern Fibertech Co., Ltd.	1995/4/10	17, Gongye 5th Rd., Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan	910,000	Production of nylon fibers
12	An Ho Garment Co., Ltd.	1977/1/24	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	663,462	Garment and apparel production
13	Oriental Resources Development Co., Ltd.	1988/6/27	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	489,176	Production and wholesale of medical supplies; Waste recycling and re-processing
14	Far Eastern Apparel Co., Ltd.	1976/2/27	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	247,364	Sales of textile, garments, and clothing
15	Yuan Faun Co., Ltd.	1980/12/13	33F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	50,000	Sales of PET bottles and paper boxes
16	Fu Kwok Knitting & Garment Co., Ltd.	1971/3/6	110, Neihuan S. Rd., Nanzi District, Kaohsiung City, Taiwan	40,000	Garment production and sales
17	Yuan Cheng Human Resources Consultant Corp.	1999/6/8	18F, No.655, Bannan Rd., Zhonghe Dist, New Taipei City , Taiwan	13,500	Personnel recruitment; temporary employment arrangement
18	Far Eastern Textile Ltd.	2011/12/28	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	1,000	Garment production and sales
19	Far Eastern Investment (H) Ltd.	1989/8/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	559 US$17	Investment
20	Far Eastern Polychem Industries Ltd.	1995/4/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	484 HKD 114	Investment
21	FEDP (H) Ltd.	2002/3/22	Clarendon House 2 Church street Hamilton HM 11, Bermuda	161 US$5	Investment
22	PET Far Eastern(H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	120 RMB 24	Investment
23	Far Eastern Polytex (H) Ltd.	2006/3/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	38 US$1.2	Investment
24	Far Eastern Apparel (H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	35 US$1.1	Investment
25	Oriental Textile (H) Ltd.	2002/7/15	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	35 US$1.1	Investment
26	Sino Belgium (H) Ltd.	2007/8/15	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	12 US$0.4	Investment

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
27	Magna View Sdn.Bhd	1996/8/9	Suite 6.1A.Level 6,Menara Pelangi, Jalan Kuning,Taman Pelangi,80400, Johor Bahru, Johor	22,028 US$670	Investment
28	Far Eastern Industries (Shanghai) Ltd.	1996/9/25	198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	9,383,193 RMB 1,880,399	Production and sales of polyester staple, filament, and resins.
29	Oriental Petrochemical (Shanghai) Corp.	2003/1/21	Suite 3201, 32F, 800, Dongfang Road, Pudong New Area, Shanghai, China	7,494,329 RMB 1,501,869	Production and sales of PTA
30	Far Eastern New Century (China) Investment Co., Ltd.	2007/6/18	Suite 3301, 33F, 800, Dongfang Road, Pudong New Area, Shanghai, China	2,348,701 RMB 470,682	Investment
31	Martens Beers (Shanghai) Ltd.	2007/10/26	Suite 2701, 27F, 800, Dongfang Road, Pudong New Area, Shanghai, China	391,247 RMB 78,402	Trading of beer and relevant beverages
32	Shanghai Yuan Hua Logistic Corp.	2006/3/2	198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	94,810 RMB 19,000	Transportation and storage
33	Shanghai Far Eastern IT Corp.	2003/4/15	Suite 1801, 18F, 800, Dongfang Road, Pudong New Area, Shanghai, China	63,423 RMB 12,710	Software development, equipment maintenance and consulting services
34	Yuan Ding Enterprise (Shanghai) Limited	2013/8/20	17, Lane 855, Chengshan Road, Pudong New Area, Shanghai, China	528,940 RMB 106,000	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses
35	Wuhan Far Eastern New Material Ltd.	2003/7/9	93, Zhushanhu Rd., Wuhan Economical-Technical Development Zone, Hubei, Wuhan, China	853,528 RMB 171,048	Production and sales of PET sheet, chip, filament, staple fibers, and apparel
36	Oriental Industries (Suzhou) Ltd.	2005/6/24	1588, Yin Zhong South Road, HeDong Industrial Park, Wu Zhong Economic Development District, Suzhou, China	5,463,285 RMB 1,094,847	Production and sales of polyester resins and industrial fabrics.
37	Far Eastern Industries (Suzhou) Ltd.	2004/3/22	6, Hengshan Road, New District, Suzhou, China	1,967,905 RMB 394,370	Production and sales of polyester products
38	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	2003/10/22	1588, Yin Zhong South Road, Wu Zhong Economic Development District, Suzhou, China	1,842,673 RMB 369,273	Spinning, weaving and dyeing of high-end apparel, and sales and production of specialty garments
39	Sino-Belgium Beer (Suzhou) Ltd.	2007/9/4	6, Hengshan Road, New District, Suzhou, China	1,901,979 RMB 381,158	Development of beer brewing technology
40	Far Eastern Apparel (Suzhou) Co., Ltd.	1996/10/24	88, Tian ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China	1,020,840 RMB 204,577	Production of knitted and woven garments and beddings
41	Suzhou An He Apparel Ltd.	2008/1/31	88, Tian Ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China	4,990 RMB 1,000	Production and sales of knitting and weaving garments
42	Far Eastern Industries (Wuxi) Ltd.	2002/5/28	Wuxi WNDZ 89 Land, WuXi, Jiangsu Province, China	2,402,538 RMB 481,471	Production of cotton yarn, other natural fibers, and chemical fibers
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	2011/12/9	3, Yadong Road, Yangzhou Chemical Industry Park, Yangzhou, China	7,252,222 RMB 1,453,351	PTA and its by-product production and sales
44	Far Eastern Industries (Yangzhou) Ltd.	2012/5/10	9, Won Nien South Road, Yangzhou, China	1,541,423 RMB 308,902	Production and sales of polyester products
45	Far Eastern Ishizuka Green PET Corporation.	2012/5/11	880, Aza-Semino, Ohaza-Shimokobashi, Sakaimachi, Sashima-Gun, Ibaraki-Pref. Japan	551,258 JPY 2,020,000	Recycled PET production and sales
46	Far Eastern Apparel (Vietnam) Ltd.	2007/2/23	46 Dai Lo Tu Do, Vietnam Singapore Industrial Park, Thuan An District,Binh Duong Province, Vietnam	284,850 US$9,000	Apparel production
47	Far Eastern Polytex (Vietnam) Ltd.	2015/6/23	Land 1ot B_4B_CN and B_5B_CN, Road DC, Bau Bang Industrial Park, Bau Bang District, Binh Duong Province, Vietnam	174,264 US$5,300	Production of petrochemical and textiles products
48	Far Eastern New Apparel (Vietnam) Ltd.	2015/6/30	D1 Street, Bac Dong Phu Industrial Park, Dong Phu District, Binh Phuoc Province, Vietman	141,384 US$4,300	Apparel production
49	PET Far Eastern (M) Sdn Bhd	1995/7/22	Plot 69 ,Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru,Johor Malaysia	117,480 MYR 16,000	Production of PET bottles and preforms
50	Worldwide Polychem (HK) Limited	2011/8/30	11/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	115,080 US$3,500	Investment

Special Disclosure

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
51	Waldorf Services B.V.	1990/1/10	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	606 US$19	Investment
52	FETG Investment Antilles N.V.	1989/10/5	Kaya W.F.G. Mensing 14, Curacao, The Netherlands Antilles	189 US$6	Investment
53	Malaysia Garment Manufacturers Private Ltd.	1963/8/6	No.9, Little Road #02-02 Singapore 536985	183,899 SGD 7,912	Apparel production and investment
54	PT Malaysia Garment Bintan	1998/8/4	No.9, Little Road #02-02 Singapore 536986	5,221 IDR 2,175,600	Apparel production
55	Far EasTone Telecommunications Co., Ltd.	1997/4/11	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	32,585,008	Wireless telecommunications service, leased circuit service, ISR and internet services and sale of cellular phone equipments and accessories
56	Far Eastern Info Service (H) Ltd.	2002/7/17	Clarendon House 2 Church Street Hamilton HM11 Bermuda	380 US$12	International investments
57	KGEx.com Co., Ltd.	2000/8/9	4F, 468, Ruei-Guang Rd., Neihu Dist, Taipei City, Taiwan	1,124,080	Type II telecommunications service
58	Far Eastern Tech-Info Ltd. (Shanghai)	2002/11/18	3F, Building No. 23, Pudong Software District, 498, Guoshoujing Rd., Jhangjiang High Tech District, Pudong Sin Section, Shanghai, China	215,062 RMB 42,231	Computer software, data processing and internet content providing services
59	Yuan Cing Co., Ltd.	2000/8/5	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	193,500	Phone subscriber service
60	ARCOA Communication Co., Ltd.	1981/5/4	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	1,342,800	Type II telecom services; sale of cell phones and other telecom equipments
61	Q-Ware Communication Corp.	2007/2/13	8F, 220, Kang Chien Road, Neihu Dist, Taipei City, Taiwan	417,149	Type II telecommunications services
62	Omusic Co., Ltd.	2010/10/5	12F, 468, Ruei-Guang Rd., Neihu Dist, Taipei City, Taiwan	50,000	Electronic information providing services
63	Data Express Infotech Co., Ltd.	2004/7/22	6F-1, 778, Ba Der Road, Sec. 4, Taipei City, Taiwan	183,805	Sale of communication products
64	Linkwell Tech Co., Ltd.	2005/4/8	6F-1, 778, Sec. 4, Bade Rd., Taipei City, Taiwan,	40,879	Sales of communication products
65	Home Master Technology Ltd	2011/8/11	5F, 778, Sec. 4, Bade Rd., Taipei City, Taiwan	12,725	Sales of communication products
66	New Century InfoComm Tech Co., Ltd.	1989/6/1	1-11Fl., 218, Ruei-Guang Rd., Neihu Dist, Taipei City, Taiwan	21,000,000	Type I & II telecom services
67	New Diligent Co., Ltd.	2001/5/2	1F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	800,000	Investment
68	Sino Lead Enterprise Limited.	2006/4/11	Hong Kong Trade Centre, 7/F 161-167 Des Voeux Road Central, Hong Kong	125 HKD 30	telecommunications services
69	Information Security Service Digital United	2004/12/22	2F, 218, Ruei-Guang Rd., Neihu Dist, Taipei City, Taiwan	148,777	Security and monitoring services via Internet
70	Digital United (Cayman) Ltd.	2000/8/16	P.O. Box 2681, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies	136,728 US$ 4,320	Investment
71	Digital United Information Technology (Shanghai) Ltd.	2000/10/8	Room 22301-918, Building No. 14, Pudong Software District, 498, Guoshoujing Rd., Jhangjiang High Tech District, Pudong Sin Section, Shanghai, China.	119,942 RMB 23,553	Design and research of computer system
72	Far Eastern New Diligence Ltd.	2010/7/27	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	253,200 US$8,000	Investment
73	Hiiir Co., Ltd.	2013/8/8	10 F, 220, Gangqian Rd., Neihu Dist, Taipei City, Taiwan	600,000	Electronic information providing services
74	Far Eastern New Century Information Technology (Beijing) Limited	2010/7/23	11F, Building 9, Wanda Square, 93, Jian Guo Street, Chaoyang District, Beijing, China	163,237 RMB 32,054	Electronic information providing services
75	Yuan-Ding Co., Ltd.	1984/10/1	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	5,034,046	Hotel management
76	Ding Ding Hotel Co., Ltd.	1983/3/22	1-5F, 201&203, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	1,040,470	Hotel management

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
77	Yuan Hong Electric Co., Ltd.	1999/12/13	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	850,000	Corporate management consulting, pipe & cable installment and replacement
78	Far Eastern Technical Consultants Co., Ltd.	1996/1/17	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	50,000	Construction management and consulting service
79	Far Eastern Electronic Commerce Co., Ltd.	2010/12/10	21F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan	450,500	Online retail service
80	Ding Ding Integrated Marketing Service Co., Ltd.	2004/10/22	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	693,880	Market research and advertisement
81	DDIM (Virgin Islands) Ltd.	2011/8/31	P.O.Box.957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands.	784,056 US$23,846	Business activities not prohibited by law
82	YDT Technology International Co., Ltd.	1989/8/4	23F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan	139,920	Sale of communication products
83	Yuan Ding Integrated Information Service Inc. (Shanghai)	2011/8/10	Room 1506, 719, Yan'an West Road, Changning District, Shanghai, China	751,735 RMB 150,648	Software development and internet service design, sale of computer equipment
84	YDC (Virgin Islands) Ltd.	1998/2/11	Columbus Centre Building, Wickhams Cay, Road Town, Tortola, British Virgin Islands.	37,154 US$1,130	Business activities not prohibited by law
85	Speedy (Shanghai) digital Tech. Co., Ltd.	2004/4/27	Room 1502, 719, Yan'an West Road, Changning District, Shanghai, China	32,631 RMB 6,539	Intelligent control equipment and security firewall software products

1.1.3 Companies Presumed to Have a Relationship of Control and Subordination with Far Eastern New Century under Article 369-3 of the R.O.C. Company Act: None

1.1.4 Industries Covered by the Business Operated by the Affiliates and Description of the Mutual Dealings and Division of Work among Such Affiliates:

Petrochemical, Polyester, Textiles, Garment and apparel, Investment, Construction, General Contractor, Leasing, Management consulting, Human resources consulting, Wireless telecommunication services, mobile virtual network operator services, wholesale and retail sale of telecom related products and equipments etc. Please refer the aforesaid table of “Information of Far Eastern New Century and Subsidiaries and Affiliates” for major business activities of the Company’s affiliates.

Special Disclosure

1.1.5 Information about Directors, Supervisors, and Managers at Each Subsidiary and Affiliate:

Unit: Number of shares; %

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
0	Far Eastern New Century Corp.	Directors	Douglas Tong Hsu (Chairman)	91,748,698	1.71
			Asia Cement Corp.	1,272,277,085	23.77
			Johnny Shih, Peter Hsu, Shaw Y. Wang,	-	-
			Raymond Hsu,	-	-
			Far Eastern Department Stores Ltd.	19,964,370	0.37
			Richard Yang, Tonia Katherine Hsu	-	-
			U-Ming Marine Transport Corp.	31,181,470	0.58
			Kuan Tao Li, Alice Hsu	-	-
			Far Eastern Y.Z. Hsu Science & Technology Memorial Foundation Rep.	8,493,237	0.16
			Champion Lee	-	-
		Independent Directors	Bing Shen, Johnsee Lee	-	-
		President	Y.H. Tseng, Eric Hu, K.S. Wu, Humphrey Cheng	-	-
1	Yuan Ding Investment Co., Ltd.	Directors	Far Eastern New Century Corp.	1,822,822,005	99.40
			Douglas Tong Hsu (Chairman), Johnny Shih,	-	-
			Peter Hsu, Shaw Y. Wang, Alan Tsai, David	-	-
			Wang	-	-
		Supervisors	Da Ju Fiber Co., Ltd.	5,502,000	0.30
			Humphrey Cheng, Mark Lu	-	-
		President	C.S. Tu	-	-
2	Oriental Petrochemical (Taiwan) Co., Ltd.	Directors	Far Eastern New Century Corp.	1,183,310,998	75.56
			Douglas Tong Hsu (Chairman), Johnny Shih,	-	-
			K.S. Wu, H.D. Zhou, David Shih, Eric Chueh	-	-
			Oriental Union Chemical Corp.	282,033,256	18.01
		Supervisors	Justin Tsai	-	-
			Yuan Ding Investment Co., Ltd.	81,373,959	5.20
		President	David Wang, Humphrey Cheng	-	-
			Eric Chueh	-	-
3	Yuan Tong Investment Co., Ltd.	Directors	Far Eastern New Century Corp.	705,146,840	100.00
			David Wang (Chairman), Humphrey Cheng,	-	-
			Allen Sha	-	-
		Supervisors	Far Eastern New Century Corp.	705,146,840	100.00
			Alan Tsai	-	-
		President	David Wang	-	-
4	Far Eastern Electronic Toll Collection Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	254,239,581	39.42
			Douglas Tong Hsu (Chairman), Eton Shu,	-	-
			Y.C. Chang	-	-
			Yuan Tong Investment Co., Ltd.	77,257,271	11.98
			Champion Lee	-	-
			SYSTEX Corporation	54,315,614	8.42
			S.C. Yang	-	-
			MiTAC Information Technology Corp.	59,606,802	9.24
			Su Liang	-	-
			TECO Electric & Machinery Co., Ltd.	70,906,802	10.99
			Sophia Chiu	-	-
			S.J. Hsu	-	-
			S.W. Chao	-	-
		Supervisors	T.Y. Yin	-	-
			W.C. Yeh	-	-
			Ching Pu Investment Corporation	16,591,188	2.57
			Larry Chung	-	-
			He Li Investment	11,300,000	1.75
			B.L. Tsai	-	-
		President	Y.C. Chang	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
5	**Far Eastern Resources Development Co., Ltd.**	Directors	Far Eastern New Century Corp.	557,354,007	100.00
			Douglas Tong Hsu (Chairman), Johnny Shih,	-	-
			Peter Hsu, Shaw Y. Wang, C.S. Tu,	-	-
		Supervisors	Far Eastern New Century Corp.	557,354,007	100.00
			Humphrey Cheng	-	-
		President	C.S. Tu	-	-
6	**Far Eastern Construction Co., Ltd.**	Directors	Far Eastern New Century Corp.	198,791,401	65.11
			Shaw Y. Wang (Chairman), Douglas Tong	-	-
			Hsu, S.F. Cheng, D.F. Yang, B.S. Hong, Lin	-	-
			Kuo, C.M. Chen, Peter Hsu, H.R. Gao, S.Y.	-	-
			Wei,	-	-
			T.Z. Chang		
		Supervisors	Der Ching Investment Co., Ltd.	103,080,349	33.55
			Charles Wang, S.Y. Gao	-	-
7	**Kai Yuan International Investment Co., Ltd.**	Directors	Far Eastern New Century Corp.	302,843,390	100.00
			Humphrey Cheng (Chairman), David Wang,	-	-
			Allen Sha	-	-
		Supervisors	Far Eastern New Century Corp.	302,843,390	100.00
			Alan Tsai	-	-
		President	Humphrey Cheng	-	-
8	**Ding Yuan International Investment Co., Ltd.**	Directors	Far Eastern New Century Corp.	205,000,000	100.00
			Alan Tsai (Chairman), Humphrey Cheng,	-	-
		Supervisors	Allen Sha	-	-
			Far Eastern New Century Corp.	205,000,000	100.00
			David Wang	-	-
9	**Yuan Hsin Digital Payment Co., Ltd.**	Directors	Ding Ding Integrated Marketing Service Co., Ltd.	22,515,000	15.01
			G.L. Liang(Chairman)	-	-
			Yuan Ding Co., Ltd.	30,000,000	20.00
			Humphrey Cheng, Y.C. Chang	-	-
			Far EasTone Telecommunications Co., Ltd.	45,000,000	30.00
			H.J. Liu	-	-
			Far Eastern Department Stores Ltd.	22,500,000	15.00
			T.H. Tsou	-	-
		Supervisors	Pacific Sogo Co., Ltd.	22,500,000	15.00
			J.Y. Chung	-	-
			Far Eastern International Band	7,485,000	4.99
			S.J. Dai	-	-
		President	S.H. Tsai	-	-
10	**Far Eastern General Contractor Inc**	Directors	Far Eastern Construction Co., Ltd.	147,412,850	98.95
			S.F. Cheng (Chairman), Douglas Tong Hsu,	-	-
			Shaw Y. Wang, Lin Kuo, J.H. Li, Ying Wei, D.F.	-	-
			Yang, T.C. Lin You, Z.C. Ku	-	-
		Supervisors	Yuan Ding Investment Co., Ltd.	1,490,174	1.00
			Jackson Wu, Li-Chi Chen	-	-
11	**Far Eastern Fibertech Co., Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	91,000,000	100.00
			Douglas Tong Hsu (Chairman), Johnny Shih,	-	-
			Fred Chu, Humphrey Cheng, Eric Huang	-	-
		Supervisors	Yuan Ding Investment Co., Ltd.	91,000,000	100.00
			David Wang	-	-
		President	Fred Chu	-	-
12	**An Ho Garment Co., Ltd.**	Directors	Far Eastern New Century Corp.	66,346,200	100.00
			David Wang (Chairman), Alan Tsai,	-	-
			Li-Chi Chen		
		Supervisors	Far Eastern New Century Corp.	66,346,200	100.00
			Benjamin Shih	-	-
13	**Oriental Resources Development Co., Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	34,242,298	70.00
			Y.H. Tseng (Chairman), Donald Fan, Fanny	-	-
			Liao, Ru Yu Wu, C.T. Peng, Justin Tsai,	-	-
			Y.K. Pan	-	-
		Supervisors	Oriental Union Chemical Corporation	14,675,271	30.00
			H.S. Yu, Judy Wang	-	-
		President	Fanny Liao	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
14	**Far Eastern Apparel Co., Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	24,736,445	100.00
			Benjamin Shih (Chairman), Eric Hu, Li-Chi Chen, M.F. Chen, Jenny Ho	-	-
		Supervisors	Yuan Ding Investment Co., Ltd.	24,736,445	100.00
			Alan Tsai	-	-
15	**Yuan Faun Co., Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	5,000,000	100.00
			K.S. Wu (Chairman), Y.H. Tseng, Eric Hu, David Wang, Humphrey Cheng	-	-
		Supervisors	Yuan Ding Investment Co., Ltd.	5,000,000	100.00
			Alan Tsai, Emily Wu	-	-
16	**Fu Kwok Knitting & Garment Co., Ltd.**	Directors	Far Eastern New Century Corp.	3,998,475	99.96
			Raymond Hsu (Chairman), Eric Hu, Austin Lee, Li-Chi Chen, Jenny Ho	-	-
		Supervisors	Ding Yuan International Investment Co., Ltd.	-	-
			Alan Tsai	-	-
		President	Raymond Hsu	-	-
17	**Yuan Cheng Human Resources Consultant Corp.**	Directors	Yuan Faun Co., Ltd.	744,999	55.19
			Benjamin Shih(Chairman), Emily Wu, David Wang, C.Y. Lin	-	-
			Chang Cheng Human Resources Consultant Co., Ltd.	600,001	44.44
		Supervisors	J.C. Wang	-	-
			Da Ju Fiber Co., Ltd.	5,000	0.37
			H.S. Yu	-	-
18	**Far Eastern Textile Ltd.**	Directors	Far Eastern New Century Corp.	100,000	100.00
			Douglas Tong Hsu (Chairman), Johnny Shih, Peter Hsu	-	-
		Supervisors	Far Eastern New Century Corp.	100,000	100.00
			Shaw Y. Wang	-	-
		President	C.S. Tu	-	-
19	**Far Eastern Investment (H) Ltd.**	Directors	Far Eastern New Century Corp.	1,700,000	100.00
			Douglas Tong Hsu, Johnny Shih, Peter Hsu ,Shaw Y. Wang, Humphrey Cheng	-	-
20	**Far Eastern Polychem Industries Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	306,643,943	26.96
			Far Eastern New Century Corp.	830,814,727	73.04
			Douglas Tong Hsu, Johnny Shih, Peter Hsu ,Shaw Y. Wang, Humphrey Cheng	-	-
21	**FEDP (H) Ltd.**	Directors	Far Eastern Polychem Industries Ltd.	240,304	49.57
			Far Eastern New Century Corp.	244,480	50.43
			Douglas Tong Hsu, Johnny Shih, Peter Hsu ,Shaw Y. Wang, Humphrey Cheng	-	-
22	**PET Far Eastern (H) Ltd.**	Directors	Far Eastern Polychem Industries Ltd.	34,793	9.46
			Far Eastern New Century Corp.	332,891	90.54
			Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Peter Hsu, Humphrey Cheng	-	-
23	**Far Eastern Polytex(H) Ltd.**	Directors	Far Eastern New Century Corp.	123,837	100.00
			Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Peter Hsu, Humphrey Cheng	-	-
24	**Far Eastern Apparel (H) Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	111,200	100.00
			Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Peter Hsu, Humphrey Cheng	-	-
25	**Oriental Textile(H) Ltd.**	Directors	Yuan Ding Investment Co., Ltd.	85,250	100.00
			Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Peter Hsu, Humphrey Cheng	-	-
26	**Sino Belgium (H) Ltd.**	Directors	Yuan Tong Investment Co., Ltd.	35,025	93.55
			Martens HK Limited	2,415	6.45
			Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Peter Hsu, Humphrey Cheng, Jan Martens	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
27	**Magna View Sdn. Bhd**	Directors	Far Eastern Investment (H) Ltd.	3,000,000	100.00
			Donald Fan, Daniel Tsai, Leong Seiw Fong	-	-
28	**Far Eastern Industries (Shanghai) Ltd.**	Directors	Far Eastern Polychem Industries Ltd.	-	87.64
			Far Eastern New Century (China) Investment Co., Ltd.	-	12.36
			R.H. Shao (Chairman), C.Y. Dai, K.S. Wu,	-	-
			Humphrey Cheng, Donald Fan	-	-
		Supervisors	Brian Lee	-	-
		President	C.Y. Dai	-	-
29	**Oriental Petrochemical (Shanghai) Corp.**	Directors	PET Far Eastern (H) Ltd.	-	53.24
			Pacific Petrochemical (H) Ltd.	-	38.65
			Far Eastern New Century (China) Investment Co., Ltd.	-	8.11
			R.H. Shao (Chairman), Y.H. Tseng, Paul	-	-
			Chuang, Humphrey Cheng, K.S. Wu, Justin	-	-
			Tsai	-	-
		Supervisors	Alan Tsai	-	-
		President	Paul Chuang	-	-
30	**Far Eastern New Century (China) Investment Co., Ltd.**	Directors	Far Eastern Polytex(H) Ltd.	-	100.00
			R.H. Shao (Chairman), Humphrey Cheng,	-	-
			David Wang, Alan Tsai, Allen Sha	-	-
		Supervisors	Charles Wang	-	-
		President	Humphrey Cheng	-	-
31	**Martens Beer (Shanghai) Ltd.**	Directors	Sino Belgium (H) Ltd.	-	100.00
			Eric Hu (Chairman), Jan Martens, Alfons	-	-
			Martens, S.Y. Lai, Fanny Liao	-	-
		Supervisors	Brian Lee	-	-
		President	S.Y. Lai	-	-
32	**Shanghai Yuan Hua Logistic Corp.**	Directors	Oriental Petrochemical (Shanghai) Corp.	-	100.00
			K.S. Wu (Chairman), C.Y. Dai, Paul Chuang,	-	-
			Steve Liu, Li-Chi Chen	-	-
		Supervisors	Brian Lee	-	-
		President	Paul Chuang	-	-
33	**Shanghai Far Eastern IT Corp.**	Directors	Far Eastern New Century (China) Investment Co., Ltd.	-	100.00
			Alan Tsai (Chairman), Li-Chi Chen, Mike Wu,	-	-
			Steve Liu, H.L. Yi	-	-
		Supervisors	Brian Lee	-	-
		President	H.L. Yi	-	-
34	**Yuan Ding Enterprise (Shanghai) Limited**	Directors	Far Eastern New Century (China) Investment Co., Ltd.	-	100.00
			Humphrey Cheng (Chairman), David Wang,	-	-
			R.H. Shao, Peter Hsu, T.H. Tsou	-	-
		Supervisors	Alan Tsai, D.C. Wu	-	-
35	**Wuhan Far Eastern New Material Ltd.**	Directors	Far Eastern Polytex(H) Ltd.	-	100.00
			Donald Fan (Chairman), C.Y. Dai, S.Y. Lai,	-	-
			T.M. Kuo, Y.H. Wang	-	-
		Supervisors	Brian Lee	-	-
		President	C.Y. Dai	-	-
36	**Oriental Industries (Suzhou) Ltd.**	Directors	Oriental Textile (H) Ltd.	-	100.00
			Eric Hu (Chairman), Brian Lee, M.J. Wu, Eric	-	-
			Huang, Steve Liu	-	-
		Supervisors	P.T. Huang	-	-
		President	M.J. Wu	-	-
37	**Far Eastern Industries (Suzhou) Ltd.**	Directors	FEDP (H) Ltd.	-	100.00
			Eric Hu (Chairman), S.Y. Lai, Brian Lee, Steve	-	-
			Liu, M.J. Wu	-	-
		Supervisors	J.S. Dai	-	-
		President	S.Y. Lai	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
38	**Far Eastern Dyeing & Finishing (Suzhou) Ltd.**	Directors	Far Eastern Apparel (H) Ltd.	-	100.00
			Eric Hu (Chairman), Kwen Lin Ho, Brian Lee,	-	-
			Allen Sha, Steve Liu	-	-
		Supervisors	J.S. Dai	-	-
		President	Kwen Lin Ho	-	-
39	**Sino-Belgium Beer (Suzhou) Ltd.**	Directors	Sino Belgium (H) Ltd.	-	100.00
			Eric Hu (Chairman), S.Y. Lai, Brian Lee, Allen	-	-
			Sha, Jenny Ho	-	-
		Supervisors	P.T. Huang	-	-
		President	S.Y. Lai	-	-
40	**Far Eastern Apparel (Suzhou) Co., Ltd.**	Directors	Far Eastern Polytex (H) Ltd.	-	61.54
			Far Eastern Apparel (H) Ltd.	-	38.46
			Eric Hu (Chairman), Brian Lee, Allen Sha,	-	-
			Judy Lee, Steve Liu	-	-
		Supervisors	J.S. Dai	-	-
		President	Judy Lee	-	-
41	**Suzhou An He Apparel Ltd.**	Directors	Far Eastern Apparel (Suzhou) Co., Ltd.	-	100.00
			Eric Hu (Chairman), Judy Lee, Brian Lee,	-	-
			Allen Sha, Steve Liu	-	-
		Supervisors	J.S. Dai	-	-
		President	Judy Lee	-	-
42	**Far Eastern Industries (Wuxi) Ltd.**	Directors	Oriental Textile (H) Ltd.	-	100.00
			Eric Hu (Chairman), T.K. Wei, Brian Lee, Allen	-	-
			Sha, Mingo A. Chen	-	-
		Supervisors	Mike Wu	-	-
		President	Mingo A. Chen	-	-
43	**Far Eastern Yihua Petrochemical (Yangzhou) Corp.**	Directors	Far Eastern Polytex (H) Ltd.	-	60.00
			K.S. Wu (Chairman), Humphrey Cheng, H.D.	-	-
			Zhou	-	-
			Sinopec Yizheng Chemical Fibre Co. Ltd.	-	40.00
			S.G. Shen, J.P. Li	-	-
		Supervisors	S.M. Peng, Y. Tzao	-	-
		President	S.G. Shen		
44	**Far Eastern Industries (Yangzhou) Ltd.**	Directors	Far Eastern Polychem Industries Ltd.	-	100.00
			Humphrey Cheng (Chairman), Brian Lee,	-	-
			Donald Fan, M. Y. Yeh, Allen Sha	-	-
		Supervisors	J.S. Dai	-	-
		President	Donald Fan	-	-
45	**Far Eastern Ishizuka Green PET Corporation**	Directors	Far Eastern Polychem Industries Ltd.	172,000,000	85.15
			Y.H. Tseng (Chairman), Humphrey Cheng,	-	-
			Donald Fan, Judy Lo	-	
			Ishizuka Glass Co., Ltd.	30,000,000	14.85
			Akihiro Yamahaka	-	-
		Supervisors	Alan Tsai	-	-
		President	Yasuda Shinichi	-	-
46	**Far Eastern Apparel (Vietnam) Ltd.**	Directors	Far Eastern Investment (H) Ltd.	-	100.00
			Alan Tsai (Chairman), Judy Lee, Tony Liang,	-	-
			Allen Sha, Jenny Ho	-	-
		Supervisors	J.S. Dai	-	-
		President	Judy Lee	-	-
47	**Far Eastern Polytex (Vietnam) Ltd.**	Directors	Far Eastern Investment (H) Ltd.	-	100.00
			Humphrey Cheng (Chairman), Donald Fan,	-	-
			Kwen Lin Ho, B.C. Chang, Mingo A. Chen,	-	-
			David Wang, Li-Chi Chen	-	-
		Supervisors	Alan Tsai	-	-
		President	Donald Fan	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
48	**Far Eastern New Apparel (Vietnam) Ltd.**	Directors	Far Eastern Investment (H) Ltd.	-	100.00
			Alan Tsai (Chairman), S.N. Jeme, Judy Lee,	-	-
			Tony Liang, Jenny Ho	-	-
		Supervisors	Allen Sha	-	-
		President	S.N. Jeme	-	-
49	**PET Far Eastern (M) SDN BHD**	Directors	Far Eastern Investment (H) Ltd.	8,000,000	50.00
			Y.H. Tseng (Chairman), Donald Fan, David	-	-
			Wang, Chuck Tseng, Daniel Tsai, Leong Siew	-	-
			Foong	-	-
		President	Donald Fan	-	-
50	**Worldwide Polychem (HK) Limited**	Directors	Far Eastern Investment (H) Ltd.	2,700,000	100.00
			Y.J. Lou, Mike Wu, Alan Tsai	-	-
51	**Waldorf Services B.V.**	Directors	FETG Investment Antilles N.V.	1,750	100.00
			Douglas Tong Hsu, Johnny Shih, Marlon	-	-
			Antonio Hironimo	-	-
			Martis, Trust International Management (T.I.M.)	-	-
			B.V.	-	-
52	**FETG Investment Antilles N.V.**	Directors	Far Eastern Investment (H) Ltd.	6,000	100.00
			Douglas Tong Hsu, Johnny Shih, Shaw Y.	-	-
			Wang, Peter Hsu, Humphrey Cheng	-	-
			Orangefield Trust (Caribbean) N.V.	-	-
53	**Malaysia Garment Manufacturers Private Ltd.**	Directors	Da Ju Fiber Co., Ltd.	-	-
			Douglas Tong Hsu, Raymond Hsu	34,160	43.17
			Yuan Tong Investment Co., Ltd.	-	-
			Shaw Y. Wang	10,285	13.00
			Woldorf Services B.V.	-	-
			K.L. Li	30,000	37.92
			U-Ming Marine Transport Corp.	-	-
			C.L. Meng	4,675	5.91
54	**PT Malaysia Garment Bintan**	Directors	Malaysia Garment Manufacturers Private Ltd.	3,000	100.00
			C.S. Lin, K.L. Li, Austin Lee, C.T. Hu, M.J.	-	-
			Wang	-	-
55	**Far EasTone Telecommunications Co., Ltd.**	Directors	Yuan-Ding Investment Co., Ltd.	1,066,657,614	32.73
			Douglas Tong Hsu (Chairman), Peter Hsu	-	-
			(Managing Director), Jan Nilsson (Managing	-	-
			Director)	-	-
			Yuan Ding Co., Ltd.	4,163,500	0.13
			Champion Lee, Jeff Hsu	-	-
			Ding Yuan International Investment Co., Ltd.	919,653	0.03
			Toon Lim	-	-
			U-Ming Marine Transport Corp.	331,000	0.01
			Keisuke Yoshizawa	-	-
			Asia Investment Corporation	986,303	0.03
			Bonnie Peng		
		Independent Directors	Kurt Roland Hellström, Lawrence Juen-Yee Lau,	-	-
			Chung Laung Liu	-	-
		President	Yvonne Li	-	-
56	**Far Eastern Info Service (H) Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	1,200	100.00
			Yvonne Li (Chairman), T.Y. Yin, Eton Shu,	-	-
			H.J. Liu, Maggie Mei	-	-
		President	Yvonne Li	-	-
57	**KGEx.com Co., Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	88,894,286	99.99
			Jeffey Gee (Chairman), Mike Lee, Jessica	-	-
			Chen, C.C. Lee, Hae-Shung Ju	-	-
		Supervisors	T.Y. Yin	-	-
		President	Jeffey Gee	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
58	**Far Eastern Tech-info Ltd. (Shanghai)**	Directors	Far Eastern Info Service (H) Ltd.	-	41.67
			Yvonne Li (Chairman), Eton Shu, H.J. Liu,	-	-
			Maggie Mei	-	-
		President	Far Eastern New Diligence Ltd	-	58.33
			T.Y. Yin	-	-
59	**Yuan Cing Co., Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	19,349,995	99.99
			Eton Shu (Chairman), Samuel Yuan, Jessica	-	-
			Chen	-	-
		Supervisors	T.Y. Yin	-	-
		President	Maggie Mei	-	-
60	**ARCOA Communication Co., Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	82,762,221	61.63
			Yvonne Li (Chairman), Alan Tsai, Maxwell	-	-
			Cheng, Brian Chao, A.Y Deng	-	-
			Wan-Shih-Shin Co., Ltd.	470,325	0.35
			Gary Lin	-	-
		Supervisors	Li-Chi Chen, David Tsai, Sharon Lin	-	-
		President	A.Y Deng	-	-
61	**Q-ware Communication Corp.**	Directors	Far EasTone Telecommunications Co., Ltd.	33,982,812	81.46
			Yvonne Li (Chairman), Mike Lee, Maxwell	-	-
			Cheng, James Lin, Samuel Yuan	-	-
			President Chain Store Co., Ltd.	4,172,422	10.00
			Chia Hua Chang, Hsing Jou Shen	-	--
		Supervisors	Uni-President Enterprises Co., Ltd.	3,337,192	8.00
			Jin Xing Chen	-	-
			Sharon Lin	-	-
		President	Dick Lin	-	-
62	**O-music Co., Ltd.**	Directors	Universal Music Ltd.	225,000	4.50
			Sunny Chang (Chairman)	-	-
			Far EasTone Telecommunications Co., Ltd.	2,500,000	50.00
			Yvonne Li, H.J. Liu, Y.Y. Tu, Eton Shu	-	-
			Sony Music Entertainment Taiwan Ltd.	225,000	4.50
			Forward Music Co., Ltd.	225,000	4.50
			Barry Lee	-	-
			T.Y. Yin	-	-
		Supervisors	Otiga Technologies Limited	550,000	11.00
			Ipang Lin	-	-
			HIM International Music Inc.	225,000	4.50
			Lydia Ho	-	-
		President	Belung Chang	150,000	3.00
63	**Data Express Infotech Co., Ltd.**	Directors	ARCOA Communications Co., Ltd.	12,866,353	70.00
			Maxwell Cheng (Chairman), Eric Li, Brian	-	-
			Chao	3,490,724	18.99
			Jing Ho Tech	-	-
			Grace Chu		
		Supervisors	Ann Chang	-	-
64	**Linkwell Tech. Co., Ltd.**	Directors	Data Express Infotech Co., Ltd.	-	100.00
			Maxwell Cheng (Chairman)	-	-
65	**Home Master Technology Ltd**	Directors	Data Express Infotech Co., Ltd.	-	100.00
			Maxwell Cheng (Chairman)		
66	**New Century InfoComm Tech Co., Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	2,100,000,000	100.00
			Douglas Tong Hsu (Chairman), Yvonne Li,	-	-
			Mike Lee	-	-
		Supervisors	Far EasTone Telecommunications Co., Ltd.	2,100,000,000	100.00
			T.Y. Yin	-	-
		President	Jeffey Gee	-	-
67	**New Diligent Co., Ltd.**	Directors	New Century InfoComm Tech Co., Ltd.	80,000,000	100.00
			Eric Li (Chairman), Mike Lee, C.C. Lee	-	-
		Supervisors	New Century InfoComm Tech Co., Ltd.	80,000,000	100.00
			T.Y. Yin	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
68	**Sino Lead Enterprise Limited.**	Directors	New Diligent Co., Ltd.	-	100.00
			Mike Lee (Chairman)	-	-
69	**Information Security Service Digital United**	Directors	New Century InfoComm Tech Co., Ltd.	14,877,747	100.00
			Mike Lee (Chairman), Y.T. Lee, Eric Li	-	-
		Supervisors	New Century InfoComm Tech Co., Ltd.	14,877,747	100.00
			T.Y. Yin	-	-
70	**Digital United (Cayman) Ltd.**	Directors	New Century InfoComm Tech Co., Ltd.	4,320,000	100.00
			Mike Lee (Chairman), T.Y. Yin	-	-
71	**Digital United Information Technology (Shanghai) Ltd.**	Directors	Digital United (Cayman) Ltd.	-	100.00
			Mike Lee (Chairman), Larry Liu, Eric Li	-	-
		Supervisors	T.Y. Yin	-	-
		President	Larry Liu	-	-
72	**Far Eastern New Diligence Corporation**	Directors	New Diligent Co., Ltd.	-	100.00
			H.J. Liu, T.Y. Yin, Mike Lee	-	-
73	**Hiiir Co., Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	53,726,000	89.54
			H.J. Liu (Chairman), Magdalina Lin, Joann	-	-
			Chang, Belinda Chen, John Yeh	-	-
		Supervisors	Far EasTone Telecommunications Co., Ltd.	53,726,000	89.54
			T. Y. Yin	-	-
		President	John Yeh	2,333,000	3.89
74	**Far Eastern New Century Information Technology (Beijing) Limited**	Directors	Far Eastern Tech-Info (Shanghai) Ltd.	-	2.12
			H.J. Liu (Chairman), L.T. Chang, T.Y. Yin,	-	-
			Eton Shu	-	-
			Yuan Dong New Century Company Ltd.	-	1.73
			Jack Deng	-	-
		Supervisors	Far Eastern Tech-Info (Shanghai) Ltd.	-	2.12
			Sharon Lin	-	-
		President	Alex Chang	-	-
75	**Yuan-Ding Co., Ltd.**	Directors	Douglas Tong Hsu (Chairman)	3,144	-
			Far Eastern New Century Corp.	186,928,831	37.13
			Morton Mate Huang, Alan Tsai, Humphrey	-	-
			Cheng	-	-
			Asia Cement Corp.	178,707,648	35.50
			K.Y. Lee, Peter Hsu, X.Y. Kao	-	-
			Far Eastern Department Stores Ltd.	2,796	-
			Nancy Hsu	-	-
			U-Ming Commerce Co., Ltd.	12,585	-
			David Wang		-
		Supervisors	Yuan Ding Investment Co., Ltd.	64,758,813	12.86
			Shaw Y. Wang		-
			Der Ching Investment Co., Ltd.	72,989,090	14.50
			Y.F Chang	-	-
		President	Humphrey Cheng	-	-
76	**Ding Ding Hotel Co., Ltd.**	Directors	Yuan-Ding Co., Ltd.	64,502,115	61.99
			Douglas Tong Hsu (Chairman), J.W. Huang,	-	-
			T.Z. Chang	-	-
			Far Eastern New Century Corp.	19,772,104	19.00
			Nancy Hsu, T. H. Chang	-	-
			Asia Cement Corp.	14,284,936	13.73
			Humphrey Cheng, K.Y. Lee	-	-
		Supervisors	Der Ching Investment Co., Ltd.	5,487,169	5.27
			Charles Wang	-	-
77	**Yuan Hong Electric Co., Ltd.**	Directors	Yuan-Ding Co., Ltd.	85,000,000	100.00
			Humphrey Cheng (Chairman), D.H. Xiong,	-	-
			Z.K. Dai	-	-
		Supervisors	Yuan-Ding Co., Ltd.	85,000,000	100.00
			M.G. Chang	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
78	**Far Eastern Technical Consultants Co., Ltd.**	Directors	Yuan-Ding Co., Ltd.	4,550,000	91.00
			Humphrey Cheng(Chairman), D.H. Xiong, T.Z. Chang, Z.K. Dai, L.H. Huang	-	-
		Supervisors	Far Eastern General Contractor Inc.	450,000	9.00
			S.F. Cheng	-	-
		President	T.Z. Chang	-	-
79	**Far Eastern Electronic Commerce Co., Ltd.**	Directors	Far EasTone Telecommunications Co., Ltd.	6,691,000	14.85
			Yvonne Li (Chairman)	-	-
			Yuan-Ding Co., Ltd.	23,913,000	53.08
			Humphrey Cheng, G.L. Liang, D.H. Xiong, K.L. Zhuang	-	-
			Far Eastern Department Stores Co., Ltd.	4,985,000	11.07
			K.W. Hsieh	-	-
			Pacific Sogo Co., Ltd.	4,985,000	11.07
			K.L. Lee	-	-
		Supervisors	New Century InfoComm Tech Co., Ltd.	2,392,000	5.31
			C.X. Liu	-	-
		President	Y.C. Lin	-	-
80	**Ding Ding Integrated Marketing Service Co., Ltd.**	Directors	Yuan-Ding Co., Ltd.	41,632,800	60.00
			Douglas Tong Hsu (Chairman), Humphrey Cheng, D.H. Xiong, T.C. Zhou	-	-
			Far EasTone Telecommunications Co., Ltd.	10,408,200	15.00
			Jeffey Gee	-	-
			Far Eastern Department Stores Ltd.	6,938,000	10.00
			Nancy Hsu	-	-
			Pacific Sogo Co., Ltd.	6,938,000	10.00
			J.W. Huang	-	-
		Supervisors	New Century InfoComm Tech Co., Ltd.	3,469,400	5.00
			T.Y. Yin	-	-
		President	G.L. Liang	-	-
81	**DDIMH (Virgin Islands) Ltd.**	Directors	Yuan-Ding Co., Ltd.	-	100.00
			Humphrey Cheng, D.H. Xiong, Z.K. Dai	-	-
82	**YDT Technology International Co., Ltd.**	Directors	Yuan-Ding Co., Ltd.	13,992,000	100.00
			T.Y. Yin (Chairman), D.H. Xiong, Z.K. Dai	-	-
		Supervisors	Yuan-Ding Co., Ltd.	13,992,000	100.00
			H.W. Tu	-	-
83	**Yuan Ding Integrated Information Service Inc. (Shanghai)**	Directors	DDIM(Virgin Islands) Ltd.	-	99.54
			YDC(Virgin Islands) Ltd.	-	0.46
			G.L. Liang	-	-
		Supervisors	Y.Z. Tsai	-	-
		President	H.Y. Ku	-	-
84	**YDC (Virgin Islands) Ltd.**	Directors	Yuan-Ding Co., Ltd.	200,000	17.70
			Humphrey Cheng, D.H. Xiong, Z.K. Dai	-	-
85	**Speedy (Shanghai) digital Tech. Co., Ltd.**	Directors	YDC (Virgin Islands) Ltd.	-	100.00
			F.H. Ho	-	-
		Supervisors	D.H. Xiong	-	-
		President	F.H. Ho	-	-

1.1.6 Operation Results of Each Subsidiary and Affiliate

Unit: NT$ thousands, unless stated otherwise

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT$)
0	Far Eastern New Century Corp.	53,528,751	518,765,122	258,368,119	260,397,003	217,948,202	14,513,528	8,034,691	1.61
1	Yuan Ding Investment Co., Ltd.	18,338,262	71,095,884	30,231,493	40,864,391	26,325,492	5,840,168	5,230,441	2.85
2	Oriental Petrochemical (Taiwan) Co., Ltd.	15,660,930	27,205,523	17,031,114	10,174,409	13,390,471	(780,618)	(711,208)	(0.45)
3	Yuan Tong Investment Co., Ltd.	7,051,468	8,725,622	838,422	7,887,200	197,220	192,680	159,121	0.23
4	Far Eastern Electronic Toll Collection Co., Ltd.	6,450,000	7,901,296	6,298,313	1,602,983	1,934,248	(37,179)	(264,208)	(0.41)
5	Far Eastern Resources Development Co., Ltd.	5,573,540	113,888,688	14,379,544	99,509,144	548,410	(46,343)	2,510,790	4.50
6	Far Eastern Construction Co., Ltd.	3,053,206	18,883,607	6,162,321	12,721,286	485,535	262,755	1,552,350	5.08
7	Kai Yuan International Investment Co., Ltd.	3,028,434	6,219,110	944,325	5,274,785	490,735	490,313	468,403	1.55
8	Ding Yuan International Investment Co., Ltd.	2,050,000	2,707,965	37,431	2,670,534	71,486	71,100	69,440	0.34
9	Yuan Hsin Digital Payment Co.,Ltd.	1,500,000	1,239,831	151,217	1,088,614	11,099	(271,024)	(265,416)	(1.77)
10	Far Eastern General Contractor Inc.	1,489,776	4,668,099	2,568,767	2,099,332	5,211,134	116,191	124,049	0.83
11	Far Eastern Fibertech Co., Ltd.	910,000	2,427,073	1,298,397	1,128,676	2,148,499	185,837	148,739	1.63
12	An Ho Garment Co., Ltd.	663,462	2,443,292	510,698	1,932,594	189,207	188,787	178,886	2.70
13	Oriental Resources Development Co., Ltd.	489,176	1,002,190	535,786	466,404	569,087	(20,241)	(21,694)	(0.44)
14	Far Eastern Apparel Co., Ltd.	247,364	689,269	403,867	285,402	1,169,926	(100,278)	(81,905)	(3.31)
15	Yuan Faun Co., Ltd.	50,000	113,907	340	113,567	-	(1,941)	2,801	0.56
16	Fu Kwok Knitting & Garment Co., Ltd.	40,000	423,657	153,359	270,298	1,688,867	158,447	116,249	29.08
17	Yuan Cheng Human Resources Consultant Corp.	13,500	36,459	14,026	22,433	322,308	1,140	3,672	2.72
18	Far Eastern Textile Ltd.	1,000	1,405	34	1,371	-	(230)	63	0.63
19	Far Eastern Investment (H) Ltd.	559 US$17	10,185,269 309,771	875,567 19,428	9,309,702 290,343	2,416,112 76,122	682,315 21,497	738,771 22,934	434.57 13.49
20	Far Eastern Polychem Industries Ltd.	484 HKD 114	14,560,915 3,432,559	3,778,687 890,780	10,782,228 2,541,779	8,040,810 1,963,568	356,268 87,001	(138,724) (33,876)	(0.12) (0.03)
21	FEDP (H) Ltd.	161 US$5	474,978 14,446	1,369 42	473,609 14,404	(195,404) (6,156)	(204,431) (6,441)	(195,313) (6,154)	(402.89) (12.69)
22	PET Far Eastern (H) Ltd.	120 RMB 24	8,628,069 1,729,072	2,472,380 480,121	6,155,689 1,248,951	(724,705) (143,962)	(1,059,395) (210,448)	(1,028,962) (200,718)	(2,798.50) (555.92)
23	Far Eastern Polytex (H) Ltd.	38 US$1.2	10,217,339 310,746	2,067,825 62,890	8,149,514 247,856	(394,060) (12,415)	(399,095) (12,574)	(433,539) (13,659)	(3,496.28) (110.15)
24	Far Eastern Apparel (H) Ltd.	35 US$1.1	4,038,420 122,823	1,321,596 41,964	2,716,824 80,859	5,371,963 169,249	265,823 8,375	213,663 6,574	1,924.89 58.54
25	Oriental Textile (H) Ltd.	35 US$1.1	10,283,450 312,757	2,086,270 65,903	8,197,180 246,854	3,695,171 116,420	113,153 3,565	63,325 4,778	575.68 17.51
26	Sino Belgium (H) Ltd.	12 US$0.4	181,436 5,518	155,967 4,744	25,469 774	- -	(169,712) (5,347)	(219,891) (6,928)	(5,497.28) (173.20)
27	Magna View Sdn.Bhd	22,028 US$670	183,230 5,573	1,340 41	181,890 5,532	- -	- -	- -	- -
28	Far Eastern Industries (Shanghai) Ltd.	9,383,193 RMB 1,880,399	17,242,340 3,455,379	8,024,193 1,607,597	9,218,147 1,847,782	21,440,815 4,259,200	1,344,738 267,131	248,052 49,275	NA NA
29	Oriental Petrochemical (Shanghai) Corp.	7,494,329 RMB 1,501,869	12,107,495 2,426,352	5,701,340 1,141,496	6,406,155 1,284,856	14,648,376 2,909,088	(694,868) (138,035)	(1,528,223) (303,580)	NA NA
30	Far Eastern New Century (China) Investment Co., Ltd.	2,348,701 RMB 470,682	9,869,794 1,977,915	8,073,951 1,618,026	1,795,843 359,889	- -	- -	(485,854) (96,515)	NA NA
31	Martens Beers (Shanghai) Ltd.	391,247 RMB 78,402	43,097 8,637	15,277 3,061	27,820 5,576	22,156 4,401	1,190 236	(10,587) (2,103)	NA NA
32	Shanghai Yuan Hua Logistic Corp.	94,810 RMB 19,000	177,279 35,527	43,871 8,792	133,408 26,735	188,235 37,393	20,778 4,128	9,676 1,922	NA NA
33	Shanghai Far Eastern IT Corp.	63,423 RMB 12,710	72,852 14,600	5,652 1,133	67,200 13,467	123,682 24,569	122,831 24,400	794 158	NA NA
34	Yuan Ding Enterprise (Shanghai) Limited	528,940 RMB 106,000	5,131,327 1,028,322	4,873,923 976,738	257,404 51,584	101 20	95 19	(110,855) (22,021)	NA NA
35	Wuhan Far Eastern New Material Ltd.	853,528 RMB 171,048	1,446,380 289,856	413,294 82,825	1,033,086 207,031	1,613,734 320,567	174,767 34,717	29,542 5,869	NA NA
36	Oriental Industries (Suzhou) Ltd.	5,463,285 RMB 1,094,847	11,492,143 2,303,035	5,866,802 1,177,463	5,625,341 1,125,572	7,056,612 1,401,790	846,079 168,073	212,473 42,208	NA NA
37	Far Eastern Industries (Suzhou) Ltd.	1,967,905 RMB 394,370	2,157,998 432,465	1,924,700 385,712	233,298 46,753	2,832,707 562,715	(4,880) (969)	(195,405) (38,817)	NA NA
38	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1,842,673 RMB 367,273	4,071,651 815,962	1,700,576 341,532	2,371,075 474,430	4,197,798 833,889	459,974 91,373	130,463 25,917	NA NA
39	Sino-Belgium Beer (Suzhou) Ltd.	1,901,979 RMB 381,158	695,009 139,280	688,053 137,886	6,956 1,394	38,946 7,737	(110,071) (21,866)	(138,479) (27,509)	NA NA
40	Far Eastern Apparel (Suzhou) Co., Ltd.	1,020,840 RMB 204,577	2,248,761 450,654	833,197 167,146	1,415,564 283,508	2,949,079 585,832	265,356 52,713	100,779 20,020	NA NA
41	Suzhou An He Apparel Ltd.	4,990 RMB 1,000	90,910 18,218	37,036 7,422	53,874 10,796	207,994 41,318	5,185 1,030	4,678 929	NA NA

Special Disclosure

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT$)
42	Far Eastern Industries (Wuxi) Ltd.	2,402,538 RMB 481,471	4,302,120 862,148	1,106,079 222,663	3,196,041 639,485	3,143,948 624,543	129,088 25,643	(78,417) (15,577)	NA NA
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	7,252,222 RMB 1,453,351	7,952,011 1,593,589	653,527 130,967	7,298,484 1,462,622	- -	- -	388 77	NA NA
44	Far Eastern Industries (Yangzhou) Ltd.	1,541,423 RMB 308,902	1,580,728 316,779	25,513 5,025	1,555,215 311,754	23,513 4,671	170 34	16,637 3,305	NA NA
45	Far Eastern Ishizuka Green PET Corporation.	551,258 JPY 2,020,000	1,685,913 6,177,768	1,642,075 6,017,131	43,838 160,637	202,181 770,507	(54,018) 205,861	(184,221) (702,062)	(911.99) (3,475.55)
46	Far Eastern Apparel (Vietnam) Ltd.	295,920 US$9,000	1,270,521 38,641	905,111 27,528	365,410 11,113	2,142,517 67,502	279,551 8,808	139,853 4,406	NA NA
47	Far Eastern Polytex (Vietnam) Ltd.	174,264 US$5,300	171,625 5,220	10 1	171,615 5,219	- -	- -	(2,558) (81)	NA NA
48	Far Eastern New Apparel (Vietnam) Ltd.	141,384 US$4,300	137,638 4,186	4,443 135	133,195 4,051	- -	- -	(7,905) (249)	NA NA
49	PET Far Eastern (M) Sdn Bhd	117,480 MYR 16,000	1,350,026 183,865	983,566 133,955	366,460 49,910	1,503,305 191,800	1,137,169 145,086	24,075 3,072	3.01 0.38
50	Worldwide Polychem (HK) Ltd.	115,080 US$3,500	1,342,676 40,836	1,244,239 37,842	98,437 2,994	2,682,677 84,520	357,190 11,254	(1,607) (51)	(0.60) (0.02)
51	Waldorf Services B.V.	606 US$19	1,703,565 51,812	131,596 4,002	1,571,969 47,810	882 28	(720) (23)	381,612 12,023	218,064.00 6,870.32
52	FETG Investment Antilles N.V.	189 US$6	1,573,998 47,871	51,453 1,565	1,522,545 46,306	381,612 12,023	381,305 12,013	381,395 12,016	63,565.83 2,002.70
53	Malaysia Garment Manufacturers Private Ltd.	183,899 SGD 7,912	1,430,283 61,536	117,660 5,062	1,312,623 56,474	- -	- -	13,785 597	459.50 19.89
54	PT Malaysia Garment Bintan	5,221 IDR 2,175,600	11 4,583	56 23,333	(45) (18,750)	- -	- -	- -	- -
55	Far Eastern Telecommunication Co., Ltd.	32,585,008	138,611,025	66,704,660	71,906,365	80,765,722	12,098,334	11,485,695	3.52
56	Far Eastern Info Service (H) Ltd.	395 US$12	45,358 1,380	73 2	45,285 1,378	- -	(342) (11)	(21,098) (665)	(17,583.76) (553.99)
57	KGEx com Co., Ltd.	889,074	1,042,464	96,778	945,686	598,789	52,110	56,612	0.51
58	Far Eastern Tech-Info Ltd. (Shanghai)	210,733 RMB 42,231	113,623 22,770	5,906 1,184	107,717 21,586	- -	(393) (78)	(49,866) (9,906)	N/A N/A
59	Yuan Cing Co., Ltd.	193,500	148,508	10,557	137,951	50,031	12,247	11,334	0.59
60	ARCOA Communication Co., Ltd.	1,342,800	3,909,846	2,126,331	1,783,515	20,502,460	187,864	201,715	1.50
61	Q-Ware Communication Corp.	417,149	407,945	485,176	(77,231)	248,009	6,883	254	0.01
62	Omusic Co., Ltd.	50,000	87,465	79,614	7,851	205,222	7,040	7,912	1.58
63	Data Express Infotech Co., Ltd.	183,805	1,043,349	791,158	252,191	3,623,513	67,168	51,792	2.82
64	Linkwell Tech Co., Ltd.	45,804	267,171	223,758	43,413	1,433,278	(7,289)	(6,369)	N/A
65	Home Master Technology Ltd	12,725	27,453	36,630	(9,177)	194,095	(5,900)	(6,240)	N/A
66	New Century InfoComm Tech Co., Ltd.	21,000,000	27,737,192	3,077,649	24,659,543	13,683,439	3,021,574	3,032,150	1.44
67	New Diligent Co., Ltd.	800,000	563,925	147	563,778	-	(279)	(68,414)	(0.86)
68	Sino Lead Enterprise Limited.	127 HKD 30	25,248 5,952	25,148 5,928	100 24	114,336 27,921	(131) (32)	(126) (31)	N/A N/A
69	Information Security Service Digital United	102,490	161,340	56,849	104,491	211,085	2,215	2,502	0.17
70	Digital United (Cayman) Ltd.	142,042 US$4,320	32,592 992	69 2	32,523 990	- -	(257) (8)	(6,821) (215)	(1.56) (0.05)
71	Digital United Information Technology (Shanghai) Ltd.	117,527 RMB 23,553	16,633 3,333	5,827 1,168	10,806 2,165	33,382 6,631	(7,572) (1,504)	(7,528) (1,495)	N/A N/A
72	Far Eastern New Diligence Ltd.	263,040 US$8,000	79,224 2,410	22,332 679	56,892 1,731	- -	(139) (4)	(77,902) (2,454)	N/A N/A
73	Hiiir Co., Ltd.	600,000	308,157	166,406	141,751	465,252	(323,797)	(323,516)	(5.39)
74	Far Eastern New Century Information Technology (Beijing) Limited	159,952 RMB 32,054	177,243 35,520	205,828 41,248	(28,585) (5,728)	11,625 2,309	(60,510) (12,020)	(64,477) (12,808)	N/A N/A
75	Yuan-Ding Co., Ltd.	5,034,047	10,050,588	2,484,332	7,566,256	1,679,616	330,139	47,695	0.10
76	Ding Ding Hotel Co., Ltd.	1,040,470	1,597,085	1,360,282	236,803	1,511,321	241,020	(294,126)	(2.83)
77	Yuan Hong Electric Co., Ltd.	850,000	522,344	45	522,299	-	(102)	(147,542)	(1.74)
78	Far Eastern Technical Consultants Co., Ltd.	50,000	92,431	36,051	56,380	67,168	(2,565)	2,071	0.41
79	Far Eastern Electronic Commerce Co., Ltd.	450,500	307,333	529,722	(222,389)	277,427	(252,915)	(249,925)	(5.61)
80	Ding Ding Integrated Marketing Service Co., Ltd.	693,880	915,444	532,805	382,639	306,925	49,926	(17,298)	(0.25)
81	DDIM (Virgin Islands) Ltd.	784,056 US$23,846	69,706 2,120	- -	69,706 2,120	- -	- -	(170,927) (5,385)	(65,715.77) (2,070.44)
82	YDT Technology International Co., Ltd.	139,920	446,153	101,548	344,605	157,636	72,432	44,370	3.17
83	Yuan Ding Integrated Information Service Inc. (Shanghai)	751,735 RMB 150,648	115,735 23,193	46,297 9,278	69,438 13,915	25,853 5,136	(174,362) (34,637)	(171,666) (34,101)	NA NA
84	YDC (Virgin Islands) Ltd.	35,765 US$1,130	49,661 1,510	- -	49,661 1,510	- -	- -	2,481 78	12.41 0.39
85	Speedy (Shanghai) digital Tech. Co., Ltd.	32,631 RMB 6,539	56,412 11,305	8,849 1,773	47,563 9,532	52,338 10,397	5,136 1,020	3,801 755	NA NA

1.2 Declaration for the Consolidated Financial Statements of Affiliated Enterprises of the Company

REPRESENTATION LETTER

The affiliates that should be included in the combined financial statements of FENC as of and for the year ended December 31, 2015 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" in the Republic of China (ROC) are the same as those already included in the consolidated financial report of FENC and its subsidiaries as of and for the year ended December 31, 2015. The consolidated financial report has been prepared under the International Accounting Standard 27 - "Consolidated and Separate Financial Statements." The information required to be disclosed in the combined financial statements has already been disclosed in the consolidated financial report. Thus, FENC and its affiliates do not prepare a separate set of combined financial statements.

Very truly yours,
Far Eastern New Century Corporation
By

Douglas Tong Hsu
Chairman

March 25, 2016

1.3 Affiliation Report: Not applicable

2. Private Placement Securities in the Latest Year

None

3. The Company's Shares Held or Disposed by Subsidiaries in Recent Years until the Annual Report being Published

Name	Paid-in Capital (NT$ million)	Source of funding	Holdings percentage	Date of acquisition or disposal	Number & amount of shares acquired	Number & amount of shares disposed	Investment income (loss)	Number & amount of shares held until the annual report being published	Creation of pledge	Amount of loan guaranteed by the Company	Amount of loan lent by the Company
Yuan-Ding Co., Ltd.	5,034,047	-	37.13%	-	-	-	-	Shares: 779,000 Amount: NT$ 25.06 million	-	-	-

4. Other Supplementary Information

None

5. Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published

None.

FAR EASTERN NEW CENTURY
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