

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2017 and 2016 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries as of June 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2017 and 2016, and changes in equity and cash flows for the six months ended June 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

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

As disclosed in Note 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2017 and 2016, combined total assets of these non-significant subsidiaries were NT\$187,398,745 thousand and NT\$179,793,671 thousand, respectively, representing 36.22% and 34.17%, respectively, of the consolidated total assets and combined total liabilities of these subsidiaries were NT\$73,056,111 thousand and NT\$68,157,220 thousand, respectively, representing 26.86% and 24.61%, respectively, of the consolidated total liabilities. For the three months ended June 30, 2017 and 2016 combined comprehensive income of these subsidiaries were NT\$(105,661) thousand and NT\$(1,648,161) thousand, respectively, representing (2.67%) and (90.92%), respectively; for the six months ended June 30, 2017 and 2016 combined comprehensive income of these subsidiaries were NT\$(1,224,932) thousand and NT\$(2,974,531) thousand, respectively, representing (25.53%) and (166.64%), respectively, of the consolidated total comprehensive income. In addition, as stated in Note 16 to the consolidated financial statements, the investments accounted for using equity-method as of June 30, 2017 and 2016, with carrying values of NT\$24,053,835 thousand and NT\$23,508,593 thousand, respectively, and the related share of the comprehensive income of associates for the three months ended June 30, 2017 and 2016 were NT\$450,092 thousand and NT\$149,794 thousand, respectively, and six months ended June 30, 2017 and 2016 were NT\$1,182,492 thousand and NT\$(840,255) thousand, respectively. These amounts referring to the investments accounted for using equity-method were based on unreviewed financial statements of associates. Related information on subsidiaries and associates mentioned above shown in Note 39 to the consolidated financial statements was not reviewed either.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2017

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2017 (Reviewed)		December 31, 2016 (Audited)		June 30, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 34)	\$ 37,924,819	7	\$ 35,675,422	7	\$ 45,234,536	9
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	3,416,356	1	3,835,959	1	3,335,770	1
Available-for-sale financial assets - current (Notes 4, 8 and 35)	685,376	-	656,773	-	660,609	-
Derivative financial assets for hedging - current (Notes 4, 9 and 34)	6,338	-	2,073	-	5,151	-
Debt investments with no active market - current (Notes 4, 11 and 34)	1,662,934	-	1,797,697	-	2,907,121	-
Notes and accounts receivable, net (Notes 4, 12 and 34)	24,632,882	5	24,830,649	5	24,042,883	5
Amounts due from customers for construction contracts (Notes 4 and 13)	1,424,076	-	1,202,624	-	1,283,734	-
Other receivables (Note 34)	7,287,788	1	7,811,376	2	8,020,836	1
Current tax assets (Note 4)	64,790	-	60,895	-	42,328	-
Inventories (Notes 4, 14 and 35)	23,964,937	5	22,103,308	4	22,136,283	4
Prepayments	4,284,589	1	3,399,270	1	3,932,977	1
Other financial assets - current (Notes 34 and 35)	5,292,492	1	4,402,953	1	4,322,349	1
Refundable deposits - current	106,736	-	37,643	-	12,070	-
Other current assets	2,325,798	1	1,722,674	-	2,017,009	-
Total current assets	<u>113,079,911</u>	<u>22</u>	<u>107,539,316</u>	<u>21</u>	<u>117,953,656</u>	<u>22</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4, 8 and 35)	4,592,728	1	4,245,668	1	4,173,755	1
Financial assets measured at cost - non-current (Notes 4 and 10)	1,180,972	-	1,135,148	-	1,136,193	-
Investments accounted for using the equity method (Notes 4, 16 and 35)	52,464,604	10	53,421,270	11	53,669,080	10
Property, plant and equipment (Notes 4, 17 and 35)	149,374,917	29	148,316,398	29	149,149,971	28
Investment properties (Notes 4, 18 and 35)	123,898,896	24	124,758,539	24	125,287,195	24
Concession (Notes 20 and 35)	39,787,461	8	41,422,996	8	42,949,485	8
Goodwill (Notes 4 and 19)	11,865,515	2	11,865,515	2	11,865,515	2
Other intangible assets (Notes 4 and 20)	3,728,073	1	3,676,776	1	3,441,127	1
Deferred tax assets (Note 4)	2,353,277	1	2,361,276	1	2,406,125	1
Prepayments for equipment (Note 17)	2,176,609	-	1,612,960	-	2,129,862	1
Refundable deposits - non-current	912,857	-	806,289	-	916,877	-
Long-term other receivables from related parties (Note 34)	1,440,000	-	1,440,000	-	1,620,000	-
Other financial assets - non-current (Notes 34 and 35)	3,481,218	1	3,783,584	1	2,248,046	1
Long-term prepayments for lease	6,561,769	1	6,716,440	1	6,900,707	1
Other non-current assets	527,535	-	357,983	-	262,159	-
Total non-current assets	<u>404,346,431</u>	<u>78</u>	<u>405,920,842</u>	<u>79</u>	<u>408,156,097</u>	<u>78</u>
TOTAL	<u>\$ 517,426,342</u>	<u>100</u>	<u>\$ 513,460,158</u>	<u>100</u>	<u>\$ 526,109,753</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 34)	\$ 31,711,618	6	\$ 35,131,547	7	\$ 26,915,937	5
Short-term bills payable (Note 21)	5,922,172	1	9,278,381	2	5,490,120	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 34)	14,218	-	3,421	-	65,292	-
Derivative financial liabilities for hedging - current (Notes 4, 9 and 34)	6,087	-	47,767	-	19,155	-
Notes and accounts payable (Note 4)	15,822,910	3	15,910,920	3	16,636,863	3
Notes and accounts payable to related parties (Notes 4 and 34)	456,102	-	418,751	-	572,568	-
Amounts due to customers for construction contracts (Notes 4 and 13)	30,801	-	1,428	-	111,897	-
Payables to suppliers of machinery and equipment	1,711,244	-	2,615,378	1	3,079,192	1
Other payable	26,312,820	5	14,451,394	3	26,469,781	5
Current tax liabilities (Note 4)	2,343,631	1	2,393,096	-	2,413,573	1
Provisions - current (Notes 4 and 23)	266,118	-	270,831	-	267,628	-
Guarantee deposits received - current	348,080	-	298,281	-	366,815	-
Receipts in advance	1,312,711	-	1,174,563	-	1,465,255	-
Unearned revenue	2,413,053	1	2,585,723	1	2,417,051	1
Current portion of long-term liabilities (Notes 21 and 22)	16,194,114	3	20,057,220	4	18,764,431	4
Other current liabilities	3,247,410	1	2,544,731	-	2,386,105	-
Total current liabilities	<u>108,113,089</u>	<u>21</u>	<u>107,183,432</u>	<u>21</u>	<u>107,441,663</u>	<u>21</u>
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 4 and 9)	98,341	-	171,366	-	332,701	-
Bonds payable (Note 22)	76,207,482	15	62,518,046	12	67,557,669	13
Long-term borrowings (Note 21)	65,276,951	13	68,837,916	14	78,442,768	15
Provisions - non-current (Notes 4 and 23)	868,540	-	859,586	-	843,774	-
Deferred tax liabilities (Note 4)	17,022,256	3	17,014,677	3	17,193,615	3
Net defined benefit liabilities - non-current (Note 24)	3,420,136	1	3,610,061	1	3,881,155	1
Guarantee deposits received (Note 34)	511,475	-	607,007	-	669,683	-
Deferred credit-gains on related-party accounts (Note 34)	123,914	-	124,192	-	148,796	-
Other non-current liabilities	342,380	-	341,223	-	387,622	-
Total non-current liabilities	<u>163,871,475</u>	<u>32</u>	<u>154,084,074</u>	<u>30</u>	<u>169,457,783</u>	<u>32</u>
Total liabilities	<u>271,984,564</u>	<u>53</u>	<u>261,267,506</u>	<u>51</u>	<u>276,899,446</u>	<u>53</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Capital stock						
Common stock	53,528,751	10	53,528,751	10	53,528,751	10
Capital surplus	2,857,821	1	2,859,588	1	2,855,238	1
Retained earnings						
Legal reserve	15,945,807	3	15,315,028	3	15,315,028	3
Special reserve	112,935,380	22	110,292,892	22	110,854,010	21
Unappropriated earnings	7,040,707	1	11,785,464	2	7,970,646	1
Total retained earnings	135,921,894	26	137,393,384	27	134,139,684	25
Other stockholders' equity	(4,013,334)	(1)	(2,870,205)	(1)	(130,231)	-
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	<u>188,270,069</u>	<u>36</u>	<u>190,886,455</u>	<u>37</u>	<u>190,368,379</u>	<u>36</u>
NON-CONTROLLING INTERESTS (Note 26)						
Total equity	<u>245,441,778</u>	<u>47</u>	<u>252,192,652</u>	<u>49</u>	<u>249,210,307</u>	<u>47</u>
TOTAL	<u>\$ 517,426,342</u>	<u>100</u>	<u>\$ 513,460,158</u>	<u>100</u>	<u>\$ 526,109,753</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 10, 2017)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES								
(Notes 4, 9 and 34)								
Net sales	\$ 32,784,730	62	\$ 34,157,393	62	\$ 63,306,597	61	\$ 65,763,463	62
Telecommunications service revenue	15,962,340	30	16,978,343	31	32,056,097	31	33,834,612	32
Gain on disposal of investments, net	-	-	-	-	111,854	-	12,994	-
Construction revenue	1,253,891	2	1,475,497	3	1,956,708	2	2,099,148	2
Other operating revenue	<u>2,907,302</u>	<u>6</u>	<u>2,358,246</u>	<u>4</u>	<u>5,858,742</u>	<u>6</u>	<u>4,853,363</u>	<u>4</u>
Total operating revenues	<u>52,908,263</u>	<u>100</u>	<u>54,969,479</u>	<u>100</u>	<u>103,289,998</u>	<u>100</u>	<u>106,563,580</u>	<u>100</u>
OPERATING COSTS (Notes 4, 9, 14, 27 and 34)								
Cost of goods sold	31,922,742	60	32,587,107	59	61,339,542	59	63,362,134	60
Cost of telecommunications services	6,503,881	12	6,505,972	12	12,907,901	13	12,857,662	12
Loss on disposal of investments, net	1,681	-	1,805	-	-	-	-	-
Construction cost	1,236,754	3	1,422,950	3	1,909,434	2	2,011,899	2
Other operating cost	<u>1,693,312</u>	<u>3</u>	<u>1,151,908</u>	<u>2</u>	<u>3,279,494</u>	<u>3</u>	<u>2,302,926</u>	<u>2</u>
Total operating costs	<u>41,358,370</u>	<u>78</u>	<u>41,669,742</u>	<u>76</u>	<u>79,436,371</u>	<u>77</u>	<u>80,534,621</u>	<u>76</u>
GROSS PROFIT	<u>11,549,893</u>	<u>22</u>	<u>13,299,737</u>	<u>24</u>	<u>23,853,627</u>	<u>23</u>	<u>26,028,959</u>	<u>24</u>
REALIZED CONSTRUCTION INCOME	<u>278</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>278</u>	<u>-</u>
OPERATING EXPENSES								
(Notes 4, 27 and 34)								
Selling and marketing	5,666,218	11	6,216,451	11	11,160,183	11	12,123,091	11
General and administrative	2,834,612	5	2,618,159	5	5,688,129	6	5,408,363	5
Research and development	<u>203,275</u>	<u>1</u>	<u>203,033</u>	<u>1</u>	<u>406,921</u>	<u>-</u>	<u>412,179</u>	<u>1</u>
Total operating expenses	<u>8,704,105</u>	<u>17</u>	<u>9,037,643</u>	<u>17</u>	<u>17,255,233</u>	<u>17</u>	<u>17,943,633</u>	<u>17</u>
OPERATING INCOME	<u>2,846,066</u>	<u>5</u>	<u>4,262,372</u>	<u>7</u>	<u>6,598,672</u>	<u>6</u>	<u>8,085,604</u>	<u>7</u>
NON-OPERATING INCOME								
Share of the profit or loss of associates	755,554	1	537,582	1	1,456,134	1	651,040	1
Interest income (Note 34)	83,936	-	107,330	-	154,720	-	197,272	-
Other income - other (Note 34)	393,463	1	407,448	1	603,174	1	621,692	-
Loss on disposal of investment properties (Note 34)	-	-	-	-	-	-	(25,201)	-
Gain (Loss) on financial (liabilities) assets at fair value through profit or loss (Notes 34)	29,853	-	61,127	-	17,721	-	(294,136)	-
Valuation gain on investment properties (Note 18)	639,111	1	102,619	-	854,472	1	1,131,101	1
Interest expense (Notes 9, 27 and 34)	(675,006)	(1)	(600,246)	(1)	(1,241,307)	(1)	(1,223,634)	(1)
Other expense	(39,419)	-	(181,414)	-	(450,005)	(1)	(298,878)	-
Loss on disposal of property, plant and equipment (Note 17)	(241,806)	-	(216,928)	(1)	(347,559)	-	(355,598)	-
Loss on disposal of concession	-	-	(69)	-	-	-	(69)	-
Loss on disposal of intangible asset	(4)	-	-	-	(56)	-	-	-

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange gain (loss), net (Note 4)	\$ 74,178	-	\$ (208,191)	-	\$ (224,940)	-	\$ (648,219)	(1)
Impairment loss (Notes 10 and 17)	(635)	-	(46,240)	-	(1,148)	-	(51,027)	-
Total non-operating incomes and expenses	<u>1,019,225</u>	<u>2</u>	<u>(36,982)</u>	<u>-</u>	<u>821,206</u>	<u>1</u>	<u>(295,657)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	3,865,291	7	4,225,390	7	7,419,878	7	7,789,947	7
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(776,252)</u>	<u>(1)</u>	<u>(714,104)</u>	<u>(1)</u>	<u>(1,458,948)</u>	<u>(1)</u>	<u>(1,711,799)</u>	<u>(1)</u>
NET INCOME	<u>3,089,039</u>	<u>6</u>	<u>3,511,286</u>	<u>6</u>	<u>5,960,930</u>	<u>6</u>	<u>6,078,148</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET								
Items that will not be reclassified subsequently to profit or loss:								
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005</u>	<u>-</u>	<u>793</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005</u>	<u>-</u>	<u>793</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	655,636	1	(924,993)	(2)	(1,475,859)	(1)	(1,190,229)	(1)
Unrealized gain (loss) on available-for-sale financial assets	93,758	-	(157,085)	-	380,123	-	(345,886)	-
Cash flow hedges	102,886	-	18,399	-	167,095	-	7,307	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>15,176</u>	<u>-</u>	<u>(634,869)</u>	<u>(1)</u>	<u>(236,536)</u>	<u>-</u>	<u>(2,765,116)</u>	<u>(3)</u>
	<u>867,456</u>	<u>1</u>	<u>(1,698,548)</u>	<u>(3)</u>	<u>(1,165,177)</u>	<u>(1)</u>	<u>(4,293,924)</u>	<u>(4)</u>
Total other comprehensive income (loss), net	<u>867,456</u>	<u>1</u>	<u>(1,698,548)</u>	<u>(3)</u>	<u>(1,163,172)</u>	<u>(1)</u>	<u>(4,293,131)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,956,495</u>	<u>7</u>	<u>\$ 1,812,738</u>	<u>3</u>	<u>\$ 4,797,758</u>	<u>5</u>	<u>\$ 1,785,017</u>	<u>2</u>
NET INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 1,547,554	3	\$ 1,724,667	3	\$ 2,833,349	3	\$ 2,559,613	3
Non-controlling interests	<u>1,541,485</u>	<u>3</u>	<u>1,786,619</u>	<u>3</u>	<u>3,127,581</u>	<u>3</u>	<u>3,518,535</u>	<u>3</u>
	<u>\$ 3,089,039</u>	<u>6</u>	<u>\$ 3,511,286</u>	<u>6</u>	<u>\$ 5,960,930</u>	<u>6</u>	<u>\$ 6,078,148</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME (LOSS)								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,268,247	4	\$ 106,723	-	\$ 1,692,221	2	\$ (1,570,521)	(1)
Non-controlling interests	<u>1,688,248</u>	<u>3</u>	<u>1,706,015</u>	<u>3</u>	<u>3,105,537</u>	<u>3</u>	<u>3,355,538</u>	<u>3</u>
	<u>\$ 3,956,495</u>	<u>7</u>	<u>\$ 1,812,738</u>	<u>3</u>	<u>\$ 4,797,758</u>	<u>5</u>	<u>\$ 1,785,017</u>	<u>2</u>

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)								
Basic	<u>\$ 0.31</u>		<u>\$ 0.34</u>		<u>\$ 0.57</u>		<u>\$ 0.51</u>	
Diluted	<u>\$ 0.31</u>		<u>\$ 0.34</u>		<u>\$ 0.57</u>		<u>\$ 0.51</u>	

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

(With Deloitte & Touche review report dated August 10, 2017)

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company					Other Equity					Total Equity Attributable to Owners of the Company	Non-controlling Interests (Note 26)	Total Equity
	Common Stock (Note 26)	Capital Surplus (Notes 4 and 26)	Legal Reserve (Note 26)	Retained Earnings Special Reserve (Note 26)	Unappropriated Earnings (Note 26)	Exchange Differences on Translating Foreign Operations (Notes 4 and 26)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 26)	Cash Flow Hedge (Notes 4 and 26)	Gains on Property Revaluation Note 26)	Treasury Shares (Note 26)			
BALANCE AT JANUARY 1, 2016	\$ 53,528,751	\$ 2,807,683	\$ 14,511,559	\$ 108,721,550	\$ 13,706,389	\$ 2,274,683	\$ 1,119,927	\$ (95,944)	\$ 702,030	\$ (25,063)	\$ 197,251,565	\$ 63,145,438	\$ 260,397,003
Appropriation of the 2015 earnings													
Legal reserve	-	-	803,469	-	(803,469)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,165,513	(2,165,513)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.0 per share	-	-	-	-	(5,352,875)	-	-	-	-	-	(5,352,875)	-	(5,352,875)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,710,107)	(7,710,107)
Net income for the six months ended June 30, 2016	-	-	-	-	2,559,613	-	-	-	-	-	2,559,613	3,518,535	6,078,148
Other comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	793	(1,544,194)	(2,589,911)	3,178	-	-	(4,130,134)	(162,997)	(4,293,131)
Total comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	2,560,406	(1,544,194)	(2,589,911)	3,178	-	-	(1,570,521)	3,355,538	1,785,017
Change in equity of associates accounted for using the equity method	-	378	-	-	(136)	-	-	-	-	-	242	(2)	240
Disposal of investments in associates	-	-	-	(3,756)	2,963	-	-	-	-	-	(793)	-	(793)
Change in ownership interest of subsidiaries	-	-	-	-	(6,416)	-	-	-	-	-	(6,416)	6,411	(5)
Increase in non-controlling interests	-	47,177	-	-	-	-	-	-	-	-	47,177	44,665	91,842
Reversal of special reserve	-	-	-	(29,297)	29,297	-	-	-	-	-	-	-	-
Cash capital reduction by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
BALANCE, JUNE 30, 2016	\$ 53,528,751	\$ 2,855,238	\$ 15,315,028	\$ 110,854,010	\$ 7,970,646	\$ 730,489	\$ (1,469,984)	\$ (92,766)	\$ 702,030	\$ (25,063)	\$ 190,368,379	\$ 58,841,928	\$ 249,210,307
BALANCE AT JANUARY 1, 2017	\$ 53,528,751	\$ 2,859,588	\$ 15,315,028	\$ 110,292,892	\$ 11,785,464	\$ (1,577,812)	\$ (1,947,657)	\$ (47,514)	\$ 702,778	\$ (25,063)	\$ 190,886,455	\$ 61,306,197	\$ 252,192,652
Appropriation of the 2016 earnings													
Legal reserve	-	-	630,779	-	(630,779)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,662,006	(2,662,006)	-	-	-	-	-	-	-	-
Cash dividends - NT\$0.8 per share	-	-	-	-	(4,282,300)	-	-	-	-	-	(4,282,300)	-	(4,282,300)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,783,681)	(7,783,681)
Net income for the six months ended June 30, 2017	-	-	-	-	2,833,349	-	-	-	-	-	2,833,349	3,127,581	5,960,930
Other comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	2,001	(1,910,128)	716,958	50,041	-	-	(1,141,128)	(22,044)	(1,163,172)
Total comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	2,835,350	(1,910,128)	716,958	50,041	-	-	1,692,221	3,105,537	4,797,758
Change in equity of associates accounted for using the equity method	-	(1,767)	-	-	(1,521)	-	-	-	-	-	(3,288)	(21)	(3,309)
Disposal of investments in associates	-	-	-	-	(2,001)	-	-	-	-	-	(2,001)	(4)	(2,005)
Change in ownership interest of subsidiaries	-	-	-	-	(21,018)	-	-	-	-	-	(21,018)	158,764	137,746
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	384,917	384,917
Reversal of special reserve	-	-	-	(19,518)	19,518	-	-	-	-	-	-	-	-
BALANCE, JUNE 30, 2017	\$ 53,528,751	\$ 2,857,821	\$ 15,945,807	\$ 112,935,380	\$ 7,040,707	\$ (3,487,940)	\$ (1,230,699)	\$ 2,527	\$ 702,778	\$ (25,063)	\$ 188,270,069	\$ 57,171,709	\$ 245,441,778

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

(With Deloitte & Touche review report dated August 10, 2017)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,419,878	\$ 7,789,947
Adjustments for:		
Depreciation	7,781,551	7,484,677
Amortization	2,292,786	2,038,502
Allowance for doubtful accounts	252,848	268,843
Interest expenses	1,241,307	1,223,634
Interest income	(154,720)	(197,272)
Dividend income	(195,467)	(185,315)
Share of the profit of associates	(1,456,134)	(651,040)
Loss on disposal of property, plant and equipment	347,559	355,598
Loss on disposal of investment properties	-	25,201
Loss on disposal of intangible asset	56	-
Loss on disposal of concession	-	69
Gain on disposal of investments	(114,718)	(15,454)
Impairment loss	1,148	51,027
Reversal of write-down of inventories	(1,751)	(190,652)
Realized gain on the transactions with associates	(278)	(278)
Gain on change in fair value of investment properties	(854,472)	(1,131,101)
Deferred loss on derivative assets for hedging	48,125	6,206
Net changes in operating assets and liabilities		
Financial assets held for trading	419,603	662,125
Notes and accounts receivable	(52,543)	(939,640)
Amounts due from customers for construction contracts	(221,452)	(309,846)
Other receivables	108,878	336,354
Inventories	(1,859,878)	2,608,897
Prepayments	(878,207)	(672,326)
Other current assets	(603,124)	77,395
Financial liabilities held for trading	10,797	65,292
Notes and accounts payable	(88,010)	1,013,961
Notes and accounts payable to related parties	37,351	191,185
Amounts due to customers for construction contracts	29,373	(8,799)
Other payables	(207,056)	(1,043,837)
Provisions	4,241	41,670
Receipts in advance	138,148	418,029
Other current liabilities	702,679	393,178
Net defined benefit liabilities	(190,423)	(60,713)
Unearned revenue	(172,670)	(164,126)
Cash generated from operations	13,785,425	19,481,391
Interest received	157,096	187,813
Dividend received	555,030	724,078

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2017	2016
Interest paid	\$ (1,231,531)	\$ (1,199,213)
Income tax paid	<u>(1,496,730)</u>	<u>(865,559)</u>
Net cash generated from operating activities	<u>11,769,290</u>	<u>18,328,510</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	-	(6,420)
Proceeds on the disposal of available-for-sale financial assets	-	202,059
Decrease in debt investments with no active market	134,763	443,869
Acquisition of financial assets measured at cost	(54,897)	-
Proceeds on the disposal of financial assets measured at cost	945	-
Return on the capital reduction of financial assets measured at cost	3,505	-
Acquisition of investments accounted for using the equity-method	(53,545)	(81,702)
Proceeds on disposed of investments accounted for using the equity-method	381,525	111,959
Payments for property, plant, equipment and prepayments for equipment	(10,443,758)	(9,521,473)
Proceeds on the disposal of property, plant and equipment	194,511	8,684
Increase in refundable deposits	(175,661)	(56,153)
Decrease (increase) in other receivables	610,460	(292,450)
Payments for intangible assets	(449,114)	(446,694)
Payments for investment properties	-	(1,077)
Proceeds on the disposal of investment properties	1,320,960	-
Increase in long-term prepayments for lease	(156,827)	(195,847)
Payments for concession	-	(8,184,918)
Proceeds on disposal of concession	-	154
(Increase) decrease in other financial assets	(587,173)	717,551
Increase in other non-current assets	<u>(169,054)</u>	<u>(4,146)</u>
Net cash used in investing activities	<u>(9,443,360)</u>	<u>(17,306,604)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(2,755,297)	2,228,310
Decrease in short-term bills payables	(3,357,000)	(1,111,000)
Proceeds from issue of bonds	17,700,000	11,800,000
Repayments of bonds payable	(7,600,000)	(10,479,500)
Proceeds from long-term borrowings	93,360,559	70,265,678
Repayment of long-term borrowings	(97,335,028)	(69,379,357)
(Decrease) increase in guarantee deposits received	(45,733)	53,323
Increase (decrease) in other non-current liabilities	1,157	(5,709)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2017	2016
Increase in non-controlling interests	\$ 522,663	\$ 91,842
Dividends paid to non-controlling interest	<u>(1,178)</u>	<u>(22,400)</u>
Net cash generated from financing activities	<u>490,143</u>	<u>3,441,187</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(566,676)</u>	<u>(107,371)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,249,397	4,355,722
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>35,675,422</u>	<u>40,878,814</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 37,924,819</u>	<u>\$ 45,234,536</u>

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

(With Deloitte & Touche review report dated August 10, 2017)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials, semi-finished and finished textiles such as cotton, synthetic or blended fabrics, towels and bed sheets, and woven and knitted garments; PET (polyethylene terephthalate) bottles and sheets; and natural, synthetic or blended yarns and polyester textured yarns. It also does yarn, silk and cloth printing and dyeing.

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

The consolidated financial statements of the Company and its subsidiaries, hereto forth collectively referred to as the “Group”, are presented in the Company’s functional currency, the New Taiwan dollar (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors on August 10, 2017.

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

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

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies:

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

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

2) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

3) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

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

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

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

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

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

- b. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by the FSC for application starting from 2018

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	January 1, 2018
Amendments to IFRS 4 “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”	January 1, 2018
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendments to IFRS 15 “Clarifications to IFRS 15 Revenue from Contracts with Customers”	January 1, 2018
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 40 “Transfers of Investment Property”	January 1, 2018
IFRIC 22 “Foreign Currency Transactions and Advance Consideration”	January 1, 2018

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

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

- 1) IFRS 9 “Financial Instruments”

Recognition, measurement and impairment of financial assets

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

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

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

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

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

The Group continues assessing the impact of the application of IFRS 9 on the classification and measurement of its financial assets and the related amendments.

IFRS 9 requires impairment loss on financial assets to be recognized by using the “Expected Credit Losses Model”. The 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.

The Group will disclose relevant information about the classification and the adjustment, and decide whether to restate or not the comparative information of 2017 when applying the requirements for the recognition, measurement, and impairment of financial assets under IFRS 9. Furthermore, the Group will disclose the differences in amounts if the Group continues to apply the existing accounting treatments in 2018.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity’s risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risks eligible for hedge accounting of non-financial items; (2) changing the way the hedging cost of 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.

A preliminary assessment of the Group’s current hedging relationships indicates that they will qualify as continuing hedging relationships upon application of IFRS 9.

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

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

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

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

In identifying performance obligations, IFRS 15 and related amendment require that a good or service is distinct if it is capable of being distinct (for example, the Group regularly sells it separately) and the promise to transfer it is distinct within the context of the contract (i.e. the nature of the promise in the contract is to transfer each of those goods or services individually rather than to transfer combined outputs).

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. Currently, retention receivables under construction contract is discounted to reflect time value of money in accordance with IAS 39.

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

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. Currently, related costs are recognized as expense immediately.

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. Currently, transaction price of the aforementioned transaction is fully recognized as revenue when products are sold, and a corresponding provision is recognized for the expected warranty cost.

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

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

- a) The good or another asset that it then transfers to the customer.

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

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

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

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

Under IFRS 15, the net effect of revenue recognized and consideration received and receivable is recognized as a contract asset or a contract liability. Currently, receivable is recognized or deferred revenue is reduced when revenue is recognized for the contract under IAS 18.

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

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

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

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

In assessing deferred tax asset, the Group currently assumes it will recover the asset at its carrying amount when estimating probable future taxable profit; the amendment will be applied retrospectively in 2018.

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

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

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

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

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

The Group will apply IFRIC 22 prospectively to all assets, expenses and income recognized on or after January 1, 2018 within the scope of the Interpretation.

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.

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 16 “Leases”	January 1, 2019
IFRS 17 “Insurance Contracts”	January 1, 2021
IFRIC 23 “Uncertainty Over Income Tax Treatments”	January 1, 2019

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

1) 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.

2) 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

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

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

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

c. Basis of consolidation

See Note 15, Table 14 and 15 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

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

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	June 30, 2017	December 31, 2016	June 30, 2016
Cash			
Cash on hand and petty cash	\$ 34,728	\$ 79,920	\$ 35,871
Demand and checking accounts	<u>23,365,326</u>	<u>18,810,198</u>	<u>18,444,765</u>
	<u>23,400,054</u>	<u>18,890,118</u>	<u>18,480,636</u>

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
Cash equivalents (investments with original maturities less than three months)			
Time deposits	\$ 8,133,165	\$ 1,841,027	\$ 1,788,292
Commercial paper and corporate bonds purchased under resell agreements	<u>6,252,200</u>	<u>14,831,983</u>	<u>24,719,975</u>
	<u>14,385,365</u>	<u>16,673,010</u>	<u>26,508,267</u>
Management discretionary accounts			
Demand accounts	<u>139,400</u>	<u>112,294</u>	<u>245,633</u>
	<u>\$ 37,924,819</u>	<u>\$ 35,675,422</u>	<u>\$ 45,234,536</u> (Concluded)

The Group's members individually contracted and fully authorized, other related parties, Oriental Securities Investment Advisory Corporation (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT\$139,400 thousand, NT\$112,294 thousand and NT\$245,633 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.

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

	June 30, 2017	December 31, 2016	June 30, 2016
Time deposits	0.14%-1.89%	0.05%-8.30%	0.01%-2.73%
Commercial paper and corporate bonds purchased under resell agreements	0.35%-0.90%	0.28%-0.75%	0.30%-0.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Financial assets held for trading - current</u>			
Mutual funds - beneficial certificates	\$ 2,961,755	\$ 3,405,976	\$ 3,190,428
Marketable equity securities	398,679	355,122	83,458
Guarantee deposits - cotton futures contracts	39,941	42,328	42,353
Guarantee deposits - PTA futures contracts	12,045	12,396	13,009
Forward exchange contracts	3,936	17,760	191
Combined foreign exchange options	-	2,377	-
Cross-currency swap contracts	<u>-</u>	<u>-</u>	<u>6,331</u>
	<u>\$ 3,416,356</u>	<u>\$ 3,835,959</u>	<u>\$ 3,335,770</u>
<u>Financial liabilities held for trading - current</u>			
Forward exchange contracts	\$ 6,818	\$ 255	\$ 7,981
Option contracts	815	3,166	189
Combined foreign exchange options	6,585	-	31,007
Cross-currency swap contracts	<u>-</u>	<u>-</u>	<u>26,115</u>
	<u>\$ 14,218</u>	<u>\$ 3,421</u>	<u>\$ 65,292</u>

a. Cotton futures contracts

The Group entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding cotton futures contracts as of June 30, 2017, December 31, 2016 and June 30, 2016.

b. PTA futures contracts

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

The Group had no outstanding PTA futures contracts as of June 30, 2017, December 31, 2016 and June 30, 2016.

c. Forward exchange contracts

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

As of June 30, 2017, December 31, 2016 and June 30, 2016, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2017</u>			
Buy	USD/NTD	2017.07.03-2017.08.07	USD36,150/NTD1,093,907
Buy	USD/JPY	2017.08.28	USD5,000/JPY558,740
Sell	USD/JPY	2017.07.28	USD2,025/JPY223,940
Sell	EUR/USD	2017.07.07-2017.08.28	EUR6,000/USD6,694
Sell	EUR/RMB	2017.07.25-2017.08.24	EUR1,300/RMB9,865
<u>December 31, 2016</u>			
Buy	USD/NTD	2017.01.03-2017.02.03	USD27,900/NTD887,939
Sell	EUR/USD	2017.02.24-2017.03.29	EUR7,000/USD7,406
Buy	USD/JPY	2017.03.29	USD7,000/JPY820,190
Buy	USD/RMB	2017.02.24-2017.03.29	USD12,000/RMB84,161
<u>June 30, 2016</u>			
Buy	USD/NTD	2016.7.1-2016.7.25	USD28,100/NTD909,066
Sell	USD/NTD	2016.7.7	USD4,800/NTD156,005
Sell	EUR/USD	2016.7.29-2016.9.29	EUR5,000/USD5,615
Buy	EUR/USD	2016.7.29	EUR1,000/USD1,160
Buy	USD/JPY	2016.7.29	USD3,000/JPY331,000

d. Option contracts

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

As of June 30, 2017, December 31, 2016 and June 30, 2016, the Group had outstanding option contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2017</u>			
Sell call option	USD/NTD	2017.07.03-2017.07.06	USD14,000/NTD426,820
<u>December 31, 2016</u>			
Sell call option	USD/NTD	2017.01.05-2017.01.24	USD22,000/NTD719,580
Sell call option	EUR/USD	2017.01.10-2017.01.19	EUR4,000/USD4,240
<u>June 30, 2016</u>			
Sell call option	USD/NTD	2016.7.8-2016.7.21	USD10,000/NTD324,298

e. Combined foreign exchange options

The Group entered into combined foreign exchange options to hedge against the exchange risks on foreign currency assets and liabilities.

As of June 30, 2017, December 31, 2016 and June 30, 2016, the Group had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2017</u>			
Buy EUR put options	EUR/USD	2017.07.05	EUR100/USD111
Sell EUR call options	EUR/USD	2017.07.05	EUR300/USD332
Buy USD put options	USD/NTD	2017.07.06-2017.08.07	USD28,500/NTD865,850
Sell USD call options	USD/NTD	2017.07.06-2017.08.07	USD57,000/NTD1,731,700
<u>December 31, 2016</u>			
Buy EUR put options	EUR/USD	2017.02.13-2017.03.02	EUR6,000/USD6,496
Sell EUR call options	EUR/USD	2017.02.13-2017.03.02	EUR18,000/USD19,489
<u>June 30, 2016</u>			
Sell EUR call options	EUR/USD	2016.7.15-2016.8.31	EUR8,000/USD9,172
Buy EUR put options	EUR/USD	2016.7.15-2016.8.31	EUR24,000/USD27,516
Sell USD put options	USD/JPY	2016.7.26-2016.8.15	USD11,000/JPY1,176,480
Buy USD call options	USD/JPY	2016.7.26-2016.8.15	USD33,000/JPY3,529,440

f. Cross-currency swap contracts

The Group entered into cross-currency swap contracts to hedge against the exchange risks on foreign currency assets or liabilities.

The Group had no outstanding cross-currency swap contracts as of June 30, 2017 and December 31, 2016.

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

Currency	Range of Interest Rates	Maturity Date	Contract Amount (Thousands)
<u>June 30, 2016</u>			
USD/RMB	3.48%-4.00%	2016.11.24-2016.12.30	USD75,843/RMB500,000

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Equity investments</u>			
Marketable equity securities	\$ 4,572,585	\$ 4,198,219	\$ 4,135,550
Overseas mutual funds - beneficial certificates	611,083	598,132	602,553
Overseas shares	<u>94,436</u>	<u>106,090</u>	<u>96,261</u>
	<u>\$ 5,278,104</u>	<u>\$ 4,902,441</u>	<u>\$ 4,834,364</u>
Current	\$ 685,376	\$ 656,773	\$ 660,609
Non-current	<u>4,592,728</u>	<u>4,245,668</u>	<u>4,173,755</u>
	<u>\$ 5,278,104</u>	<u>\$ 4,902,441</u>	<u>\$ 4,834,364</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Derivative financial assets under hedge accounting - current</u>			
Cash flow hedges - forward exchange contracts	\$ 6,338	\$ 2,073	\$ 263
Cash flow hedges - foreign exchange swap contracts	<u>-</u>	<u>-</u>	<u>4,888</u>
	<u>\$ 6,338</u>	<u>\$ 2,073</u>	<u>\$ 5,151</u>

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Derivative financial liabilities under hedge accounting - current</u>			
Cash flow hedges - forward exchange contracts	\$ 2,437	\$ 40,229	\$ 19,155
Cash flow hedges - foreign exchange swap contracts	<u>3,650</u>	<u>7,538</u>	<u>-</u>
	<u>\$ 6,087</u>	<u>\$ 47,767</u>	<u>\$ 19,155</u>
<u>Derivative financial liabilities under hedge accounting - noncurrent</u>			
Cash flow hedges - interest rate swaps	<u>\$ 98,341</u>	<u>\$ 171,366</u>	<u>\$ 332,701</u> (Concluded)

Cash Flow Hedges

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

June 30, 2017

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2017.7.25-2017.10.25	EUR10,000
Foreign exchange swap contracts	USD/NTD	2017.7.10-2017.7.31	USD20,000

December 31, 2016

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

June 30, 2016

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

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

Gains and losses of hedging instruments reclassified from equity to profit or loss in the consolidated comprehensive statements of income for the three months and six months ended June 30, 2017 and 2016 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Net gain (loss) on sales of securities	\$ (25,754)	\$ 4,452	\$ (47,006)	\$ (5,566)

The Group entered into interest rate swaps contracts to mitigate the cash flow risk exposure of floating rate debt. The outstanding interest rate swaps contracts at the end of the reporting period were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
NTD1,413,703	2021.2.10	0%-4.8%	3m TIBOR+1.10% (Note)
NTD3,294,000	2025.11.10	0%-4.8%	0.60%-4.90%

Note: The reference interest rate is based on the three months interest rate (90 days) from TIBOR, which announced by the Bankers Association of the Republic of China.

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

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Interest expense debits	\$ 3,875	\$ 7,734	\$ 9,775	\$ 17,159

10. FINANCIAL ASSETS MEASURED AT COST

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Noncurrent</u>			
Domestic unlisted common shares	\$ 932,668	\$ 882,424	\$ 883,451
Overseas unlisted common shares	<u>248,304</u>	<u>252,724</u>	<u>252,742</u>
	<u>\$ 1,180,972</u>	<u>\$ 1,135,148</u>	<u>\$ 1,136,193</u>
<u>Distinguish from the type of measure</u>			
Available-for-sale	<u>\$ 1,180,972</u>	<u>\$ 1,135,148</u>	<u>\$ 1,136,193</u>

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

Kaohsiung Rapid Transit Corporation, the Corporation which the Group invested in, is the shareholder of the BOT Concession Company encouraged by the Government. When the Concession Company's concession period expires (concession expires in October 2037), the assets must transfer to the Government and the Concession Company will be eliminated. For the three months and six months ended June 30, 2017 and 2016 the amortization were NT\$635 thousand, NT\$513 thousand, NT\$1,148 thousand and NT\$1,027 thousand, respectively, recognized as impairment loss.

11. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,662,934</u>	<u>\$ 1,797,697</u>	<u>\$ 2,907,121</u>

The market interest rates of the time deposits with original maturity more than 3 months were 0.33%-3.10%, 0.12%-1.30% and 0.35%-1.40% per annum respectively as of June 30, 2017, December 31, 2016 and June 30, 2016.

12. NOTES AND ACCOUNTS RECEIVABLE

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 26,035,981	\$ 26,173,376	\$ 25,299,272
Less: Allowance for doubtful accounts	<u>(1,403,099)</u>	<u>(1,342,727)</u>	<u>(1,256,389)</u>
	<u>\$ 24,632,882</u>	<u>\$ 24,830,649</u>	<u>\$ 24,042,883</u>

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

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

The aging of receivables was as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
1-90 days	\$ 21,758,671	\$ 22,399,146	\$ 21,832,687
91-180 days	2,374,933	1,996,949	1,687,433
181-365 days	192,011	138,193	167,343
More than 365 days	<u>307,267</u>	<u>296,361</u>	<u>355,420</u>
	<u>\$ 24,632,882</u>	<u>\$ 24,830,649</u>	<u>\$ 24,042,883</u>

The above aging schedule was based on the invoice date.

Movements of allowance for doubtful accounts were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2017	\$ 245,426	\$ 1,097,301	\$ 1,342,727
Add: Accounts recovered during the period	-	122,922	122,922
Add: (Reversal of) Impairment losses recognized on receivables	(1,456)	254,304	252,848
Deduct: Amounts written off during the period as uncollectible	(269)	(312,591)	(312,860)
Effect of exchange rate differences	<u>-</u>	<u>(2,538)</u>	<u>(2,538)</u>
Balance at June 30, 2017	<u>\$ 243,701</u>	<u>\$ 1,159,398</u>	<u>\$ 1,403,099</u>
Balance at January 1, 2016	\$ 11,546	\$ 1,240,968	\$ 1,252,514
Add: Accounts recovered during the period	-	108,348	108,348
Add: Impairment losses recognized on receivables	59,740	209,103	268,843
Deduct: Amounts written off during the period as uncollectible	(5,845)	(365,891)	(371,736)
Effect of exchange rate differences	<u>-</u>	<u>(1,580)</u>	<u>(1,580)</u>
Balance at June 30, 2016	<u>\$ 65,441</u>	<u>\$ 1,190,948</u>	<u>\$ 1,256,389</u>

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

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Amount due from customers for construction contracts</u>			
Construction costs incurred plus recognized profits less recognized losses to date	\$ 19,656,446	\$ 18,074,224	\$ 10,836,007
Less: Progress billings	<u>18,232,370</u>	<u>16,871,600</u>	<u>9,552,273</u>
Amount due from customers for construction contracts	<u>\$ 1,424,076</u>	<u>\$ 1,202,624</u>	<u>\$ 1,283,734</u>

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
Amounts due to customers for <u>construction contracts</u>			
Progress billings	\$ 1,362,768	\$ 894,236	\$ 5,190,452
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>1,331,967</u>	<u>892,808</u>	<u>5,078,555</u>
Amount due to customers for construction contracts	<u>\$ 30,801</u>	<u>\$ 1,428</u>	<u>\$ 111,897</u>
Retentions receivable	<u>\$ 337,618</u>	<u>\$ 281,193</u>	<u>\$ 228,861</u>
Retentions payable	<u>\$ 699,938</u>	<u>\$ 633,699</u>	<u>\$ 478,169</u>
			(Concluded)

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

14. INVENTORIES

	June 30, 2017	December 31, 2016	June 30, 2016
Merchandise inventories	\$ 3,897,319	\$ 3,528,667	\$ 3,104,293
Finished goods	5,553,629	4,645,827	5,355,295
Work in progress	3,044,137	2,673,769	3,160,666
Raw materials	5,823,060	5,237,872	5,271,486
Supplies	808,864	728,798	689,460
Available-for-sale - buildings and land	2,314,084	2,764,531	3,854,196
Available-for-construction - land	<u>2,523,844</u>	<u>2,523,844</u>	<u>700,887</u>
	<u>\$ 23,964,937</u>	<u>\$ 22,103,308</u>	<u>\$ 22,136,283</u>

Costs of goods sold were NT\$31,922,742 thousand, NT\$32,587,107 thousand, NT\$61,339,542 thousand and NT\$63,362,134 thousand, respectively, for the three months and six months ended June 30, 2017 and 2016. The cost of goods sold, which included reversal of write-downs for the three months and six months ended June 30, 2017 and 2016, were NT\$64,918 thousand, NT\$41,305 thousand, NT\$1,751 thousand and NT\$190,652 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			
			June 30, 2017	December 31, 2016	June 30, 2016	
Far Eastern New Century Corporation	Far EasTone Telecommunications Corporation (Note 1)	Telecommunications	38.29	38.29	38.29	
	Yuan Ding Investment Corporation	Investment	99.70	99.70	99.70	
	Far Eastern Resources Development Corporation	Real estate leasing and development service	100.00	100.00	100.00	
	Yuan Tong Investment Corporation	Investment	100.00	100.00	100.00	
	Far Eastern Polychem Industries Corporation (FEPI)	Investment	100.00	100.00	100.00	
	Oriental Petrochemical (Taiwan) Corporation	Petrochemical materials production	80.76	80.76	80.76	
	Far Eastern Investment (Holding) Corporation	Investment	100.00	100.00	100.00	
	PET Far Eastern (Holding) Corporation (PETH)	Investment	100.00	100.00	100.00	
	Kai Yuan International Investment Corporation	Investment	100.00	100.00	100.00	
	Far Eastern Polytex (Holding) Corporation	Investment	100.00	100.00	100.00	
	Yuan Ding Corporation (Note 2)	Real estate leasing and hotel	49.99	49.99	49.99	
	Far Eastern Construction Corporation	Real estate construction and selling	65.11	65.11	65.11	
	Ding Yuan International Investment Corporation	Investment	100.00	100.00	100.00	
	An Ho Garment Corporation	Garment production and investment	100.00	100.00	100.00	
	FEDP (Holding) Corporation (FEDP)	Investment	100.00	100.00	100.00	
	Fu Kwok Garment Manufacturing Corporation	Garment production	99.99	99.99	99.99	
	Far Eastern Textile Corporation	Textile production	100.00	100.00	100.00	
	Far Eastern Electronic Toll Collection Corporation	Electronic toll collection service	66.33	66.33	66.33	
	Yuan Hsin Digital Payment Corporation	Digital payment	65.01	65.01	65.01	
	Malaysia Garment Manufactures Pte. Corporation	Clothing production and investment	50.92	50.92	50.92	
	Yuan Ding Investment Corporation	Oriental Textile (Holding) Corporation (OTTI)	Investment	100.00	100.00	100.00
		Far Eastern Apparel (Holding) Corporation (FEAH)	Investment	100.00	100.00	100.00
		Far Eastern Fibertech Corporation	Nylon production	100.00	100.00	100.00
		Far Eastern Apparel Corporation	Sale of textile, garments, and clothing	100.00	100.00	100.00
		Oriental Resources Development Corporation	Production and wholesale of medical supplies; waste recycling and re-processing	70.00	70.00	70.00
	Far Eastern Investment (Holding) Corporation (FEIH)	Yuan Faun Corporation	Consulting	100.00	100.00	100.00
FETG Investment Antilles N.V.		Investment	100.00	100.00	100.00	
PET Far Eastern (M) Sdn. Bhd.		Bottle production	100.00	100.00	100.00	
Far Eastern Apparel (Vietnam) Corporation		Clothing production	100.00	100.00	100.00	
Far Eastern New Apparel (Vietnam) Corporation		Clothing production	100.00	100.00	100.00	
Worldwide Polychem (HK) Corporation (WWPI)		Foreign trade	100.00	100.00	100.00	
Far Eastern Polytex (Vietnam) Corporation		Chemical fiber and textile production	100.00	100.00	100.00	
Magna View Sdn. Bhd.		Investment	100.00	100.00	100.00	
Far Eastern Polychem Industries Corporation (FEPI)		Far Eastern Industries (Shanghai) Corporation	Chemical fiber production	100.00	100.00	100.00
Far Eastern Industries (Yangzhou) Corporation		Production and sales of polyester products	100.00	100.00	100.00	
Far Eastern Construction Corporation	Far Eastern Ishizuka Green Pet Corporation (FIGP)	Recycled PET production and sales	90.00	90.00	90.00	
	Far Eastern General Contractor Corporation	Construction	99.95	99.95	99.95	
Far Eastern Apparel (Holding) Corporation (FEAH)	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Dyeing and finishing	100.00	100.00	100.00	
FETG Investment Antilles N.V.	Waldorf Services B.V.	Investment	100.00	100.00	100.00	
Yuan Faun Corporation	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19	55.19	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2017	December 31, 2016	June 30, 2016
Yuan Tong Investment Corporation	Sino Belgium (Holding) Corporation	Investment	90.88	90.88	90.88
Far Eastern Electronic Toll Collection Corporation	FETC International Corporation (Note 5)	Dispatched labor, procuring equipment, and sales agent services	100.00	-	-
Far Eastern Apparel (Suzhou) Corporation	Suzhou An Ho Apparel Corporation	Garment production	100.00	100.00	100.00
PET Far Eastern (Holding) Corporation (PETH)	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35	61.35
Oriental Textile (Holding) Corporation (OTTI)	Far Eastern Industries (Wuxi) Corporation	Fiber and textile production	100.00	100.00	100.00
	Oriental Industries (Suzhou) Corporation	Production and sales of polyester resins and industrial fabrics	100.00	100.00	100.00
FEDP (Holding) Corporation (FEDP)	Far Eastern Industries (Suzhou) Corporation	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) Corporation	Garment production	100.00	100.00	100.00
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	Far Eastern New Century (China) Investment Corporation	Investment	100.00	100.00	100.00
Far Eastern New Century (China) Investment Corporation	Shanghai Yuan Zi Information Technology Corporation	Software development, equipment maintenance and consulting	100.00	100.00	100.00
	Yuan Ding Enterprise (Shanghai) Corporation	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses	100.00	100.00	100.00
Sino Belgium (Holding) Corporation	Sino Belgium Beer (Suzhou) Corporation	Brewer	100.00	100.00	100.00
	Martens Beers Trading (Shanghai) Corporation	Beer sale	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00	100.00
Yuan Ding Corporation	Ding Hotel Corporation	Hotel	80.99	80.99	80.99
	YDT Technology International Corporation	Electronic materials and by-product sale	100.00	100.00	100.00
	Far Eastern Technical Consultants Corporation	Real estate development business consulting and management	100.00	100.00	100.00
	FET Consulting Engineers Corporation	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00	100.00
	Ding Integrated Marketing Services Corporation	Market research and general advertisement	80.00	80.00	80.00
	Far Eastern Electronic Commerce Corporation (Note 6)	Online retail service	75.35	73.42	73.42
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	Investment	100.00	100.00	100.00
YDT Technology International Corporation	YDC (Virgin Islands) Corporation	Investment	100.00	100.00	100.00
YDC (Virgin Islands) Corporation	Speedy (Shanghai) Digital Tech. Corporation	Intelligent control equipment and security monitoring products	100.00	100.00	100.00
DDIM (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan	Clothing Production	99.00	99.00	99.00
Far EasTone Telecommunications Corporation	New Century InfoComm Tech Corporation	Types I and II telecommunications services	100.00	100.00	100.00
	ARCOA Communication Corporation	Sales of communications products and office equipment	61.63	61.63	61.63
	KGEx.com Corporation	Type II telecommunications services	99.99	99.99	99.99
	Yuan Cing Corporation	Call center services	100.00	100.00	99.99
	Far Eastern Info Service Holding Corporation	Investment	100.00	100.00	100.00
	O-music Corporation	Electronic information providing services	50.00	50.00	50.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2017	December 31, 2016	June 30, 2016
	Q-Ware Communication Corporation	Type II telecommunications services	81.46	81.46	81.46
	Hiiir Corporation (Note 6)	Electronic information providing services	93.28	89.54	89.54
ARCOA Communication Corporation	DataExpress Infotech Corporation	Sale of communications products	70.00	70.00	70.00
New Century InfoComm Tech Corporation	New Diligent Corporation	Investment	100.00	100.00	100.00
	Information Security Service Digital United Corporation	Security and monitoring service via Internet	100.00	100.00	100.00
	Digital United (Cayman) Corporation	Investment	100.00	100.00	100.00
	Simple InfoComm Corporation (Note 4)	Electronic information providing services	-	-	-
Digital United (Cayman) Corporation	Digital United Information Technology (Shanghai) Corporation	Design and research of computer system	100.00	100.00	100.00
New Diligent Corporation	Sino Lead Enterprise Corporation	Telecommunications services	100.00	100.00	100.00
	Far Eastern New Diligent Corporation	Investment	100.00	100.00	100.00
	New Diligent (Hong Kong) Corporation (Note 3)	Investment	-	-	-
Far Eastern New Diligent Corporation	Far Eastern Tech-info Corporation (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	Far Eastern New Century Information Technology (Beijing) Corporation	Electronic information providing services	90.52	90.52	79.04
DataExpress Infotech Corporation	Linkwell Tech. Corporation	Sale of communications products	100.00	100.00	100.00
	Home Master Technology Corporation	Sale of communications products	100.00	100.00	100.00

(Concluded)

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

Note 2: Even though the consolidated ownership of the Company and its subsidiaries to Yuan Ding Company Ltd. was not over 50%, the president of Yuan Ding Company Ltd. was appointed by the Group. Thus, Yuan Ding Company Ltd. was included in the consolidated financial statement.

Note 3: A subsidiary was established completed on December 4, 2014, but the investment amount had not been remitted to the investee as of June 30, 2017.

Note 4: A subsidiary was dissolved on December 19, 2015 and liquidated on April 6, 2016.

Note 5: A subsidiary of Far Eastern Electronic Toll Collection Corporation, it was a new established subsidiary of oversea business from the shareholders resolution of Far Eastern Electronic Toll Collection Corporation on April 27, 2017 under the Enterprises Mergers and Acquisitions Act (the date of the partition was April 30, 2017).

Note 6: In order to integrate the Group's e-commerce businesses and resources, and enhance the competitiveness, the board of directors of Hiiir Corporation and Far Eastern Electronic Commerce Corporation (FEEC) both resolved to approve the merger on June 27, 2017 with Hiiir as the surviving company. Upon the completion of the aforesaid merger, the surviving company will be renamed as Yuanshi Digital Technology Co., Ltd. The merger record date will be set on August 1, 2017. Hiiir will issue 9,167,468 new shares in exchange for FEEC's 14,253,321 shares.

Except for the financial statements as of and for the six months ended June 30, 2017 and 2016 of the Company, Yuan Ding Investment Corporation, Far Eastern Construction Corporation, Far Eastern General Contractor Corporation, Oriental Industries (Suzhou) Corporation, Far EasTone Telecommunications Corporation (Far EasTone), New Century InfoComm Tech Corporation (NCIC) and ARCOA Communication Corporation (ARCOA), all the other financial statements of non-significant subsidiaries were not reviewed.

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended		For the Six Months Ended		June 30,	December 31,	June 30,
	June 30	2016	June 30	2016	2017	2016	2016
Far EasTone	\$ 1,801,421	\$ 1,861,788	\$ 3,559,077	\$ 3,723,284	\$ 40,564,978	\$ 44,534,397	\$ 41,190,557

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

Far EasTone and Far EasTone's subsidiaries:

	June 30, 2017	December 31, 2016	June 30, 2016
Current assets	\$ 29,425,893	\$ 26,557,388	\$ 34,671,487
Non-current assets	102,916,311	106,249,934	109,576,448
Current liabilities	(39,240,448)	(30,980,704)	(34,980,383)
Non-current liabilities	<u>(27,798,881)</u>	<u>(30,104,017)</u>	<u>(42,945,246)</u>
Equity	<u>\$ 65,302,875</u>	<u>\$ 71,722,601</u>	<u>\$ 66,322,306</u>
Equity attributable to:			
Owners of the Group	\$ 24,737,897	\$ 27,188,204	\$ 25,131,749
Non-controlling interests of Far EasTone	39,868,780	43,817,814	40,503,531
Non-controlling interests of Far EasTone's subsidiaries	<u>696,198</u>	<u>716,583</u>	<u>687,026</u>
	<u>\$ 65,302,875</u>	<u>\$ 71,722,601</u>	<u>\$ 66,322,306</u>

	For the Three Months Ended		For the Six Months Ended	
	June 30	June 30	June 30	June 30
	2017	2016	2017	2016
Revenue	<u>\$ 21,935,841</u>	<u>\$ 23,067,175</u>	<u>\$ 44,146,228</u>	<u>\$ 46,886,631</u>
Profit for the period	\$ 2,918,468	\$ 3,012,352	\$ 5,762,123	\$ 6,022,608
Other comprehensive income for the period	<u>78,081</u>	<u>7,078</u>	<u>(103,832)</u>	<u>(56,298)</u>
Total comprehensive income for the period	<u>\$ 2,996,549</u>	<u>\$ 3,019,430</u>	<u>\$ 5,865,955</u>	<u>\$ 5,966,310</u>
Profit attributable to:				
Owners of the Group	\$ 1,117,047	\$ 1,150,564	\$ 2,203,046	\$ 2,299,324
Non-controlling interests of Far EasTone	1,800,288	1,854,303	3,550,535	3,705,701
Non-controlling interests of Far EasTone's subsidiaries	<u>1,133</u>	<u>7,485</u>	<u>8,542</u>	<u>17,583</u>
	<u>\$ 2,918,468</u>	<u>\$ 3,012,352</u>	<u>\$ 5,762,123</u>	<u>\$ 6,022,608</u>

(Continued)

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2017	2016	2017	2016
Total comprehensive income attributable to:				
Owners of the Group	\$ 1,146,945	\$ 1,153,144	\$ 2,242,771	\$ 2,277,601
Non-controlling interests of Far EasTone	1,848,471	1,858,464	3,614,558	3,670,692
Non-controlling interests of Far EasTone's subsidiaries	<u>1,133</u>	<u>7,822</u>	<u>8,626</u>	<u>18,017</u>
	<u>\$ 2,996,549</u>	<u>\$ 3,019,430</u>	<u>\$ 5,865,955</u>	<u>\$ 5,966,310</u>

(Concluded)

	For the Six Months Ended	
	June 30	
	2017	2016
Net cash inflow from:		
Operating activities	\$ 12,952,327	\$ 15,765,954
Investing activities	(5,569,877)	(12,552,087)
Financing activities	(5,163,670)	198,041
Effect of exchange rate changes	<u>(964)</u>	<u>1,233</u>
Net cash inflow	<u>\$ 2,217,816</u>	<u>\$ 3,413,141</u>

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	June 30, 2017		December 31, 2016		June 30, 2016	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Associate that are individually material						
Listed companies						
Asia Cement Corporation	<u>\$ 18,646,577</u>	26	<u>\$ 19,291,041</u>	26	<u>\$ 19,215,890</u>	26
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Corporation	6,953,411	23	7,079,848	23	6,936,967	23
Oriental Union Chemical Corporation	5,702,022	31	5,903,309	32	6,046,615	32
Everest Textile Corporation	<u>1,111,718</u>	26	<u>1,160,911</u>	26	<u>1,101,078</u>	26
	<u>13,767,151</u>		<u>14,144,068</u>		<u>14,084,660</u>	
Unlisted companies						
Oriental Securities Corporation	4,665,654	47	4,658,305	47	4,641,446	46
Pacific Liu Tong Investment Corporation	4,142,757	40	4,234,587	40	4,097,785	40
Far Eastern International Leasing Corporation	1,849,005	34	1,866,661	34	1,851,471	34
Far Easter Union Petrochemical (Yangzhou) Corporation	1,793,676	50	1,515,620	50	1,559,872	50
Liquid Air Far East Corporation	1,634,540	35	1,778,443	35	1,584,508	35
Da Ju Fiber Corporation	1,619,392	42	1,585,067	42	1,512,295	42
Yu Yuan Investment Corporation	1,331,195	44	1,298,224	44	2,135,497	44
Tong Da Air Industry (Yangzhou) Corporation	992,710	50	969,375	50	999,096	50
Yu Ding Industry Corporation	657,175	31	636,473	31	616,398	31
Kowloon Cement Corporation	464,780	49	471,469	49	496,443	49
Yuan Ding Leasing Corporation	384,929	46	389,978	46	385,689	46
Freudenberg Far Eastern Spunweb Corporation	275,507	30	341,233	30	254,573	30
FEDS Asia Pacific Development Corporation	133,258	5	129,763	5	133,488	5

(Continued)

	June 30, 2017		December 31, 2016		June 30, 2016	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Yue Ming Corporation	\$ 62,543	47	\$ 62,062	47	\$ 73,461	47
Alliance Digital Technology Corporation	29,569	14	33,869	14	11,081	13
Com 2B Corporation	12,576	20	13,333	20	13,733	20
Opas Fund Segregated Portofolio Company	1,610	34	1,699	34	1,694	34
	<u>20,050,876</u>		<u>19,986,161</u>		<u>20,368,530</u>	
	<u>\$ 52,464,604</u>		<u>\$ 53,421,270</u>		<u>\$ 53,669,080</u>	

(Concluded)

Material associates were as follow:

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2017	December 31, 2016	June 30, 2016
Asia Cement Corporation	Cement production	Taiwan	25.67%	25.62%	25.58%

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

Name of Associate	June 30, 2017	December 31, 2016	June 30, 2016
Asia Cement Corporation	<u>\$ 22,529,453</u>	<u>\$ 22,700,492</u>	<u>\$ 23,996,049</u>

As of June 30, 2017, December 31, 2016 and June 30, 2016, investments in FEDS Asia Pacific Development Corporation and Alliance Digital Technology Corporation were accounted for the equity-method since the Group exercised significant influence on them even though the Group owned less than 20% of each investee's voting stock.

The financial statements used as basis for the calculation of the gains (losses) and other comprehensive income from the equity-method investments for the three months and the six months ended June 30, 2017 and 2016 had not been reviewed, except those of Asia Cement Corporation (ACC), Far Eastern Department Stores Corporation, Oriental Union Chemical Corporation, Everest Textile Corporation, Pacific Liu Tong Investment Corporation and Oriental Securities Corporation. The independent auditors expressed a qualified reviewed report on the financial statements of these six associates because the financial statements of some of the investees of these associates had not been reviewed.

17. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	June 30, 2017	December 31, 2016	June 30, 2016
Total property, plant and equipment	\$ 149,374,917	\$ 148,316,398	\$ 149,149,971
Prepayments for equipment	<u>2,176,609</u>	<u>1,612,960</u>	<u>2,129,862</u>
	<u>\$ 151,551,526</u>	<u>\$ 149,929,358</u>	<u>\$ 151,279,833</u>

	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, 2017	\$ 18,445,818	\$ 31,531,905	\$ 119,190,973	\$ 127,805,053	\$ 15,295,038	\$ 4,662,292	\$ 20,917,820	\$ 33,727,717	\$ 371,576,616
Additions	2,360	12,160	214,593	16,146	5,360	6,456	156,243	9,126,306	9,539,624
Disposals	-	(61,304)	(952,702)	(1,954,880)	(66,805)	(42,742)	(220,529)	(12,845)	(3,311,807)
Adjustments and reclassification	1,749,577	369,160	547,109	3,034,489	684,048	45,937	332,666	(5,233,865)	1,529,121
Effect of exchange rate difference	(9,475)	(261,183)	(1,200,147)	(3)	(514)	(18)	(97,010)	(284,691)	(1,853,041)
Balance at June 30, 2017	<u>\$ 20,188,280</u>	<u>\$ 31,590,738</u>	<u>\$ 117,799,826</u>	<u>\$ 128,900,805</u>	<u>\$ 15,917,127</u>	<u>\$ 4,671,925</u>	<u>\$ 21,089,190</u>	<u>\$ 37,322,622</u>	<u>\$ 377,480,513</u>
Accumulated depreciation and impairment									
Balance at January 1, 2017	\$ (96,557)	\$ (14,181,156)	\$ (82,531,268)	\$ (93,211,884)	\$ (12,825,382)	\$ (3,575,769)	\$ (15,158,386)	\$ (66,856)	\$ (221,647,258)
Disposals	-	44,749	891,242	1,562,201	65,425	35,008	171,112	-	2,769,737
Depreciation expense	-	(417,216)	(1,925,639)	(3,931,727)	(626,297)	(199,410)	(681,262)	-	(7,781,551)
Adjustments and reclassification	-	(3,534)	22,509	(5,666)	(2,763)	87	(11,606)	-	(973)
Effect of exchange rate differences	-	86,595	586,417	3	177	17	57,849	-	731,058
Balance at June 30, 2017	<u>\$ (96,557)</u>	<u>\$ (14,470,562)</u>	<u>\$ (82,956,739)</u>	<u>\$ (95,587,073)</u>	<u>\$ (13,388,840)</u>	<u>\$ (3,740,067)</u>	<u>\$ (15,622,293)</u>	<u>\$ (66,856)</u>	<u>\$ (225,928,982)</u>
Cost									
Balance at January 1, 2016	\$ 18,464,710	\$ 31,111,961	\$ 120,064,405	\$ 130,687,381	\$ 14,974,029	\$ 4,760,258	\$ 19,901,501	\$ 29,934,984	\$ 369,899,229
Additions	3,036	19,367	215,813	46,812	8,392	17,858	99,246	9,203,868	9,614,392
Disposals	-	(30,552)	(719,305)	(1,297,793)	(59,643)	(25,980)	(126,762)	(9,133)	(2,269,168)
Adjustments and reclassification	(95)	517,827	1,295,288	4,138,340	332,624	106,366	420,287	(6,911,228)	(100,591)
Effect of exchange rate difference	33,265	(131,988)	(1,079,203)	(2)	(425)	(22)	(72,480)	(221,478)	(1,472,333)
Balance at June 30, 2016	<u>\$ 18,500,916</u>	<u>\$ 31,486,615</u>	<u>\$ 119,776,998</u>	<u>\$ 133,574,738</u>	<u>\$ 15,254,977</u>	<u>\$ 4,858,480</u>	<u>\$ 20,221,792</u>	<u>\$ 31,997,013</u>	<u>\$ 375,671,529</u>
Accumulated depreciation and impairment									
Balance at January 1, 2016	\$ (96,557)	\$ (13,669,523)	\$ (81,147,180)	\$ (94,832,452)	\$ (12,028,807)	\$ (3,469,410)	\$ (14,233,316)	\$ -	\$ (219,477,245)
Disposals	-	27,580	706,481	967,904	59,448	22,199	121,274	-	1,904,886
Impairment loss	-	-	(50,000)	-	-	-	-	-	(50,000)
Depreciation expense	-	(410,510)	(1,962,508)	(3,584,044)	(613,859)	(203,366)	(710,390)	-	(7,484,677)
Adjustments and reclassification	-	-	24,423	(111)	(7,792)	-	225	-	16,745
Effect of exchange rate differences	-	72,224	574,374	1	283	18	51,695	-	698,595
Balance at June 30, 2016	<u>\$ (96,557)</u>	<u>\$ (13,980,229)</u>	<u>\$ (81,854,410)</u>	<u>\$ (97,448,702)</u>	<u>\$ (12,590,727)</u>	<u>\$ (3,650,559)</u>	<u>\$ (14,770,512)</u>	<u>\$ -</u>	<u>\$ (224,391,696)</u>

The Group expects the future cash flows of the machinery equipment which produce the certain products from chemical fiber department will be reduced. The recoverable amounts \$2,812,029 thousand was less than the book value. Therefore, the Group recognized the impairment loss amounting \$50,000 thousand and \$50,000 thousand for the three months and six months ended June 30, 2017. The recoverable amounts of the machinery equipment was based on the usable value with the discount rate of 4.2495%. The impairment loss was recognized in the comprehensive income statement under the impairment loss account.

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

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

As of June 30, 2017, December 31, 2016 and June 30, 2016, farmland was reclassified to property, plant and equipment all amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,956 thousand, NT\$34,956 thousand and NT\$34,212 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmlands belong to the Company or have pledged the land to the Company.

18. INVESTMENT PROPERTIES

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

	Completed Investment Properties
Balance at January 1, 2017	\$ 124,758,539
Reclassification	(1,694,903)
Recognized in profit (gain arising from the change in fair value of investment property)	854,472
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(19,212)</u>
Balance at June 30, 2017	<u>\$ 123,898,896</u>
Balance at January 1, 2016	\$ 124,190,706
Additions	1,077
Disposals	(25,201)
Reclassification	4,070
Recognized in profit (gain arising from the change in fair value of investment property)	1,131,101
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(14,558)</u>
Balance at June 30, 2016	<u>\$ 125,287,195</u>

The Group and Asia Cement Corporation (ACC) co-own land located on Dunhua South Road in Taipei. Under an agreement with the Group and ACC, Yuan Ding paid for the construction of a multifunctional building on this land and owned the 30-year right of superficies. According to the agreement, the 30-year right of superficies have started on November 25, 1993. However, the ownership of the building was registered in the name of the Group, ACC and Yuan Ding at 12%, 12% and 76%, respectively. Upon expiration of the agreement, the Group and ACC will acquire Yuan Ding's 76% ownership of the building based on the carrying value of the building.

The construction of a building (Mega City) located in the Banqiao Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Corporation (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the three months ended March 31, 2015 and recognized as inventories (available-for-sale - land and building). The portions of floors had been rented out on June 30, 2017, December 31, 2016 and June 30, 2016. The floors which rented out to others were reclassified to investment properties, and the floors which rented out to the Group were reclassified to property, plants and equipment.

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 its fair value was evaluated base on the market rentals which were between NT\$0.4 thousand and NT\$1.1 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair values of investment properties were as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Independent valuation	<u>\$ 123,898,896</u>	<u>\$ 124,758,539</u>	<u>\$ 125,287,195</u>

The fair values of the investment properties as of December 31, 2016 and January 1, 2016 were based on the valuations carried out at February 6, 2017 and February 5, 2016 by an independent qualified professional valuator, Mr. Tsai, Chia-ho, Ms. Hu, Chun-Chun and Mr. Li, Ken-Yuan, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisals. In consultation with the appraisers, except for some investment properties were adjusted in accordance with fair value movement, the Group determined that the fair values reported as of December 31, 2016 and January 1, 2016 were still valid as of June 30, 2017 and 2016.

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

	June 30, 2017	December 31, 2016	June 30, 2016
Expected future cash inflows	\$ 59,228,185	\$ 59,070,894	\$ 59,817,126
Expected future cash outflows	<u>(2,209,833)</u>	<u>(2,208,126)</u>	<u>(2,231,756)</u>
Expected future cash inflows, net	<u>\$ 57,018,352</u>	<u>\$ 56,862,768</u>	<u>\$ 57,585,370</u>
Discount rate	1.845%-2.25%	1.845%-2.22%	1.915%-2.28%

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

Some floors of the investment properties had been leased out under operating leases. The rental incomes generated from these floors for the three months and six months ended June 30, 2017 and 2016, were NT\$257,466 thousand, NT\$248,295 thousand, NT\$518,281 thousand and NT\$504,802 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, and loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Estimated total sale price	<u>\$ 26,831,445</u>	<u>\$ 26,831,445</u>	<u>\$ 27,309,915</u>
Rate of return	15%	15%	15%
Overall capital interest rate	1.04%-2.20%	1.04%-2.20%	1.21%-1.52%

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

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

19. GOODWILL

	For the Six Months Ended June 30	
	2017	2016
<u>Cost</u>		
Beginning balance	\$ 11,865,515	\$ 11,865,515
Impairment loss	-	-
Effect of exchange rate differences, net	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 11,865,515</u>	<u>\$ 11,865,515</u>

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

Refer to Note 19 of the consolidated financial statement for the year ended December 31, 2016 for the related information of goodwill.

20. CONCESSION AND OTHER INTANGIBLE ASSETS

	June 30, 2017	December 31, 2016	June 30, 2016	
<u>Carrying amounts</u>				
Concession	\$ 39,787,461	\$ 41,422,996	\$ 42,949,485	
Other intangible assets				
Computer software	3,223,016	3,177,633	2,895,208	
Others	505,057	499,143	545,919	
	<u>3,728,073</u>	<u>3,676,776</u>	<u>3,441,127</u>	
	<u>\$ 43,515,534</u>	<u>\$ 45,099,772</u>	<u>\$ 46,390,612</u>	
	Concession	Computer Software	Others	Total
Balance at January 1, 2017	\$ 41,422,996	\$ 3,177,633	\$ 499,143	\$ 45,099,772
Additions	-	449,114	-	449,114
Amortization	(1,702,429)	(435,405)	(58,298)	(2,196,132)
Disposals	-	(56)	-	(56)
Adjustments and reclassifications	66,894	33,887	65,974	166,755
Effect of exchange rate differences	-	(2,157)	(1,762)	(3,919)
Balance at June 30, 2017	<u>\$ 39,787,461</u>	<u>\$ 3,223,016</u>	<u>\$ 505,057</u>	<u>\$ 43,515,534</u>
Balance at January 1, 2016	\$ 35,151,640	\$ 2,811,278	\$ 654,267	\$ 38,617,185
Additions	9,184,918	423,141	23,553	9,631,612
Amortization	(1,390,897)	(399,097)	(149,109)	(1,939,103)
Disposals	(223)	-	-	(223)
Adjustments and reclassifications	4,047	60,336	19,440	83,823
Effect of exchange rate differences	-	(450)	(2,232)	(2,682)
Balance at June 30, 2016	<u>\$ 42,949,485</u>	<u>\$ 2,895,208</u>	<u>\$ 545,919</u>	<u>\$ 46,390,612</u>

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

Concession	17.75 years
Computer software	10 years
Others	16 years

21. BORROWINGS

a. Short-term borrowings

	June 30, 2017	December 31, 2016	June 30, 2016
Credit loans	\$ 27,541,881	\$ 31,214,468	\$ 22,726,004
Secured and pledged borrowings	480,580	430,056	664,192
Loans from related parties	<u>3,689,157</u>	<u>3,487,023</u>	<u>3,525,741</u>
	<u>\$ 31,711,618</u>	<u>\$ 35,131,547</u>	<u>\$ 26,915,937</u>

- 1) The interest rates for bank loans were 0.53%-5.45%, 0.53%-8.90% and 0.48%-4.95% as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of June 30, 2017, December 31, 2016 and June 30, 2016.

b. Short-term bills payable

	June 30, 2017	December 31, 2016	June 30, 2016
Commercial paper	\$ 5,925,000	\$ 9,282,000	\$ 5,493,000
Less: Unamortized discount on bills payable	<u>2,828</u>	<u>3,619</u>	<u>2,880</u>
	<u>\$ 5,922,172</u>	<u>\$ 9,278,381</u>	<u>\$ 5,490,120</u>

The short-term bills payable outstanding were issued at interest rates of 0.848%-1.79%, 0.50%-1.838% and 0.52%-1.36%, as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.

c. Long-term borrowings

	June 30, 2017	December 31, 2016	June 30, 2016
Bank loans	\$ 68,025,138	\$ 67,564,299	\$ 60,941,919
Long-term commercial paper	600,000	4,900,000	18,183,000
Less: Unamortized discount on commercial paper	<u>445</u>	<u>13,237</u>	<u>60,025</u>
	<u>599,555</u>	<u>4,886,763</u>	<u>18,122,975</u>
	68,624,693	72,451,062	79,064,894
Less: Current portion	<u>3,347,742</u>	<u>3,613,146</u>	<u>622,126</u>
	<u>\$ 65,276,951</u>	<u>\$ 68,837,916</u>	<u>\$ 78,442,768</u>

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

	June 30, 2017	December 31, 2016	June 30, 2016
Maturity	July 2017 - April 2031	January 2017 - April 2031	August 2016 - April 2031
Bank interest rates	0.65%-5.55%	0.63%-8.10%	0.44%-2.55%

On March 22, 2011, a company subsidiary, FECC entered into a credit agreement with Hua Nan Bank and update the credit agreement into NT\$5,600,000 thousand on January 3, 2017. FECC pledged its land and construction pertaining to the Zhong Ben project (Ban Qiao - New Section No. 8) and amounting to NT\$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were as follows:

	Credit Line	Maturity Period	Interest Rate	Repayment
A	NT\$ 1,840,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.4% then divided by 0.946%	No revolving credit but batch employed available within 5 years; No repayment in the first 5 years; quarterly repayments of NT\$30,000 thousand quarterly from the sixth year and redemption of rest on maturity.
B	NT\$ 1,000,000 thousand	5 years after approve of the credit (Note 2)	Reference interest rate plus 0.69544% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity.
D	NT\$ 2,760,000 thousand	7 years after appropriation of each loan	Reference interest rate plus 0.804% (negotiated by each loan, but no less than 1.5%)	No revolving credit but batch employed 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\$ 5,600,000
 thousand

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

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

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

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

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

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

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

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

22. BONDS PAYABLE

	June 30, 2017	December 31, 2016	June 30, 2016
Nonconvertible domestic bonds	\$ 89,150,000	\$ 79,050,000	\$ 85,800,000
Discount of nonconvertible domestic bonds	<u>(96,146)</u>	<u>(87,880)</u>	<u>(100,026)</u>
	89,053,854	78,962,120	85,699,974
Less: Current portion	<u>12,846,372</u>	<u>16,444,074</u>	<u>18,142,305</u>
	<u>\$ 76,207,482</u>	<u>\$ 62,518,046</u>	<u>\$ 67,557,669</u>

Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
				June 30, 2017	December 31, 2016	June 30, 2016	
<u>Parent company</u>							
Unsecured bonds							
100-2	2011.09.29-2016.09.29	1.55	\$ 2,200,000	\$ -	\$ -	\$ 1,100,000	(Note 1)
100-3	2012.02.15-2017.02.15	1.36	6,000,000	-	3,000,000	3,000,000	(Note 1)
101-1	2012.06.07-2017.06.07	1.35	3,200,000	-	1,600,000	1,600,000	(Note 1)
101-2	2012.11.26-2017.11.26	1.30	4,200,000	2,100,000	2,100,000	4,200,000	(Note 1)
102-2	2013.08.28-2017.02.28	1.39	3,000,000	-	3,000,000	3,000,000	(Note 2)
102-3	2013.12.23-2018.12.23	1.45	2,800,000	2,800,000	2,800,000	2,800,000	(Note 2)
103-1	2014.08.21-2019.08.21	1.47	3,200,000	3,200,000	3,200,000	3,200,000	(Note 1)
103-2	2014.12.04-2019.12.04	1.47	2,200,000	2,200,000	2,200,000	2,200,000	(Note 1)
103-3	2015.02.06-2020.02.06	1.38	2,600,000	2,600,000	2,600,000	2,600,000	(Note 1)
104-1	2015.05.25-2020.05.25	1.39	8,000,000	8,000,000	8,000,000	8,000,000	(Note 1)
104-2	2015.10.02-2020.10.02	1.28	5,200,000	5,200,000	5,200,000	5,200,000	(Note 1)
104-3	2015.11.16-2020.11.16	1.25	2,800,000	2,800,000	2,800,000	2,800,000	(Note 2)
105-1-A	2016.04.29-2021.04.29	0.88	6,000,000	6,000,000	6,000,000	6,000,000	(Note 1)
105-1-B	2016.04.29-2021.04.29	-	2,000,000	2,000,000	2,000,000	2,000,000	(Note 5)
105-2	2016.09.20-2021.09.20	0.72	3,800,000	3,800,000	3,800,000	-	(Note 2)
106-1	2017.05.17-2022.05.17	1.15	5,000,000	5,000,000	-	-	(Note 1)
<u>Subsidiary Yuan Ding Investment</u>							
Unsecured bonds							
100-1	2011.07.20-2016.07.20	1.50	3,000,000	-	-	1,200,000	(Note 3)
100-2	2011.12.15-2016.12.15	1.45	2,000,000	-	-	1,000,000	(Note 1)
101-1-B	2012.08.06-2017.08.06	1.40	1,100,000	550,000	550,000	1,100,000	(Note 1)
102-1	2013.11.25-2016.11.25	1.35	3,000,000	-	-	3,000,000	(Note 2)
103-1	2014.05.26-2019.05.26	1.35	3,000,000	3,000,000	3,000,000	3,000,000	(Note 1)
104-1	2015.07.10-2020.07.10	1.43	3,000,000	3,000,000	3,000,000	3,000,000	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	2,000,000	2,000,000	2,000,000	(Note 1)
105-1	2016.05.30-2021.05.30	0.90	3,800,000	3,800,000	3,800,000	3,800,000	(Note 1)
106-1	2017.06.30-2022.06.30	1.15	3,000,000	3,000,000	-	-	(Note 2)
<u>Subsidiary Far EasTone</u>							
Unsecured bonds							
102-4	2013.06.27-2020.06.27	1.33	5,000,000	5,000,000	5,000,000	5,000,000	(Note 4)
102-5-A	2013.10.15-2017.10.15	1.46	1,000,000	1,000,000	1,000,000	1,000,000	(Note 2)
102-5-B	2013.10.15-2018.10.15	1.58	4,000,000	4,000,000	4,000,000	4,000,000	(Note 2)
102-6-A	2013.12.24-2016.12.24	1.17	1,600,000	-	-	1,600,000	(Note 2)
102-6-B	2013.12.24-2017.12.24	1.27	5,200,000	5,200,000	5,200,000	5,200,000	(Note 2)
102-6-C	2013.12.24-2019.12.24	1.58	3,200,000	3,200,000	3,200,000	3,200,000	(Note 2)
105-1	2017.01.05-2022.01.05	1.17	5,200,000	5,200,000	-	-	(Note 2)
106-1	2017.04.26-2022.04.26	1.17	4,500,000	4,500,000	-	-	(Note 2)
Total outstanding balance				<u>\$ 89,150,000</u>	<u>\$ 79,050,000</u>	<u>\$ 85,800,000</u>	

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

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

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

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

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

23. PROVISIONS

	June 30, 2017	December 31, 2016	June 30, 2016
Dismantling obligation	\$ 983,233	\$ 975,571	\$ 961,386
Warranties	<u>151,425</u>	<u>154,846</u>	<u>150,016</u>
	<u>\$ 1,134,658</u>	<u>\$ 1,130,417</u>	<u>\$ 1,111,402</u>
Current	\$ 266,118	\$ 270,831	\$ 267,628
Noncurrent	<u>868,540</u>	<u>859,586</u>	<u>843,774</u>
	<u>\$ 1,134,658</u>	<u>\$ 1,130,417</u>	<u>\$ 1,111,402</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2017	\$ 975,571	\$ 154,846	\$ -	\$ 1,130,417
Additional provisions recognized	21,289	18,675	-	39,964
Reductions arising from payments	<u>(13,627)</u>	<u>(22,096)</u>	<u>-</u>	<u>(35,723)</u>
Balance at June 30, 2017	<u>\$ 983,233</u>	<u>\$ 151,425</u>	<u>\$ -</u>	<u>\$ 1,134,658</u>
Balance at January 1, 2016	\$ 926,125	\$ 142,146	\$ 1,461	\$ 1,069,732
Additional provisions recognized	46,665	29,276	-	75,941
Reductions arising from payments	<u>(11,404)</u>	<u>(21,406)</u>	<u>(1,461)</u>	<u>(34,271)</u>
Balance at June 30, 2016	<u>\$ 961,386</u>	<u>\$ 150,016</u>	<u>\$ -</u>	<u>\$ 1,111,402</u>

24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and six months ended June 30, 2017 and 2016 were calculated as NT\$39,491 thousand, NT\$40,807 thousand, NT\$82,620 thousand and NT\$94,227 thousand by the actuarially determined pension cost discount rate as of December 31, 2016 and 2015. The Group transferred defined benefit costs NT\$236 thousand, NT\$203, NT\$478 thousand and NT\$368 thousand to related parties for the three months and six months ended June 30, 2017 and 2016, respectively.

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	June 30, 2017		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 226,479	\$ 337,630	\$ 564,109
Inventories	2,314,084	2,523,844	4,837,928
Amounts due from customers for construction contracts	175,551	1,248,525	1,424,076
Other financial assets - current	211,333	643,733	855,066
Refundable deposits - current	88,600	9,261	97,861
<u>Liabilities</u>			
Notes and accounts payable	845,182	699,938	1,545,120
Notes and accounts payable to related parties	123,861	-	123,861
Amounts due to customers for construction contracts	4,701	26,100	30,801
Receipts in advance	12,215	-	12,215
Provisions - current	-	50,733	50,733
December 31, 2016			
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 577,981	\$ 281,206	\$ 859,187
Inventories	2,764,531	2,523,844	5,288,375
Amounts due from customers for construction contracts	1,050,825	151,799	1,202,624
Other financial assets - current	245,102	893,771	1,138,873
Refundable deposits - current	26	9,725	9,751
<u>Liabilities</u>			
Notes and accounts payable	1,500,463	633,699	2,134,162
Notes and accounts payable to related parties	131,766	-	131,766
Amounts due to customers for construction contracts	1,428	-	1,428
Provisions - current	1,250	49,659	50,909
Receipts in advance	63,219	-	63,219

	June 30, 2016		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 424,877	\$ 228,874	\$ 653,751
Inventories	3,854,196	700,887	4,555,083
Amounts due from customers for construction contracts	194,536	1,089,198	1,283,734
Other financial assets - current	77,670	1,088,526	1,166,196
Refundable deposits - current	3	9,450	9,453
<u>Liabilities</u>			
Notes and accounts payable	1,239,672	478,169	1,717,841
Notes and accounts payable to related parties	187,227	-	187,227
Amounts due to customers for construction contracts	-	111,897	111,897
Receipts in advance	160,007	-	160,007
Provisions - current	-	53,616	53,616

26. EQUITY

a. Share capital

1) Common shares

	June 30, 2017	December 31, 2016	June 30, 2016
Number of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Amount of shares authorized	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>	<u>5,352,875</u>
Shares issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>

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

2) Global depositary receipt

The Company issued global depositary receipts (GDRs) since 1999, one GDRs unit represents 10 common shares of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of June 30, 2017, December 31, 2016 and June 30, 2016, there are all 33 thousand units outstanding, which were equal to 327 thousand, 328 thousand, and 331 thousand common shares of the Company.

b. Capital surplus

	June 30, 2017	December 31, 2016	June 30, 2016
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>			
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	148,775	148,775	154,258
Treasury shares transaction	12,508	12,508	11,729
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>41,606</u>	<u>43,373</u>	<u>34,319</u>
	<u>\$ 2,857,821</u>	<u>\$ 2,859,588</u>	<u>\$ 2,855,238</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary or equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 23, 2016 and, in that meeting, had resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' and directors' compensation.

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

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

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

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

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

The appropriations from the 2016 and 2015 earnings were approved in the stockholders' meetings on June 28, 2017 and June 23, 2016, respectively. The appropriations and dividends per share were as follows:

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

d. Special reserves

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

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

	For the Six Months Ended	
	June 30	
	2017	2016
Balance at January 1	\$ 21,565,171	\$ 21,860,117
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(8,442)	(2,291)
Disposal of investment properties	-	(7,763)
Balance at June 30	<u>\$ 21,556,729</u>	<u>\$ 21,850,063</u>

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

	For the Six Months Ended June 30	
	2017	2016
Balance at January 1	\$ 85,554,383	\$ 83,686,899
Appropriation in respect of:		
Application of the fair value method for investment properties	2,662,006	2,165,513
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(11,076)	(1,465)
Disposal of investment properties	<u>-</u>	<u>(21,534)</u>
Balance at June 30	<u>\$ 88,205,313</u>	<u>\$ 85,829,413</u>

e. Other equity items

The changes in other equity items were as follow:

	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Cash Flow Hedges	Gains on Property Revaluation	Total
Balance at January 1, 2017	\$ (1,577,812)	\$ (1,947,657)	\$ (47,514)	\$ 702,778	\$ (2,870,205)
Exchange differences on translating foreign operations	(1,322,996)	-	-	-	(1,322,996)
Unrealized loss on available-for-sale financial assets	-	364,052	-	-	364,052
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	50,041	-	50,041
Share of the other comprehensive income (loss) of associates	<u>(587,132)</u>	<u>352,906</u>	<u>-</u>	<u>-</u>	<u>(234,226)</u>
Balance at June 30, 2017	<u>\$ (3,487,940)</u>	<u>\$ (1,230,699)</u>	<u>\$ 2,527</u>	<u>\$ 702,778</u>	<u>\$ (4,013,334)</u>
Balance at January 1, 2016	\$ 2,274,683	\$ 1,119,927	\$ (95,944)	\$ 702,030	\$ 4,000,696
Exchange differences on translating foreign operations	(1,091,210)	-	-	-	(1,091,210)
Unrealized loss on available-for-sale financial assets	-	(305,654)	-	-	(305,654)
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	3,173	-	3,173
Share of the other comprehensive income (loss) of associates	<u>(452,984)</u>	<u>(2,284,257)</u>	<u>5</u>	<u>-</u>	<u>(2,737,236)</u>
Balance at June 30, 2016	<u>\$ 730,489</u>	<u>\$ (1,469,984)</u>	<u>\$ (92,766)</u>	<u>\$ 702,030</u>	<u>\$ (130,231)</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2017	2016
Beginning balance	\$ 61,306,197	\$ 63,145,438
Attributable to non-controlling interests:		
Net income	3,127,581	3,518,535
Cash dividends distributed by subsidiaries	(7,783,681)	(7,710,107)
Exchange differences on translating foreign operations	(152,863)	(99,019)
Unrealized gain (loss) on available-for-sale financial assets	16,071	(40,232)
Gains on hedging instruments in cash flow hedges arising from fair value changes	117,054	4,134
Share of other comprehensive loss of associates	(2,306)	(27,880)
Changes in capital surplus of associates	(5)	-
Changes in unappropriated earnings of associates	(16)	(2)
Non-controlling interests arising from the new capital stock issued by subsidiaries	384,917	44,665
Change in ownership interest of subsidiaries	158,764	6,411
Disposal of the investments accounted for using the equity-methods	(4)	-
Capital reduction of subsidiaries	-	(15)
Ending balance	<u>\$ 57,171,709</u>	<u>\$ 58,841,928</u>

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>June 30, 2017</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 19,289</u>
<u>December 31, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,861</u>
<u>June 30, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,705</u>

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

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

27 NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Capitalized interests on properties	\$ 100,420	\$ 74,679	\$ 196,944	\$ 145,077
Capitalization rates	0.84%-4.57%	1.02%-1.52%	0.76%-4.57%	1.02%-1.52%

b. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Property, plant and equipment	\$ 3,927,544	\$ 3,765,701	\$ 7,781,551	\$ 7,484,677
Intangible assets	1,097,717	1,011,472	2,196,132	1,939,103
Long-term prepayments for lease	<u>47,394</u>	<u>49,019</u>	<u>96,654</u>	<u>99,399</u>
	<u>\$ 5,072,655</u>	<u>\$ 4,826,192</u>	<u>\$ 10,074,337</u>	<u>\$ 9,523,179</u>

An analysis of depreciation by function

Operating costs	\$ 3,467,438	\$ 3,313,615	\$ 6,867,500	\$ 6,561,675
Operating expenses	445,115	439,407	884,031	875,773
Other expense	<u>14,991</u>	<u>12,679</u>	<u>30,020</u>	<u>47,229</u>
	<u>\$ 3,927,544</u>	<u>\$ 3,765,701</u>	<u>\$ 7,781,551</u>	<u>\$ 7,484,677</u>

An analysis of amortization by function

Operating costs	\$ 935,518	\$ 865,773	\$ 1,876,077	\$ 1,622,671
Operating expenses	<u>209,593</u>	<u>194,718</u>	<u>416,709</u>	<u>415,831</u>
	<u>\$ 1,145,111</u>	<u>\$ 1,060,491</u>	<u>\$ 2,292,786</u>	<u>\$ 2,038,502</u>

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Post-employment benefits				
Defined contribution plans	\$ 212,714	\$ 219,655	\$ 422,379	\$ 441,075
Defined benefit plans	39,255	40,604	82,142	93,859
Other employee benefits	<u>4,769,135</u>	<u>4,881,803</u>	<u>9,664,539</u>	<u>9,431,541</u>
Total employee benefit expense	<u>\$ 5,021,104</u>	<u>\$ 5,142,062</u>	<u>\$ 10,169,060</u>	<u>\$ 9,966,475</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Analysis of employee benefit expense by function				
Operating costs	\$ 2,303,668	\$ 2,766,286	\$ 4,752,599	\$ 5,042,003
Operating expenses	<u>2,717,436</u>	<u>2,375,776</u>	<u>5,416,461</u>	<u>4,924,472</u>
	<u>\$ 5,021,104</u>	<u>\$ 5,142,062</u>	<u>\$ 10,169,060</u>	<u>\$ 9,966,475</u>

(Concluded)

d. Employees' compensation and remuneration of directors

In compliance with the Company Act as amended in May 2015 and the amended Articles resolved by the shareholders' meetings in June 2016, the amendments stipulate distribution of employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. However, the Company has to offset losses from the previous years first. The employees' compensation and remuneration of directors for the six months ended June 30, 2017 and 2016 were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2017	2016
Employees' compensation	3.31%	2.87%
Remuneration of directors	2.36%	2.39%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Employees' compensation	\$ 55,985	\$ 43,607	\$ 98,541	\$ 71,408
Remuneration of directors	38,211	39,592	70,351	59,450

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

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

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

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

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2017 and 2016 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Current tax	\$ 739,722	\$ 760,501	\$ 1,434,357	\$ 1,428,125
Deferred tax	27,517	(47,832)	15,578	282,239
Adjustments for prior periods	<u>9,013</u>	<u>1,435</u>	<u>9,013</u>	<u>1,435</u>
Income tax recognized in profit or loss	<u>\$ 776,252</u>	<u>\$ 714,104</u>	<u>\$ 1,458,948</u>	<u>\$ 1,711,799</u>

b. Integrated income tax

	June 30, 2017	December 31, 2016	June 30, 2016
Unappropriated earnings Generated before January 1, 1998	<u>\$ 43,925</u>	<u>\$ 66,464</u>	<u>\$ 72,226</u>
Imputation credits accounts	<u>\$ 799,967</u>	<u>\$ 775,088</u>	<u>\$ 790,422</u>
		For the Year Ended December 31	
		2016	2015
		(Actual)	(Actual)
Creditable ratio for distribution of earning		13.87%	11.84%

c. Income tax assessments

	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>
Far Eastern New Century Corporation	2012
Far Eastern Resources Development Corporation	2012
Oriental Petrochemical (Taiwan) Corporation	2014
Fu Kwok Garment Manufacturing Corporation	2015
Yuan Tong Investment Corporation	2015
Kai Yuan International Investment Corporation	2015
Ding Yuan International Investment Corporation	2015
An Ho Garment Corporation	2015
Far Eastern Textile Corporation	2015
Far Eastern Construction Corporation	2015
Far Eastern General Contractor Inc.	2015
Yuan Ding Investment Corporation	2015
Far Eastern Fibertech Corporation	2015
Oriental Resources Development Corporation	2015
Far Eastern Apparel Corporation	2015
Yuan Faun Corporation	2015
Yuan Cheng Human Resources Consultant Corporation	2015
Yuan Ding Corporation	2014
Far Eastern Technical Consultants Corporation	2015
YDT Technology International Corporation	2014
FET Consulting Engineers Corporation	2015
Ding Ding Integrated Marketing Service Corporation.	2015
Far Eastern Electronic Commerce Corporation	2015
Ding Ding Hotel Corporation	2015
Far Eastern Electronic Toll Collection Corporation	2014
Yuan Hsin Digital Payment Corporation	2015
Far EasTone Telecommunications Corporation	2014
New Century InfoComm Tech Corporation	2014
Arcoa Communication Corporation	2014
Simple InfoComm Corporation	2015
Q-Ware Communication Corporation	2015
Information Security Service Digital United Corporation	2015
Linkwell Tech. Corporation	2015
Data Express Infotech Corporation	2015
Yuan Cing Corporation	2015
O-music Corporation	2015
New Diligent Corporation	2015
KGEx.com Corporation	2015
Homet Master Technology Corporation	2015
Hiiir Corporation	2015

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

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

New Century InfoComm Tech Corporation

New Century InfoComm Tech Corporation disagreed with the tax authorities' assessment of its 2013 and 2014 return and thus applied for reexamination. Nevertheless, New Century InfoComm Tech Corporation accrued the related tax expense.

29. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2017	2016	2017	2016
Basic earnings per share	<u>\$ 0.31</u>	<u>\$ 0.34</u>	<u>\$ 0.57</u>	<u>\$ 0.51</u>
Diluted earnings per share	<u>\$ 0.31</u>	<u>\$ 0.34</u>	<u>\$ 0.57</u>	<u>\$ 0.51</u>

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

Net Income for the Period

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2017	2016	2017	2016
Net income for the period attributable to owners of the Company	<u>\$ 1,547,554</u>	<u>\$ 1,724,667</u>	<u>\$ 2,833,349</u>	<u>\$ 2,559,613</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares			
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2017	2016	2017	2016
Weighted average number of common shares used in the calculation of basic earnings per share	4,999,130	4,999,773	4,999,130	5,000,002
Effect of potentially dilutive common stock: Employees' compensation	<u>4,114</u>	<u>3,104</u>	<u>7,570</u>	<u>7,499</u>
Weighted average number of common shares used in the calculation of diluted earnings per share	<u>5,003,244</u>	<u>5,002,877</u>	<u>5,006,700</u>	<u>5,007,501</u>

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the three months and six months ended June 30, 2017 and 2016, the Company's EPS were NT\$0.29, NT\$0.32, NT\$0.53 and NT\$0.48.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the six months ended June 30, 2017

On April 26, 2017, the Group subscribed for additional new shares of Far Eastern Electronic Commerce Corporation at a percentage different from its existing ownership percentage, increasing its continuing interest from 73.42% to 75.35%.

	Far Eastern Electronic Commerce Corporation
Cash consideration paid	\$ (453,345)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>444,569</u>
Differences arising from equity transactions	<u>\$ (8,776)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earning	<u>\$ (8,776)</u>

In June 2017, the Group subscribed for additional new shares of Hiiir Digital Marketing Corporation at a percentage different from its existing ownership percentage, increasing its continuing interest from 89.54% to 93.28%.

	Hiiir Digital Marketing Corporation
Cash consideration paid	\$ (348,909)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>336,667</u>
Differences arising from equity transactions	<u>\$ (12,242)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earning	<u>\$ (12,242)</u>

For the six months ended June 30, 2016

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

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

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

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

31. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

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

The future minimum lease payments for non-cancellable operating lease commitments were as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Not later than 1 year	\$ 3,359,471	\$ 3,431,884	\$ 3,606,114
Later than 1 year and not later than 5 years	5,605,723	5,737,926	6,221,603
Later than 5 years	<u>917,855</u>	<u>995,328</u>	<u>1,075,483</u>
	<u>\$ 9,883,049</u>	<u>\$ 10,165,138</u>	<u>\$ 10,903,200</u>

b. The Group as lessor

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

The future minimum lease payments for non-cancellable operating lease commitments were as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Not later than 1 year	\$ 667,884	\$ 715,608	\$ 696,233
Later than 1 year and not later than 5 years	2,485,047	2,321,036	2,225,546
Later than 5 years	<u>981,450</u>	<u>1,071,616</u>	<u>1,199,874</u>
	<u>\$ 4,134,381</u>	<u>\$ 4,108,260</u>	<u>\$ 4,121,653</u>

32. CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENTS

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

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

	<u>June 30, 2017</u>		<u>December 31, 2016</u>		<u>June 30, 2016</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>						
Financial liabilities measured at amortized cost						
Bonds payable	\$ 89,053,854	\$ 89,628,241	\$ 78,962,120	\$ 79,554,962	\$ 85,699,974	\$ 86,513,525

- 2) Fair value hierarchy

June 30, 2017

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 89,628,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,628,241</u>

December 31, 2016

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

June 30, 2016

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

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

1) Fair value hierarchy

June 30, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 2,961,755	\$ -	\$ -	\$ 2,961,755
Marketable equity securities	398,679	-	-	398,679
Guarantee deposits - cotton futures contracts	-	-	39,941	39,941
Guarantee deposits - PTA futures contracts	-	-	12,045	12,045
Forward exchange contracts	-	-	3,936	3,936
	<u>\$ 3,360,434</u>	<u>\$ -</u>	<u>\$ 55,922</u>	<u>\$ 3,416,356</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,572,586	\$ -	\$ -	\$ 4,572,586
Mutual funds - beneficial certificates	-	611,083	-	611,083
Oversea equity securities	94,435	-	-	94,435
	<u>\$ 4,667,021</u>	<u>\$ 611,083</u>	<u>\$ -</u>	<u>\$ 5,278,104</u>
Hedging derivative financial assets				
Forward exchange contracts	\$ -	\$ -	\$ 6,338	\$ 6,338
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 6,818	\$ 6,818
Option contracts	-	-	815	815
Combined exchange options	-	-	6,585	6,585
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,218</u>	<u>\$ 14,218</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial liabilities				
Foreign exchange contracts	\$ -	\$ -	\$ 2,437	\$ 2,437
Foreign exchange swap contracts	-	-	3,650	3,650
Interest rate swaps	-	-	<u>98,341</u>	<u>98,341</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,428</u>	<u>\$ 104,428</u> (Concluded)

December 31, 2016

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

Available-for-sale financial assets				
Marketable equity securities	\$ 4,198,219	\$ -	\$ -	\$ 4,198,219
Mutual funds - beneficial certificates	-	598,132	-	598,132
Oversea equity securities	<u>106,090</u>	<u>-</u>	<u>-</u>	<u>106,090</u>
	<u>\$ 4,304,309</u>	<u>\$ 598,132</u>	<u>\$ -</u>	<u>\$ 4,902,441</u>

Hedging derivative financial assets				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,073</u>	<u>\$ 2,073</u>

Financial liabilities at fair value through profit or loss (FVTPL)				
Forward exchange contracts	\$ -	\$ -	\$ 255	\$ 255
Option contracts	-	-	<u>3,166</u>	<u>3,166</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,421</u>	<u>\$ 3,421</u> (Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial liabilities				
Forward exchange contracts	\$ -	\$ -	\$ 40,229	\$ 40,229
Foreign exchange swap contracts	-	-	7,538	7,538
Interest rate swaps	-	-	<u>171,366</u>	<u>171,366</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,133</u>	<u>\$ 219,133</u> (Concluded)

June 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 3,190,428	\$ -	\$ -	\$ 3,190,428
Marketable equity securities	83,458	-	-	83,458
Guarantee deposits - cotton futures contracts	-	-	42,353	42,353
Guarantee deposits - PTA futures contracts	-	-	13,009	13,009
Forward exchange contracts	-	-	191	191
Cross-currency swap contracts	-	-	<u>6,331</u>	<u>6,331</u>
	<u>\$ 3,273,886</u>	<u>\$ -</u>	<u>\$ 61,884</u>	<u>\$ 3,335,770</u>

Available-for-sale financial assets				
Marketable equity securities	\$ 4,135,550	\$ -	\$ -	\$ 4,135,550
Mutual funds - beneficial certificates	-	602,553	-	602,553
Oversea equity securities	96,261	-	-	96,261
	<u>\$ 4,231,811</u>	<u>\$ 602,553</u>	<u>\$ -</u>	<u>\$ 4,834,364</u>

Hedging derivative financial assets				
Forward exchange contracts	\$ -	\$ -	\$ 263	\$ 263
Foreign exchange swap contracts	-	-	<u>4,888</u>	<u>4,888</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,151</u>	<u>\$ 5,151</u> (Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 7,981	\$ 7,981
Option contracts	-	-	189	189
Combined exchange options	-	-	31,007	31,007
Cross-currency swap contracts	<u>-</u>	<u>-</u>	<u>26,115</u>	<u>26,115</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,292</u>	<u>\$ 65,292</u>
Hedging derivative financial liabilities				
Forward exchange contracts	\$ -	\$ -	\$ 19,155	\$ 19,155
Interest rate swaps	<u>-</u>	<u>-</u>	<u>332,701</u>	<u>332,701</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,856</u>	<u>\$ 351,856</u>

(Concluded)

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2017 and 2016.

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

For the six months ended June 30, 2017

	Financial Instruments at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2017	\$ 71,440	\$ (217,060)	\$ (145,620)
Recognized in profit or loss			
Realized	(86,364)	(56,781)	(143,145)
Unrealized	41,704	-	41,704
Recognized in other comprehensive income	-	167,095	167,095
Settlements	<u>14,924</u>	<u>8,656</u>	<u>23,580</u>
Balance at June 30, 2017	<u>\$ 41,704</u>	<u>\$ (98,090)</u>	<u>\$ (56,386)</u>

For the six months ended June 30, 2016

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

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

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

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Future contract	Future contract pricing model. The fair values of future contracts are determined using future contract pricing models where the significant unobservable inputs are historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value.
Forward exchange contracts, option contracts, combined exchange options, cross-currency swap contracts, foreign exchange swap contracts and interest rate swaps	Discounted cash flow. Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates and discounted at a rate that reflects the credit risk and value of the currency.

c. Categories of financial instruments

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 3,416,356	\$ 3,835,959	\$ 3,335,770
Derivative instruments in designated hedge accounting relationships	6,338	2,073	5,151
Loans and receivables (Note 1)	82,741,726	80,585,613	89,324,718
Available-for-sale financial assets (Note 2)	6,459,076	6,037,589	5,970,557
<u>Financial liabilities</u>			
FVTPL			
Held for trading	14,218	3,421	65,292
Derivative instruments in designated hedge accounting relationships	104,428	219,133	351,856
Amortized cost (Note 3)	241,609,626	231,255,558	246,077,229

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

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
5% change in profit or loss			
USD	<u>\$ (202,602)</u>	<u>\$ (219,644)</u>	<u>\$ 15,991</u>

b) Interest rate risk

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Fair value interest rate risk			
Financial assets	\$ 27,716,127	\$ 29,757,336	\$ 38,848,192
Financial liabilities	144,629,163	148,600,090	157,678,487
Cash flow interest rate risk			
Financial assets	13,738,270	11,389,344	10,621,881
Financial liabilities	47,092,358	43,907,363	39,825,139

Sensitivity analysis

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

As of June 30, 2017, December 31, 2016 and June 30, 2016, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased/increased by NT\$69,118 thousand, NT\$74,208 thousand and NT\$96,878 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decreased by NT\$34,346 thousand, NT\$28,473 thousand and NT\$26,555 thousand, respectively.

As of June 30, 2017, December 31, 2016 and June 30, 2016, had interest rates been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased/increased by NT\$360,671 thousand, NT\$370,574 thousand and NT\$393,213 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by NT\$117,731 thousand, NT\$109,768 thousand and NT\$99,563 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of June 30, 2017, December 31, 2016 and June 30, 2016 would have decreased by NT\$431,927 thousand, NT\$433,177 thousand and NT\$405,413 thousand, respectively.

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>June 30, 2017</u>				
Long-term borrowings	\$ 36,327,029	\$ 21,964,519	\$ 6,985,403	\$ 65,276,951
Bonds payable	<u>16,300,000</u>	<u>23,700,000</u>	<u>36,300,000</u>	<u>76,300,000</u>
	<u>\$ 52,627,029</u>	<u>\$ 45,664,519</u>	<u>\$ 43,285,403</u>	<u>\$ 141,576,951</u>
<u>December 31, 2016</u>				
Long-term borrowings	\$ 44,247,884	\$ 16,929,793	\$ 7,660,239	\$ 68,837,916
Bonds payable	<u>13,500,000</u>	<u>17,800,000</u>	<u>31,300,000</u>	<u>62,600,000</u>
	<u>\$ 57,747,884</u>	<u>\$ 34,729,793</u>	<u>\$ 38,960,239</u>	<u>\$ 131,437,916</u>
<u>June 30, 2016</u>				
Long-term borrowings	\$ 50,286,371	\$ 9,023,993	\$ 19,132,404	\$ 78,442,768
Bonds payable	<u>12,850,000</u>	<u>16,300,000</u>	<u>38,500,000</u>	<u>67,650,000</u>
	<u>\$ 63,136,371</u>	<u>\$ 25,323,993</u>	<u>\$ 57,632,404</u>	<u>\$ 146,092,768</u>

34. TRANSACTIONS WITH RELATED PARTIES

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the three months and six months ended June 30, 2017 and 2016 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, short-term bills payable, tariff duties, and long-term borrowings; as construction warranties; as guarantees for related parties; litigation; and as administrative tax remedies for meeting requirements for certain projects.

	June 30, 2017	December 31, 2016	June 30, 2016
Financial assets at fair value through profit or loss (FVTPL) - current	\$ -	\$ 26,019	\$ -
Other financial assets - current	4,164,861	3,083,562	2,910,805
Inventories - available for construction - land	693,157	693,157	693,157
Inventories - available for sale - land and building	-	1,354,474	1,401,999
Property, plant and equipment, net	12,634,400	13,268,016	14,152,108
Investment properties	33,633,573	37,192,332	36,938,965
Available-for-sale financial assets - current and noncurrent	146,700	136,500	137,100
Investment accounted for using the equity method	2,416,312	2,662,804	3,145,290
Concession - cost	3,756,000	3,756,000	2,857,000
Other financial assets - noncurrent	<u>3,446,207</u>	<u>3,766,697</u>	<u>2,043,449</u>
	<u>\$ 60,891,210</u>	<u>\$ 65,939,561</u>	<u>\$ 64,279,873</u>

As of June 30, 2017, December 31, 2016 and June 30, 2016, FENC and some of its subsidiaries had provided 96,895 thousand shares, 122,094 thousand shares and 122,094 thousand shares, respectively, of the common shares of Far EasTone Telecommunications Corporation and all 16,500 thousand common shares of Yuan Ding Corporation, as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2017, December 31, 2016 and June 30, 2016 were as follows:

- The Group issued but unused letters of credit aggregated approximately NT\$438,600 thousand, NT\$681,049 thousand and NT\$1,047,781 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.
- The Group (except for Far EasTone and its subsidiaries) unpaid building construction and equipment installation contracts amounting to approximately NT\$6,221,207 thousand, NT\$6,354,694 thousand and NT\$6,208,812 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.

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

	June 30, 2017	December 31, 2016	June 30, 2016
Acquisition of property, plant and equipment under contracts	\$ 6,377,641	\$ 5,762,054	\$ 6,147,974
Less: Payments for acquisition of property, plant and equipment	<u>1,874,996</u>	<u>1,666,888</u>	<u>1,822,176</u>
	<u>\$ 4,502,645</u>	<u>\$ 4,095,166</u>	<u>\$ 4,325,798</u>
Acquisition of cellular phone equipment under contract	\$ 7,656,553	\$ 14,299,303	\$ 7,689,192
Less: Payments for acquisition of cellular phone equipment	<u>3,273,731</u>	<u>7,803,864</u>	<u>4,776,632</u>
	<u>\$ 4,382,822</u>	<u>\$ 6,495,439</u>	<u>\$ 2,912,560</u>

- c. There were undelivered cotton contracts which were unable to cancel amounting to NT\$326,074 thousand, NT\$380,559 thousand and NT\$162,914 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.
- d. Project contracts cost already signed by Far Eastern General Contractor Corporation (FEGC) amounted to NT\$28,488,047 thousand, NT\$27,813,089 thousand and NT\$26,729,421 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.
- e. Far Eastern Electronic Toll Collection Corporation (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT\$3,720,631 thousand, NT\$4,010,732 thousand and NT\$3,648,379 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.
- f. Endorsements and guarantees provided to the related parties are shown in Table 6 (attached).
- g. Ming-Chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-Chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Corporation or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of August 10, 2017, the lawsuit was pending before the Taipei High Court.

- h. A subsidiary of FENC, Far Eastern General Contractor Corporation (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of August 10, 2017, the result of the lawsuit was still being awaited.

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

- i. A company subsidiary, FECC, and Far Eastern Department Store Corporation (FEDS) had jointly developed Ban Ciao Zhong Ben (Construction License Number: Year 2010 Letter Chang No. 00135) in line with the Directions for the Urban Land Development Application (the “Directions”). Under the Directions, for the joint developers to be entitled to larger floor area and have a building occupancy permit, they should complete the construction within four years after passing an urban design review. If this deadline is unmet the joint developers should either donate the building or remit a certain amount to the New Taipei City Government (NTCG). Later, the NTCG claimed the construction was not completed on time, but the joint developers disagreed with the NTCG’s claim. Thus, a dispute on this issue arose. Steps have been taken to settle this dispute, and while the settlement is being negotiated, FECC had placed in the Far Eastern International Bank a negotiable certificate of deposit amounting to NT\$109,995 thousand as a pledge based on the NTCG’s requirement. The Ministry of the Interior had dismissed the administrative appeal. FECC disagree the administrative appeal decision, and thus filed an administrative litigation with Taipei High Administrative Court. On April 5, 2017, FECC lost the lawsuit from the judgment made by the Taipei High Administrative Court. FECC will appeal against the judgment.
- j. A Company subsidiary, Far Eastern Electronic Toll Collection Corporation (FETC), has cooperated with government authorities to establish an electronic toll collection system based on the “Establishment and Operating Contract” with Taiwan Area National Freeway Bureau (TANFB). However, on the basis of the system usage rate and the manner of system implementation, TANFB claimed it had the right to penalize FETC for the latter’s failing to achieve the requirements for the electronic toll collection (ETC) system stated in the contract. However, FETC disagreed with the bureau’s interpretation of the contract terms and filed for arbitration with the Negotiation Committee. Nevertheless, both the FETC and TANFB did not agree with the Negotiation Committee’s arbitration. FETC filed a lawsuit against TANFB. The contract terms were as follow:

1) Usage rate

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

TANFB commented that FETC failed to reach the 70% designated usage rate of ETC in the sixth year of the contract and thus violated the contract, for which FETC was liable for a penalty amounting to NT\$427,500 thousand. Nevertheless, TANFB and ETC have reached a consensus to consider the implementation of the above improvement plan as making up for FETC's not meeting the 70% usage rate requirement; there was no reason for TANFB to penalize FETC. In addition, FETC exceeded the 65% usage rate stated in the "Establishment and Operating Contract" for the taximeter phase, and the operation of the taximeter system infrastructure (TSI) was also on track. Thus, there was actually no physical evidence of FETC's violating the contract. For these reasons, FETC said TANFB should not accuse FETC of breach of contract. To settle this matter, FETC applied for a conciliation with TANFB through the Negotiation Committee. The Negotiation Committee suggested TANFB decrease its penalty on FETC because (a) FETC could enter into the taximeter phase since the 65% ETC usage rate had been reached even though this rate was lower than the 70% usage rate stated in the contract; (b) the impact of usage rate to the interest of highway users was markedly diminished (c) the amounts FETC invested in the improvement plan were more than the penalty TANFB claimed.

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

2) Taximeter system infrastructure

TANFB stated FETC breached the contract when FETC was unable to complete the ETC driveway infrastructure by September 21, 2012 as required in the contract. But after FETC negotiated with TANFB through the Negotiation Committee, both the FETC and TANFB agreed to extend the construction period by four months until January 21, 2013. Thus, TANFB should reset the contract expiry date according to the agreement. However, TANFB has not reset the expiry date and set the date FETC had been informed of violation of contract on February 3, 2013 and obligated FETC to complete the ETC driveway infrastructure and taximeter system infrastructure by April 21, 2013. After FETC's conciliation with TANFB through the Negotiation Committee in July 2013, the Negotiation Committee suggested that TANFB recheck the construction results and determine if 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. On May 20, 2016, the Taiwan Taipei District Court made a judgement that FETC should compensate TANFB a penalty. FETC appealed against this judgement to The Taipei High Court on May 31, 2016. As of March 23, 2017, the lawsuit was still on going. FETC has accrued proper provision.

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

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

As of June 30, 2017, Far EasTone has lodged \$2,261,000 thousand in negotiable certificates of deposit as security for the execution of the provisional injunction order ruling, and \$1,056,000 thousand of the negotiable certificates of deposit were returned in July 2017, while TWM provided a counter-security of \$1,474,119 thousand to waive the provisional injunction order ruling.

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

The Taipei District Court pronounced the judgement on May 23, 2016 that TWM has to return the C4 spectrum immediately and is prohibited from any use of the spectrum. Far EasTone lodged \$644,000 thousand in negotiable certificates of deposit as security for the provisional execution of the judgment, and \$321,000 thousand of the negotiable certificates of deposit were returned in July 2017. However, the provisional execution was waived after TWM provided a counter-security of \$961,913 thousand. Both Far EasTone and TWM appealed against the judgment in terms of their unfavorable parts.

37. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In order to reach the demand of the future market and the competition, Far EasTone Telecommunication Corporation, a subsidiary of FENC, provides faster data services by continue providing the mobile voice services and integrating the 4G network to the consumers. From the resolution of the board of directors on July 28, 2017, Far EasTone will participate in the competitive bidding 2017 for the telecom licenses of 2100 MHz and 1800 MHz.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 299,949	30.420 (USD:NTD)	\$ 9,124,449
USD	84,996	6.781 (USD:RMB)	2,585,578
USD	40,340	7.800 (USD:HKD)	1,227,143
USD	1,717	4.473 (USD:MYR)	<u>52,231</u>
			<u>\$ 12,989,401</u>
<u>Financial liabilities</u>			
Monetary items			
USD	199,242	30.420 (USD:NTD)	\$ 6,060,942
USD	59,340	6.781 (USD:RMB)	1,805,123
USD	33,722	7.800 (USD:HKD)	1,025,823
USD	1,495	4.473 (USD:MYR)	<u>45,478</u>
			<u>\$ 8,937,366</u>

December 31, 2016

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

June 30, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 352,227	32.275 (USD:NTD)	\$ 11,368,126
USD	169,400	6.662 (USD:RMB)	5,467,385
USD	39,816	7.800 (USD:HKD)	1,285,061
USD	3,327	4.210 (USD:MYR)	<u>107,379</u>
			<u>\$ 18,227,951</u>
<u>Financial liabilities</u>			
Monetary items			
USD	194,842	32.275 (USD:NTD)	\$ 6,288,526
USD	269,478	6.662 (USD:RMB)	8,697,402
USD	106,084	7.800 (USD:HKD)	3,423,861
USD	4,275	4.210 (USD:MYR)	<u>137,976</u>
			<u>\$ 18,547,765</u>

For the three months and six months ended June 30, 2017 and 2016, (realized and unrealized) net foreign exchange gains (losses) were NT\$74,178 thousand, NT\$(208,191) thousand, NT\$(224,940) thousand and NT\$(648,219) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the functional currencies of the Group entities.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 5 (attached)
- 2) Endorsement/guarantee provided: Table 6 (attached)
- 3) Marketable securities held: Table 7 (attached)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 9 (attached)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: Table 10 (attached)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 11 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 12 (attached)
- 9) Trading in derivative instruments: Notes 7 and 10.
- 10) Intercompany relationships and significant intercompany transactions: Table 13 (attached)
- 11) Information on investees: Table 14 (attached)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 15 and 15-1 (attached)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 3, 4, 5, 6, 11, 12, 13 and 14 (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

40. SEGMENT INFORMATION

Industry Information

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

Segment operating income is the profit generated by each operating segment, which excludes other gain or loss such as interest revenue, revaluation gain on investment properties, gain or loss on disposal of properties and equipment, gain or loss on disposal of concessions, gain or loss on disposal of 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. Segment revenues and results

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

	<u>Segments Revenue</u>		<u>Segments Profit</u>	
	<u>For the Six Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Petrochemical business			\$ (1,057,977)	\$ (514,510)
Revenues generated from external customers	\$ 7,393,599	\$ 8,341,167		
Intersegment revenues	<u>7,360,331</u>	<u>7,766,112</u>		
	<u>14,753,930</u>	<u>16,107,279</u>		
Chemical fiber business			126,513	632,511
Revenues generated from external customers	29,247,036	29,792,743		
Intersegment revenues	<u>486,722</u>	<u>390,447</u>		
	<u>29,733,758</u>	<u>30,183,190</u>		
Textile business			476,149	562,849
Revenues generated from external customers	16,195,559	16,376,648		
Intersegment revenues	<u>51,996</u>	<u>60,099</u>		
	<u>16,247,555</u>	<u>16,436,747</u>		
Mobile services business			7,566,788	7,775,836
Revenues generated from external customers	44,296,211	46,714,324		
Intersegment revenues	<u>120,017</u>	<u>172,307</u>		
	<u>44,416,228</u>	<u>46,886,631</u>		
Real estate development			379,855	257,777
Revenues generated from external customers	3,178,854	2,827,886		
Intersegment revenues	<u>346,013</u>	<u>358,377</u>		
	<u>3,524,867</u>	<u>3,186,263</u>		

(Continued)

	<u>Segments Revenue</u>		<u>Segments Profit</u>	
	<u>For the Six Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2017	2016	2017	2016
Investment and other			\$ 747,980	\$ 147,677
Revenues generated from external customers	\$ 4,483,741	\$ 3,294,410		
Intersegment revenues	<u>146,044</u>	<u>142,135</u>		
	<u>4,629,785</u>	<u>3,436,545</u>		
Adjustment and elimination	<u>(8,364,524)</u>	<u>(8,836,720)</u>	<u>10,965</u>	<u>59,819</u>
Total	<u>\$ 104,941,599</u>	<u>\$ 107,399,935</u>	<u>8,250,273</u>	<u>8,921,959</u>
Interest revenue			154,720	197,272
Exchange loss			(224,940)	(648,219)
Interest expense			(1,241,307)	(1,223,634)
Other revenue and income			<u>481,132</u>	<u>542,569</u>
Profit before tax			<u>\$ 7,419,878</u>	<u>\$ 7,789,947</u> (Concluded)

Note: For the six months ended June 30, 2017, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$1,456,134 thousand and dividend income from associates NT\$195,467 thousand, respectively. For the six months ended June 30, 2016, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$651,040 thousand and dividend income from associates NT\$185,315 thousand, respectively.

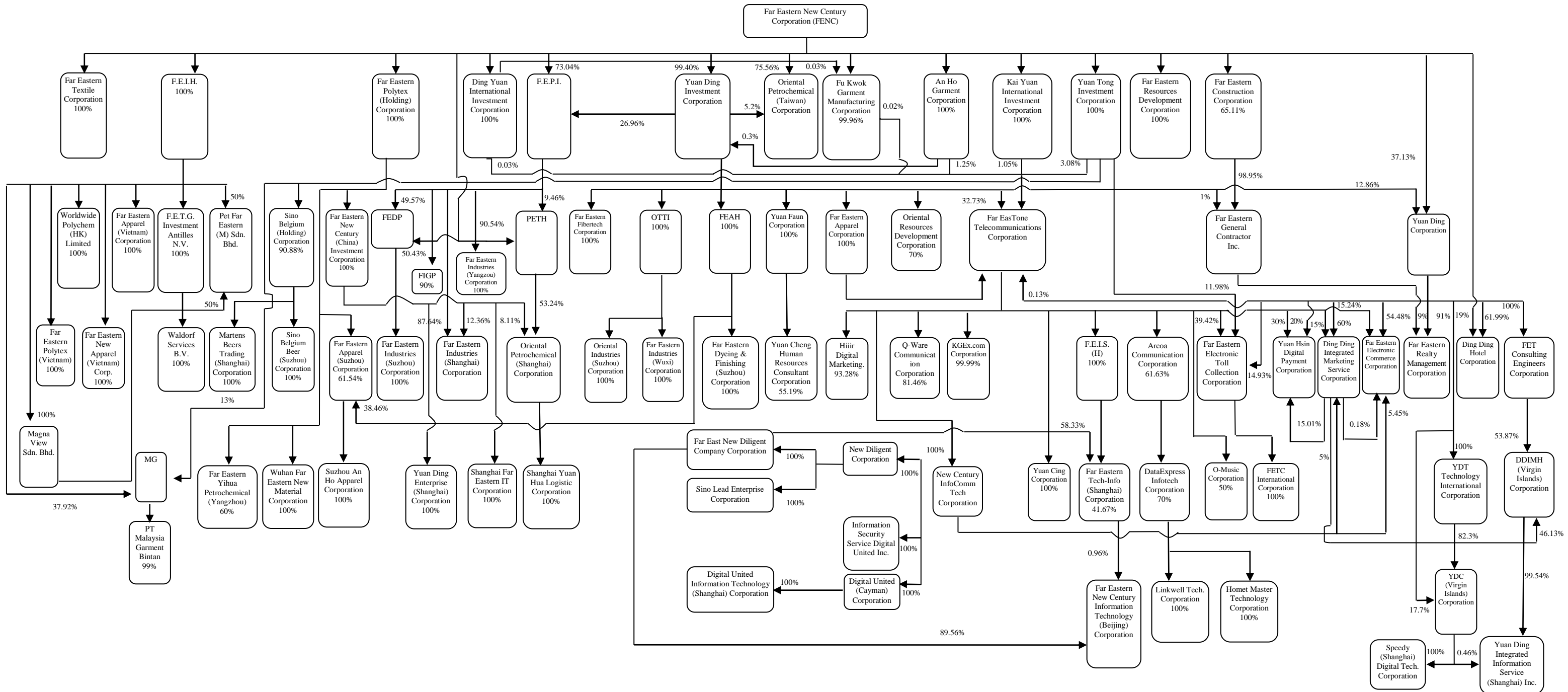
b. Segment total assets and liabilities

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

TABLE 1

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
JUNE 30, 2017**



FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RELATED PARTY NAME AND CATEGORIES
JUNE 30, 2017**

Related Party Name	Related Party Categories
Asia Cement Corporation	Associate
Far Eastern Department Stores Corporation	Associate
Oriental Union Chemical Corporation	Associate
Everest Textile Corporation	Associate
Oriental Securities Corporation	Associate
Yu Yuan Investment Corporation	Associate
Far Eastern International Leasing Corporation	Associate
Liquid Air Far East Corporation	Associate
Da Ju Fiber Corporation	Associate
Far Eastern Union Petrochemical (Yangzhou) Corporation	Associate
Tong Da Air Industry (Yangzhou) Corporation	Associate
Yu Ding Industry Corporation	Associate
Freudenberg Far Eastern Spunweb Corporation	Associate
Yue Ming Corporation	Associate
Far Eastern International Bank	Other related party (the vice chairman of investee is the chairman of FENC)
Shanghai Pacific Department Stores Corporation	Other related party (the subsidiary of FENC's associate)
Dalian Pacific Department Store Corporation	Other related party (the subsidiary of FENC's associate)
Yuan Ze University	Other related party (the same chairman)
Pacific SOGO Department Stores Corporation	Other related party (the subsidiary of FENC's associate)
Sony Music Entertainment Taiwan Corporation	Other related party (corporate director of the subsidiary)
Chengdu Beicheng FEDS Corporation	Other related party (the subsidiary of FENC's associate)
Chengdu Quanxing Pacific Department Store Corporation	Other related party (the subsidiary of FENC's associate)
Pacific (China) Investment Corporation	Other related party (the subsidiary of FENC's associate)
Bai Ding Investment Corporation	Other related party (the subsidiary of FENC's associate)
Shanghai Bai Ding Consultant & Management Corporation	Other related party (the subsidiary of FENC's associate)
Chubei New Century Shopping Mall Corporation	Other related party (the subsidiary of FENC's associate)
Everest Textile (Shanghai) Corporation	Other related party (the subsidiary of FENC's associate)
Ya-Li Precast Prestressed Concrete Industries Corporation	Other related party (the subsidiary of FENC's associate)
Sichuan Yadong Cement Corporation	Other related party (the subsidiary of FENC's associate)
Jiangxi Yadong Cement Corporation	Other related party (the subsidiary of FENC's associate)
Yangzhou Yadong Cement Corporation	Other related party (the subsidiary of FENC's associate)
Hubei Yadong Cement Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Petrochemical (YangZhou) Corporation	Other related party (the subsidiary of FENC's associate)
Ya Tung Department Store Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Institute of Technology	Other related party (the same chairman)
Far Eastern Memorial Hospital	Other related party (the same chairman)

(Continued)

Related Party Name	Related Party Categories
Ya Tung Ready-mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Asia Engineering Enterprise Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Securities Investment Consultant Corporation	Other related party (the subsidiary of FENC's associate)
Asia Cement (China) Holdings Corporation	Other related party (the subsidiary of FENC's associate)
Asia Investment Corporation	Other related party (the subsidiary of FENC's associate)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Wuhan Yaxin Cement Corporation	Other related party (the subsidiary of FENC's associate)
TECO Electric and Machinery Corporation	Other related party (related party in substance)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
Chongqing Metropolitan Plaza Pacific Department Store Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Medical Foundation	Other related party (the same chairman)
Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Other related party (the same chairman)
Telecommunication & Transportation Foundation	Other related party (Far EasTone's donation is over one third of the foundation's fund)
Uni-President Enterprise Corporation	Other related party (supervisor of the subsidiary)
President Chain Store Corporation	Other related party (corporate director of the subsidiary)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's associate)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's associate)
Him International Music Incorporated	Other related party (supervisor of the subsidiary)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)
Ding & Ding Management Consultants Corporation	Other related party (related party in substance)
Chiahui Power Corporation	Other related party (the same chairman)
SYSTEX Corporation	Other related party (related party in substance)
Far Eastern Ai Mai Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Big City Shopping Malls Corporation	Other related party (the subsidiary of FENC's associate)
Chengdu FEDS Corporation	Other related party (the subsidiary of FENC's associate)
Chongqing FEDS Corporation	Other related party (the subsidiary of FENC's associate)
Wuxi FEDS Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern CITYSUPER Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Polyclinic	Other related party (related party in substance)
Yuan Bo Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Property Insurance Agency Corporation	Other related party (related party in substance)
Far Eastern Asset Management Corporation	Other related party (related party in substance)
Der Ching Investment Corporation	Other related party (the subsidiary of FENC's associate)
Universal Music Corporation	Other related party (corporate director of the subsidiary)
Forward Music Corporation	Other related party (corporate director of the subsidiary)
Tranquil Enterprise Corporation	Other related party (related party in substance)

(Concluded)

TABLE 3**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****(In Thousands of New Taiwan Dollars)**

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Sales				
Associates	\$ 389,651	\$ 380,016	\$ 738,514	\$ 666,346
Others	<u>254,405</u>	<u>232,816</u>	<u>461,928</u>	<u>468,774</u>
	<u>\$ 644,056</u>	<u>\$ 612,832</u>	<u>\$ 1,200,442</u>	<u>\$ 1,135,120</u>
Operating cost				
Associates	\$ 388,461	\$ 588,236	\$ 809,050	\$ 1,046,707
Others	<u>216,817</u>	<u>205,975</u>	<u>337,025</u>	<u>327,237</u>
	<u>\$ 605,278</u>	<u>\$ 794,211</u>	<u>\$ 1,146,075</u>	<u>\$ 1,373,944</u>
Operating expense				
Associates	\$ 8,912	\$ 9,968	\$ 17,956	\$ 21,924
Others	<u>105,393</u>	<u>74,261</u>	<u>218,396</u>	<u>162,077</u>
	<u>\$ 114,305</u>	<u>\$ 84,229</u>	<u>\$ 236,352</u>	<u>\$ 184,001</u>
Rental revenue (recognized as operating revenue)				
Associates	\$ 58,539	\$ 58,522	\$ 117,005	\$ 117,002
Others	<u>87,224</u>	<u>104,692</u>	<u>174,322</u>	<u>188,091</u>
	<u>\$ 145,763</u>	<u>\$ 163,214</u>	<u>\$ 291,327</u>	<u>\$ 305,093</u>
Rental expense (recognized as operating cost and expense)				
Associates	\$ 16,928	\$ 23,737	\$ 33,547	\$ 46,591
Others	<u>43,353</u>	<u>44,975</u>	<u>88,400</u>	<u>91,876</u>
	<u>\$ 60,281</u>	<u>\$ 68,712</u>	<u>\$ 121,947</u>	<u>\$ 138,467</u>

(Continued)

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Group had purchased the software equipment, machinery and equipment, construction contracts and Securities from the other related parties amounted to NT\$35,602 thousand for the three months ended June 30, 2017 and NT\$109,188 thousand for the six months ended June 30, 2017. The Group had purchased the software equipments, machinery and equipment and construction contracts amounted to NT\$480 thousand for the three months ended June 30, 2016 and NT\$11,894 thousand for the six months ended June 30, 2016.
- c. The rental expense incurred for rental agreements on factories in Hukou, Hsinchu, hotel, office and equipment rooms in Tainan, base stations and departments around Taiwan. The term of the rental agreements was from January 2009 to January 2029. The revenue generated from renting out some of the floors of the Taipei Metro Tower building and buildings in Chen-Chung Section in Taipei City, Hsin-ban Section in New Taipei City and Xinhua development zone in Shanghai City; the related lease term was from November 2006 to January 2035. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.
- d. Compensation of key management personnel:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Short-term benefits	\$ 60,903	\$ 87,201	\$ 126,377	\$ 167,717
Post-employment benefits	<u>675</u>	<u>660</u>	<u>1,350</u>	<u>1,308</u>
	<u>\$ 61,578</u>	<u>\$ 87,861</u>	<u>\$ 127,727</u>	<u>\$ 169,025</u>

(Concluded)

TABLE 4**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF JUNE 30, 2017 AND 2016****(In Thousands of New Taiwan Dollars)**

	June 30, 2017	December 31, 2016	June 30, 2016
Notes and accounts receivable from related parties			
Associates	\$ 381,420	\$ 508,319	\$ 463,794
Others	<u>484,954</u>	<u>546,310</u>	<u>565,539</u>
	<u>\$ 866,374</u>	<u>\$ 1,054,629</u>	<u>\$ 1,029,333</u>
Notes and accounts payable from related parties			
Associates	\$ 194,596	\$ 182,925	\$ 275,300
Others	<u>261,506</u>	<u>235,826</u>	<u>297,268</u>
	<u>\$ 456,102</u>	<u>\$ 418,751</u>	<u>\$ 572,568</u>
Progress billings			
Associates	\$ 194,985	\$ 98,844	\$ 11,633
Others	<u>783,806</u>	<u>776,844</u>	<u>707,564</u>
	<u>\$ 978,791</u>	<u>\$ 875,688</u>	<u>\$ 719,197</u>
Guarantee deposits received			
Associates	\$ 10,899	\$ 10,899	\$ 10,889
Others	<u>123,850</u>	<u>168,222</u>	<u>189,761</u>
	<u>\$ 134,749</u>	<u>\$ 179,121</u>	<u>\$ 200,650</u>
Deferred credit - gains on related parties transactions			
Associates			
Oriental Securities Corporation	\$ 111,982	\$ 112,260	\$ 112,538
Far Eastern International Leasing Corporation	-	-	24,326
Others	2,594	2,594	2,594
Other related parties	<u>9,338</u>	<u>9,338</u>	<u>9,338</u>
	<u>\$ 123,914</u>	<u>\$ 124,192</u>	<u>\$ 148,796</u>

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

	June 30, 2017	December 31, 2016	June 30, 2016
Associates			
Yu Ding Industry Corporation	\$ 440,000	\$ 680,000	\$ 680,000
Far Eastern Union Petrochemical (Yangzhou) Corporation	2,736,460	2,816,370	2,713,200
Da Ju Fiber Corporation	656,000	940,000	940,000
Other related parties	<u>224,300</u>	<u>230,850</u>	<u>145,350</u>
	<u>\$ 4,056,760</u>	<u>\$ 4,667,220</u>	<u>\$ 4,478,550</u>

Interests income from loans to related parties:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Associates				
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 15,169	\$ 12,440	\$ 32,012	\$ 28,016
Others	3,724	4,209	8,188	8,364
Other related parties	<u>1,052</u>	<u>1,537</u>	<u>2,120</u>	<u>3,196</u>
	<u>\$ 19,945</u>	<u>\$ 18,186</u>	<u>\$ 42,320</u>	<u>\$ 39,576</u>

Loans from related parties:

	June 30, 2017	December 31, 2016	June 30, 2016
Other related parties (recognized as short-term borrowings - loans from related parties)	\$ 3,689,157	\$ 3,487,023	\$ 3,525,741
Other related parties (recognized as long-term borrowings - bank loans)	<u>200,000</u>	<u>600,000</u>	<u>-</u>
	<u>\$ 3,889,157</u>	<u>\$ 4,087,023</u>	<u>\$ 3,525,741</u>

Interests expense from loans from related parties:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Other related parties	<u>\$ 2,189</u>	<u>\$ -</u>	<u>\$ 4,289</u>	<u>\$ -</u>

(Continued)

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

	June 30, 2017	December 31, 2016	June 30, 2016
Other related parties			
Far Eastern International Bank	<u>\$ 13,843,783</u>	<u>\$ 9,371,078</u>	<u>\$ 8,957,705</u>

The Group had bank deposits and time deposits (recognized as cash, cash equivalents and debt investments with no active market) in Far Eastern International Bank. In addition, the deposits included the proceeds of Far EastOne's sale of prepaid cards, sale of international calling cards and highway toll fees, which were consigned to Far Eastern International Bank as trust fund, which were recognized as other financial assets. The interests income were NT\$13,168 thousand and NT\$25,671 thousand for the three months ended June 30, 2017 and 2016; NT\$35,737 thousand and NT\$52,155 thousand for the six months ended June 30, 2017 and 2016, respectively.

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

	June 30, 2017	December 31, 2016	June 30, 2016
Other related parties			
Far Eastern International Bank	<u>\$ (4,762)</u>	<u>\$ 1,197</u>	<u>\$ (14,226)</u>

The Group signed forward exchange contracts, option contracts, combined exchange options and cross-currency swap contracts with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at fair value through profit or loss were NT\$33 thousand and NT\$102,413 thousand for the three months ended June 30, 2017 and 2016; NT\$(8,982) thousand and NT\$(654) thousand for the six months ended June 30, 2017 and 2016, respectively.

Derivative financial assets (liabilities) for hedging - current

	June 30, 2017	December 31, 2016	June 30, 2016
Other related parties			
Far Eastern International Bank	<u>\$ (3,650)</u>	<u>\$ (7,538)</u>	<u>\$ 4,888</u>

The Group signed foreign exchange swap contracts with other related parties and recognized as derivative financial assets (liabilities) for hedging. Notional amount were all US\$20,000 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016.

Note:

- The terms of sales to and purchases from other related parties were based on the agreements.
- The rent receivables from renting out the factories to other related parties (recognized as other receivables) were NT\$280,406 thousand, NT\$355,322 thousand and NT\$311,512 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively.
- The Group had sold investment properties - land to Far Eastern Medical Foundation in 2015. As of June 30, 2017, December 31, 2016 and June 30, 2016, the unreceived amount which recognized as other receivables from related parties were NT\$180,000 thousand, NT\$360,000 thousand and NT\$180,000 thousand, respectively. And other receivables from related parties - noncurrent were NT\$1,440,000 thousand, NT\$1,440,000 thousand, and NT\$1,620,000 thousand, respectively.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	Yuan Ding Investment Corporation	Far Eastern Apparel Corporation	Receivables from related parties	Yes	\$ 50,000	\$ 50,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,831,674	\$ 19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Ding Yuan International Investment Corporation	Receivables from related parties	Yes	400,000	400,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Oriental Resources Development Corporation	Receivables from related parties	Yes	600,000	600,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Far Eastern Resources Development Corporation	Receivables from related parties	Yes	1,000,000	1,000,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Yuan Tong Investment Corporation	Receivables from related parties	Yes	750,000	750,000	-	1.46-1.52	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Kai Yuan International Investment Corporation	Receivables from related parties	Yes	1,200,000	1,200,000	402,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		An Ho Garment Corporation	Receivables from related parties	Yes	800,000	800,000	434,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
		Yu Ding Industry Corporation	Receivables from related parties	Yes	680,000	640,000	440,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
Da Ju Fiber Corporation	Receivables from related parties	Yes	961,000	961,000	656,000	1.27-1.52	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)		
2	Yuan Tong Investment Corporation	Far Eastern Resources Development Corporation	Receivables from related parties	Yes	500,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	805,214	4,026,068	Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note J)
3	Far EasTone Telecommunications Corporation	Q-ware Communications Corporation	Receivables from related parties	Yes	250,000	250,000	163,000	1.56-1.58	2	-	For revolving fund	-	-	-	6,460,668	32,303,339	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
4	New Century InfoComm Corporation	Q-ware Communications Corporation	Receivables from related parties	Yes	250,000	-	-	1.33	2	-	For revolving fund	-	-	-	5,792,197	11,584,395	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D)
		Far EasTone Telecommunications Corporation	Receivables from related parties	Yes	4,000,000	2,500,000	-	0.83	1	3,173,392	-	-	-	-	3,173,392	11,584,395	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note D)
		Far EasTone Telecommunications Corporation	Receivables from related parties	Yes	5,500,000	5,500,000	-	0.83	2	-	For revolving fund	-	-	-	5,792,197	11,584,395	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D)
5	Yuan Ding Corporation	Far Eastern Technical Consultants Corporation	Receivables from related parties	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Ding Ding Integrated Marketing Service Corporation	Receivables from related parties	Yes	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Far Eastern Electronic Commerce Corporation	Receivables from related parties	Yes	400,000	-	-	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Yuan Ding Integrated Information Service (Shanghai) Corporation	Receivables from related parties	Yes	\$ 125,380	\$ 121,680	\$ 91,260	1.9-2.1	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,431,124	\$ 3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
		Ding Ding Hotel Corporation	Receivables from related parties	Yes	800,000	800,000	300,000	1.024-1.1679	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note J)
6	YDT Technology International Corporation	Yuan Ding Corporation	Receivables from related parties	Yes	130,000	100,000	-	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	125,979	157,474	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)
7	FET Consulting Engineers Corporation	Yuan Ding Corporation	Receivables from related parties	Yes	200,000	180,000	-	1.024-1.1679	2	-	For revolving fund	-	Promissory note	-	185,713	232,141	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)
8	Ding Ding Integrated Marketing Service Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	Receivables from related parties	Yes	125,380	60,840	60,840	1.75-2.1	2	-	For revolving fund	-	Promissory note	-	135,036	168,795	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)
9	Far Eastern Investment (Holding) Corporation	Far Eastern Polytex (Holding) Corporation	Receivables from affiliates	Yes	304,200	304,200	-	2.31767	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Apparel (Holding) Corporation	Receivables from affiliates	Yes	1,216,800	1,216,800	-	-	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		PET Far Eastern (Holding) Corporation	Receivables from affiliates	Yes	2,433,600	2,433,600	26,916	5.65767-5.93883	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Worldwide Polychem (HK) Corporation	Receivables from affiliates	Yes	304,200	304,200	97,344	-	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Sino Belgium (Holding) Corporation	Receivables from affiliates	Yes	456,300	456,300	149,058	2.31767	2	-	For revolving fund	-	Promissory note	-	3,562,926	3,562,926	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	304,200	304,200	180,995	-	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Apparel (Vietnam) Corporation	Receivables from affiliates	Yes	608,400	608,400	228,150	-	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Corporation	Receivables from affiliates	Yes	2,129,400	2,129,400	450,216	2.31767	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Apparel (Vietnam) Corporation	Receivables from affiliates	Yes	912,600	912,600	453,258	-	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Oriental Textile (Holding) Corporation	Receivables from affiliates	Yes	2,433,600	2,433,600	1,058,616	2.31767	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	1,852,718	1,852,718	1,749,853	-	2	-	For revolving fund	-	Promissory note	-	4,453,658	13,360,974	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
10	Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Suzhou) Corporation	Receivables from affiliates	Yes	608,400	608,400	-	-	2	-	For revolving fund	-	Promissory note	-	1,384,743	4,154,230	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	912,600	912,600	-	2.31767	2	-	For revolving fund	-	Promissory note	-	1,384,743	4,154,230	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	Receivables from affiliates	Yes	608,400	608,400	516,610	-	2	-	For revolving fund	-	Promissory note	-	1,384,743	4,154,230	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	Oriental Textile (Holding) Corporation	Sino Belgium Beer (Suzhou) Corporation	Receivables from affiliates	Yes	\$ 182,520	\$ 182,520	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,668,524	\$ 11,005,571	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Sino Belgium (Holding) Corporation	Receivables from affiliates	Yes	304,200	304,200	-	-	2	-	For revolving fund	-	Promissory note	-	2,934,819	2,934,819	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Far Eastern Industries (WuXi) Corporation	Receivables from affiliates	Yes	608,400	608,400	-	-	2	-	For revolving fund	-	Promissory note	-	3,668,524	11,005,571	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	304,200	304,200	197,384	5.65767-5.92850	2	-	For revolving fund	-	Promissory note	-	3,668,524	11,005,571	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Oriental Industries (Suzhou) Corporation	Receivables from affiliates	Yes	1,825,200	1,825,200	486,720	-	2	-	For revolving fund	-	Promissory note	-	3,668,524	11,005,571	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	1,973,840	1,973,840	1,103,556	1.265	2	-	For revolving fund	-	Promissory note	-	3,668,524	11,005,571	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
12	Far Eastern Polychem Industries Corporation	Far Eastern Ishizuka Green Pet Corporation	Receivables from affiliates	Yes	407,400	407,400	-	2.31767	2	-	For revolving fund	-	Promissory note	-	4,489,737	13,469,210	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Wuhan Far Eastern New Material Corporation	Receivables from affiliates	Yes	121,680	121,680	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,737	13,469,210	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Suzhou) Corporation	Receivables from affiliates	Yes	1,429,740	1,429,740	-	-	2	-	For revolving fund	-	Promissory note	-	4,489,737	13,469,210	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Shanghai) Corporation	Receivables from affiliates	Yes	1,916,460	1,825,200	91,260	-	2	-	For revolving fund	-	Promissory note	-	3,591,789	3,591,789	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	456,300	456,300	224,300	5.65767-5.93883	2	-	For revolving fund	-	Promissory note	-	4,489,737	13,469,210	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	2,646,740	2,646,740	628,040	1.265	2	-	For revolving fund	-	Promissory note	-	4,489,737	13,469,210	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
13	PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	608,400	608,400	-	-	2	-	For revolving fund	-	Promissory note	-	1,909,234	1,909,234	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	2,108,420	2,108,420	269,160	1.265	2	-	For revolving fund	-	Promissory note	-	2,386,543	7,159,629	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
14	FEDP (Holding) Corporation	Far Eastern Polychem Industries Corporation	Receivables from affiliates	Yes	152,100	152,100	60,840	2.31767	2	-	For revolving fund	-	Promissory note	-	175,474	526,422	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	152,100	152,100	152,100	2.31767	2	-	For revolving fund	-	Promissory note	-	175,474	526,422	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
15	Waldorf Services B.V.	Oriental Textile (Holding) Corporation	Receivables from affiliates	Yes	456,300	-	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Polychem Industries Corporation	Receivables from affiliates	Yes	456,300	-	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Investment (Holding) Corporation	Receivables from affiliates	Yes	456,300	-	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
16	Far Eastern Polytex (Holding) Corporation	Far Eastern New Century (China) Investment Corporation	Receivables from affiliates	Yes	\$ 100,386	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,931,546	\$ 11,794,637	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Wuhan Far Eastern New Material Corporation	Receivables from affiliates	Yes	121,680	121,680	-	-	2	-	For revolving fund	-	Promissory note	-	3,931,546	11,794,637	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
17	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	897,200	897,200	116,636	2.61	2	-	For revolving fund	-	Promissory note	-	2,198,727	4,886,060	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	224,300	224,300	224,300	2.00	2	-	For revolving fund	-	Promissory note	-	977,212	977,212	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,345,800	1,345,800	1,214,849	2.58078-2.75	2	-	For revolving fund	-	Promissory note	-	2,198,727	4,886,060	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
18	Far Eastern Apparel (Suzhou) Corporation	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	358,880	-	-	-	2	-	For revolving fund	-	Promissory note	-	554,929	554,929	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Far Eastern Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	897,200	-	-	2.61	2	-	For revolving fund	-	Promissory note	-	1,248,591	2,774,646	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Industries (WuXi) Corporation	Other receivables - loans to related parties	Yes	291,590	291,590	291,590	2.61	2	-	For revolving fund	-	Promissory note	-	1,248,591	2,774,646	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,076,640	1,076,640	839,918	2.58078-2.75	2	-	For revolving fund	-	Promissory note	-	1,248,591	2,774,646	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
19	Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	44,860	44,860	-	-	2	-	For revolving fund	-	Promissory note	-	103,834	230,742	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
20	Oriental Industries (Suzhou) Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	224,300	224,300	-	-	2	-	For revolving fund	-	Promissory note	-	4,841,701	10,759,336	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Apparel (Suzhou) Corporation	Other receivables - loans to related parties	Yes	448,600	448,600	-	-	2	-	For revolving fund	-	Promissory note	-	4,841,701	10,759,336	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	Other receivables - loans to related parties	Yes	448,600	448,600	-	-	2	-	For revolving fund	-	Promissory note	-	4,841,701	10,759,336	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Industries (WuXi) Corporation	Other receivables - loans to related parties	Yes	897,200	897,200	-	-	2	-	For revolving fund	-	Promissory note	-	4,841,701	10,759,336	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	762,620	269,160	269,160	2.00-3.915	2	-	For revolving fund	-	Promissory note	-	2,151,867	2,151,867	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Sino Belgium Beer (Suzhou) Corporation	Other receivables - loans to related parties	Yes	897,200	897,200	760,238	2.93435-3.00703	2	-	For revolving fund	-	Promissory note	-	4,841,701	10,759,336	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
21	Far Eastern Industries (WuXi) Corporation	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	269,160	269,160	269,160	4.03	2	-	For revolving fund	-	Promissory note	-	1,173,682	1,173,682	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	897,200	897,200	529,644	2.58078-2.75	2	-	For revolving fund	-	Promissory note	-	2,640,784	5,868,408	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note N)
22	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	224,300	224,300	-	1.265	2	-	For revolving fund	-	Promissory note	-	227,984	683,953	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
23	Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	\$ 672,900	\$ 672,900	\$ -	1.265	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,050,340	\$ 7,290,613	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	897,200	448,600	448,600	2.00-4.35	2	-	For revolving fund	-	Promissory note	-	3,240,272	3,240,272	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	2,243,000	1,973,840	1,525,240	2.00-4.35	1	4,878,844	-	-	Promissory note	-	4,050,340	4,050,340	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,659,820	1,659,820	1,659,820	2.00	2	-	For revolving fund	-	Promissory note	-	3,240,272	3,240,272	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)
24	Wuhan Far Eastern New Material Corporation	Far Eastern New Century (China) Investment Corporation	Other receivables - loans to related parties	Yes	89,720	89,720	-	1.265	2	-	For revolving fund	-	Promissory note	-	466,419	839,554	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K)
25	Far Eastern New Century (China) Investment Corporation	Shanghai Yuan Zi Information Technology Corporation	Other receivables - loans to related parties	Yes	44,860	44,860	-	-	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Oriental Textile (Holding) Corporation	Other receivables - loans to related parties	Yes	89,720	89,720	-	-	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Far Eastern Polychem Industries Corporation	Other receivables - loans to related parties	Yes	89,720	89,720	-	-	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		PET Far Eastern (Holding) Corporation	Other receivables - loans to related parties	Yes	89,720	89,720	-	-	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Oriental Industries (Suzhou) Corporation	Other receivables - loans to related parties	Yes	1,121,500	1,121,500	4	1.265	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Wuhan Far Eastern New Material Corporation	Other receivables - loans to related parties	Yes	89,720	89,720	13,113	1.265	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	53,832	53,832	24,713	1.265	2	-	For revolving fund	-	Promissory note	-	5,919,389	8,287,145	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	731,218	448,600	447,097	1.265-2.00	2	-	For revolving fund	-	Promissory note	-	947,102	947,102	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note I)

Notes: A. Reasons for financing are as follows:

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

B. The limitation is 10% of the net value of the financier from reviewed financial statements as of June 30, 2017.

C. The limitation is 25% of the net value of the financier from reviewed financial statements as of June 30, 2017.

D. The limitation is 50% of the net value of the financier from reviewed financial statements as of June 30, 2017.

E. The limitation is 5% of the net value of the financier from audited financial statements as of December 31, 2016.

F. The limitation is 10% of the net value of the financier from audited financial statements as of December 31, 2016.

G. The limitation is 15% of the net value of the financier from audited financial statements as of December 31, 2016.

H. The limitation is 20% of the net value of the financier from audited financial statements as of December 31, 2016.

I. The limitation is 40% of the net value of the financier from audited financial statements as of December 31, 2016.

J. The limitation is 50% of the net value of the financier from audited financial statements as of December 31, 2016.

K. The limitation is 90% of the net value of the financier from audited financial statements as of December 31, 2016.

(Continued)

- L. The limitation is 100% of the net value of the financier from audited financial statements as of December 31, 2016.
- M. The limitation is 150% of the net value of the financier from audited financial statements as of December 31, 2016.
- N. The limitation is 200% of the net value of the financier from audited financial statements as of December 31, 2016.
- O. The limitation is 250% of the net value of the financier from audited financial statements as of December 31, 2016.
- P. The limitation is 350% of the net value of the financier from audited financial statements as of December 31, 2016.
- Q. The limitation is business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Corporation	(Note A)	\$ 94,135,035	\$ 1,200,000	\$ -	\$ -	\$ -	-	\$ 188,270,069	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
1	Yuan Ding Investment Corporation	Oriental Resources Development Corporation	(Note A)	19,158,370	250,000	250,000	40,000	-	0.65	38,316,740	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Da Ju Fiber Corporation	(Note B)	19,158,370	320,000	280,000	120,000	-	0.73	38,316,740	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		PET Far Eastern (Holding) Corporation	(Note C)	18,827,007	626,900	608,400	594,169	-	1.59	18,827,007	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Oriental Textile (Holding) Corporation	(Note A)	19,158,370	626,900	608,400	605,610	-	1.59	38,316,740	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Far Eastern Polychem Industries Corporation	(Note C)	18,827,007	940,350	912,600	902,645	-	2.38	18,827,007	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Oriental Industries (Suzhou) Corporation	(Note A)	19,158,370	1,567,250	1,521,000	668,827	-	3.97	38,316,740	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
2	Far Eastern Resources Development Corporation	Far Eastern New Century Corporation	(Note D)	13,495,011	5,708,448	5,708,448	5,602,000	5,708,448	3.03	26,990,022	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
3	Yuan Ding Corporation	Ding Ding Hotel Corporation	(Note A)	3,577,810	2,053,000	2,043,000	1,385,000	650,000	1.09	7,155,619	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		Yuan Ding Integrated Information Service (Shanghai) Corporation	(Note A)	3,577,810	125,380	60,840	-	-	0.03	7,155,619	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
4	FET Consulting Engineers Corporation	Yuan Ding Corporation	(Note A)	\$ 232,141	\$ 230,000	\$ 230,000	\$ -	\$ 230,000	0.12	\$ 464,282	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
5	Far Eastern Construction Corporation	Far Eastern General Contractor Corporation	(Note A)	38,603,079	154,300	154,300	154,300	-	1.2	38,603,079	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K).
6	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	94,135,035	766,250	760,500	665,561	-	0.4	188,270,069	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
		Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	94,135,035	1,194,660	1,194,660	621,331	-	0.63	188,270,069	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
7	Oriental Industries (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	94,135,035	626,900	608,400	64,639	-	1.59	188,270,069	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
8	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	94,135,035	321,020	314,020	-	-	0.82	188,270,069	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).

Notes: A. Subsidiary.

B. Equity-method investee.

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

D. Parent company of the investee.

E. The amount of the collateral/guarantee is based on 50% of the net value of the guarantor from the latest reviewed financial statements.

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

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

H. The amount of the collateral/guarantee is based on the net value of the guarantor from the latest audited financial statements.

I. The amount of the collateral/guarantee is based on the lower of 10% of the net value of the ultimate parent company from the reviewed financial statements as of June 30, 2017, and 50% of the net value of Yuan Ding Investment Corporation (based on reviewed financial statements as of June 30, 2017).

J. The amount of the collateral/guarantee is based on the lower of 10% of the net value of the ultimate parent company from the reviewed financial statements as of June 30, 2017, and the net value of Yuan Ding Investment Corporation (based on reviewed financial statements as of June 30, 2017).

K. The amount of the collateral/guarantee is based on 300% of the net value of the guarantor from the latest reviewed financial statements.

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

(Continued)

- M. The amount of the collateral/guarantee is based on the net value of the ultimate parent company from the latest reviewed financial statements.
- N. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
- O. There will be a “Yes” if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in Mainland China.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

JUNE 30, 2017

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 15,053,804	22.33	\$ 19,588,346	19,900 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	241,770	4,552,724	17.06	3,807,873	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,235,888	9.17	1,973,549	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	129	1,499	0.03	2,100	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	1,920,055	19.65	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	135,000	1,819,078	16.83	-	
	Yuan Ding Investment Corporation	(Note A)	Investments accounted for using the equity method	1,822,822	37,758,143	99.40	-	
	Far Eastern Resources Development Corporation	(Note A)	Investments accounted for using the equity method	667,242	101,540,252	100.00	-	
	Far Eastern Polytex (Holding) Corporation	(Note A)	Investments accounted for using the equity method	135	7,619,495	100.00	-	
	Far Eastern Polychem Industries Corporation	(Note A)	Investments accounted for using the equity method	830,815	6,782,240	73.04	-	
	Yuan Tong Investment Corporation	(Note A)	Investments accounted for using the equity method	705,147	7,848,258	100.00	-	
	Kai Yuan International Investment Corporation	(Note A)	Investments accounted for using the equity method	302,843	4,940,602	100.00	-	
	Far Eastern Investment (Holding) Corporation	(Note A)	Investments accounted for using the equity method	1,700	8,697,655	100.00	-	
	PET Far Eastern (Holding) Corporation	(Note A)	Investments accounted for using the equity method	333	4,200,920	90.54	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,334,427	8,269,098	75.56	-	
	Far Eastern Construction Corporation	(Note A)	Investments accounted for using the equity method	198,791	8,000,709	65.11	-	
	Yuan Ding Corporation	(Note A)	Investments accounted for using the equity method	186,929	3,035,054	37.13	-	
	An Ho Garment Corporation	(Note A)	Investments accounted for using the equity method	66,346	1,869,686	100.00	-	
	Ding Yuan International Investment Corporation	(Note A)	Investments accounted for using the equity method	205,000	2,646,815	100.00	-	
	FEDP (Holding) Corporation	(Note A)	Investments accounted for using the equity method	244	149,438	50.43	-	
Fu Kwok Garment Manufacturing Corporation	(Note A)	Investments accounted for using the equity method	3,999	227,974	99.96	-		
Ding Ding Hotel Corporation	(Note A)	Other liabilities - other	19,772	(54,909)	19.00	-		
Far Eastern Textile Corporation	(Note A)	Investments accounted for using the equity method	100	1,477	100.00	-		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	81,374	795,834	2.62	795,834		
Yuan Ding Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	21,000	608,569	0.62	548,087	43,145 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,252,582	8.00	1,720,870	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	21,588	433,917	1.52	340,011	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	118,869	1,100,151	25.23	1,931,625	
	Far Eastone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	1,066,658	21,083,377	32.73	82,665,965	
	Far Eastern Polychem Industries Corporation	(Note A)	Investments accounted for using the equity method	306,644	2,503,412	26.96	-	
	Far Eastern Apparel (Holding) Corporation	(Note A)	Investments accounted for using the equity method	111	3,234,354	100.00	-	
	Da Ju Fiber Corporation	(Note A)	Investments accounted for using the equity method	46,418	1,619,392	41.86	-	
	Far Eastern Apparel Corporation	(Note A)	Investments accounted for using the equity method	24,736	144,022	100.00	-	
	Yuan Faun Corporation	(Note A)	Investments accounted for using the equity method	5,000	122,104	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	3,830	61,987	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	384,929	46.20	-	
	Far Eastern Fibertech Corporation	(Note A)	Investments accounted for using the equity method	91,000	1,124,938	100.00	-	
	Oriental Resources Development Corporation	(Note A)	Investments accounted for using the equity method	34,242	335,996	70.00	-	
	Liquid Air Far East Corporation	(Note A)	Investments accounted for using the equity method	86,615	1,634,517	35.00	-	
	Freudenberg Far Eastern Spunweb Corporation	(Note A)	Investments accounted for using the equity method	13,052	275,477	29.80	-	
Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,642,134	25.96	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
	Yuan Ding Corporation	(Note A)	Investments accounted for using the equity method	64,759	\$ 1,076,513	12.86	\$ -	16,500 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	923,975	16.87	-	
	Oriental Textile (Holding) Corporation	(Note A)	Investments accounted for using the equity method	110	7,870,140	100.00	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	119,653	1,526,007	14.92	-	
	Yu Yuan Investment Corporation	(Note A)	Investments accounted for using the equity method	98,198	215,668	18.96	-	
	Far Eastern General Contractor Corporation	(Note A)	Investments accounted for using the equity method	1,490	21,511	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	91,766	577,756	5.20	-	
	Chung Nan Textile Corporation	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Overseas Investment and Development Corporation	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	Universal Venture Capital Investment Corporation	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	China Investment and Development Corporation	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Taiwan Stock Exchange Corporation	-	Financial assets carried at cost - non-current	1,055	22,493	0.16	-	
	Oriental Securities Investment Consultant Corporation	-	Financial assets carried at cost - non-current	1	10	-	-	
	Dah Chung Bills Finance Corporation	-	Financial assets carried at cost - non-current	2,254	30,669	0.50	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	8,859	281,716	1.05	281,716	
	Far Eastern International Bank Financial assets under asset management contracts (Note G)	(Note C)	Available-for-sale financial assets - non-current	110,705	1,082,697	3.56	1,082,697	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	180	14,706	-	14,706	
	Grand Pacific Petrochemical Corporation	-	Financial assets at fair value through profit or loss - current	600	12,720	-	12,720	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	130	12,415	-	12,415	
	KINIK COMPANY	-	Financial assets at fair value through profit or loss - current	135	10,368	-	10,368	
	TSRC Corporation	-	Financial assets at fair value through profit or loss - current	625	21,875	-	21,875	
	Cheng Shin Rubber Ind. Corporation	-	Financial assets at fair value through profit or loss - current	200	12,940	-	12,940	
	NANTEX INDUSTRY CORPORATION	-	Financial assets at fair value through profit or loss - current	295	7,080	-	7,080	
	Synnex Technology International Corporation	-	Financial assets at fair value through profit or loss - current	759	25,882	-	25,882	
	Inventec Corporation	-	Financial assets at fair value through profit or loss - current	1,250	31,000	-	31,000	
	EPISTAR Corporation	-	Financial assets at fair value through profit or loss - current	450	12,622	-	12,622	
	SINCERE NAVIGATION CORPORATION	-	Financial assets at fair value through profit or loss - current	366	7,814	-	7,814	
	Shin Ze Shing Corporation	-	Financial assets at fair value through profit or loss - current	150	14,475	-	14,475	
	CHONG HONG CONSTRUCTION CORPORATION	-	Financial assets at fair value through profit or loss - current	210	14,427	-	14,427	
Far Eastern Investment (Holding) Corporation	FETG Investment Antilles N.V.	(Note A)	Investments accounted for using the equity method	6	480,516	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	201,198	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	12,576	20.00	-	
	Far Eastern Apparel (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	571,852	100.00	-	
	Worldwide Polychem (HK) Corporation	(Note A)	Investments accounted for using the equity method	2,700	58,728	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note I)	1,610	34.00	-	
	Far Eastern Polytex (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	2,894,510	100.00	-	
	Far Eastern New Apparel (Vietnam) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	28,521	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	172,486	100.00	-	
	Malaysia Garment Manufactures Pte. Corporation	(Note A)	Investments accounted for using the equity method	30	476,075	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	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
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	\$ 201,198	50.00	\$ -	
Ding Yuan International Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	421,797	0.39	345,087	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	5,103	106,610	0.36	80,372	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,093	8,883	0.23	17,763	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	652,652	3.09	664,982	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	920	39,597	0.03	71,273	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	18,000	224,203	2.24	-	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	12,315	323,926	13.20	-	
	Fu Kwok Garment Manufacturing Corporation	(Note A)	Investments accounted for using the equity method	1	60	0.03	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	82,262	804,527	2.64	804,527	15,000 thousand shares pledged or mortgaged as collaterals for loans.
Kai Yuan International Investment Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	633,914	0.60	527,416	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	34,149	1,069,151	1.05	2,646,550	16,100 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,273	648,676	3.64	784,238	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	20,672	552,155	1.46	325,587	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	464,780	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	925,030	16.80	-	
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	18,000	224,405	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	99,870	976,730	3.21	976,730	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	422	13,420	0.05	13,420	
Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	7,289,560	87.64	-	
	PET Far Eastern (Holding) Corporation	(Note A)	Investments accounted for using the equity method	35	442,910	9.46	-	
	FEDP (Holding) Corporation	(Note A)	Investments accounted for using the equity method	240	146,888	49.57	-	
	Far Eastern Industries (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,400,964	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	630,844	90.00	-	
	Bank of Chongqing	-	Available-for-sale financial assets - non-current	3,884	94,436	0.12	94,436	
	Nippon Parison Corporation	-	Financial assets carried at cost - non-current	4	66,021	10.00	-	
Far Eastern Construction Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	506,767	0.53	462,652	
	Far Eastern General Contractor Corporation	(Note A)	Investments accounted for using the equity method	147,413	1,975,309	98.95	-	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	50,555	0.19	50,555	
Far Eastern Apparel (Holding) Corporation	Far Eastern Apparel (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	558,652	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	2,632,699	100.00	-	
Far Eastern Apparel Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	13,653	0.01	12,241	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	90	6,113	-	6,975	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	8	104	0.01	-	
Far Eastern General Contractor Corporation	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	23,738	0.09	23,738	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	9,687	51,557	3.48	-	
	Ya-Li Precast Prestressed Concrete Industries Corporation	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	Far Eastern Technical Consultants Corporation	(Note A)	Investments accounted for using the equity method	450	5,868	9.00	-	
	DFE DWS Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	2,246	26,064	-	26,064	
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	4,748	72,054	-	72,054	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note	
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)		
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	\$ 498,448	100.00	\$ -	10,950 thousand shares pledged or mortgaged as collaterals for loans.	
Waldorf Services B.V.	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	-	-		
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note I)	(43)	99.00	-		
An Ho Garment Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	40,818	985,681	1.25	3,163,363		
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	220,916	0.18	159,045		
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	255,339	1.26	272,257		
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	370	10,923	0.03	5,825		
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	7,688	103,465	1.08	-		
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	14,618	286,183	15.66	-		
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	9,681	125,858	1.21	-		
	Yuan Ding Investment Corporation	(Note A)	Investments accounted for using the equity method	5,502	157,613	0.30	-		
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	20,485	204,948	0.66	204,948		
Yuan Faun Corporation	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	12,238	55.19	-		
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	4,256	42,452	0.14	42,452		
	Yi Tong Fiber Corporation	-	Financial assets carried at cost - non-current	3,154	25,014	3.56	-		
Fu Kwok Garment Manufacturing Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	520	19,599	0.02	40,300		
Yuan Tong Investment Corporation	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	100,237	2,588,525	3.08	7,768,370		26,700 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	39,619	1,202,609	2.80	623,992		
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,656,885	5.61	1,207,841		
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	998,481	0.85	745,922		
	Pacific Liu Tong Investment Corporation (Note H)	(Note A)	Investments accounted for using the equity method	18,000	223,206	2.24	-		
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	35,934	346,815	11.98	-		
	Liquid Air Far East Corporation	(Note A)	Investments accounted for using the equity method	1	23	-	-		
	Sino Belgium (Holding) Corporation	(Note A)	Other liabilities - other	36	(356,183)	90.88	-		
	Freudenberg Far Eastern Spunweb Corporation	(Note A)	Investments accounted for using the equity method	1	30	-	-		
	Malaysia Garment Manufactures Pte. Corporation	(Note A)	Investments accounted for using the equity method	10	163,212	13.00	-		
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,796	193,600	0.64	193,600		
	Ding Shen Investment Corporation	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-		
	Bockhold N.V - stock	-	Financial assets carried at cost - non-current	1	182,283	12.51	-		
	Financial assets under asset management contracts (Note G)	-		-	-	-	-		
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	180	29,970	-	29,970		
	TSRC Corporation	-	Financial assets at fair value through profit or loss - current	520	18,200	-	18,200		
	KINIK COMPANY	-	Financial assets at fair value through profit or loss - current	150	11,520	-	11,520		
	Ardentec Corporation	-	Financial assets at fair value through profit or loss - current	800	21,600	-	21,600		
	CHONG HONG CONSTRUCTION CORPORATION	-	Financial assets at fair value through profit or loss - current	215	14,770	-	14,770		
	EPISTAR Corporation	-	Financial assets at fair value through profit or loss - current	300	8,415	-	8,415		
	Evergreen Group	-	Financial assets at fair value through profit or loss - current	1,050	16,223	-	16,223		
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	25	2,043	-	2,043		
	ASE Group	-	Financial assets at fair value through profit or loss - current	400	15,620	-	15,620		
	Acer Inc.	-	Financial assets at fair value through profit or loss - current	1,885	30,066	-	30,066		
	FocalTech Systems Corporation	-	Financial assets at fair value through profit or loss - current	280	9,758	-	9,758		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
	Casetek Holdings Limited	-	Financial assets at fair value through profit or loss - current	175	\$ 17,850	-	\$ 17,850	
	Kuo Toong International Corporation	-	Financial assets at fair value through profit or loss - current	200	4,320	-	4,320	
Far Eastern Apparel (Suzhou) Corporation	Suzhou An Ho Apparel Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	48,956	100.00	-	
PET Far Eastern (Holding) Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,999,139	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,793,676	50.00	-	
	Tong Da Air Industry (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	992,710	50.00	-	
Oriental Textile (Holding) Corporation	Far Eastern Industries (WuXi) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	2,963,363	100.00	-	
	Oriental Industries (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	5,570,758	100.00	-	
FEDP (Holding) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	78,583	100.00	-	
Far Eastern Polytex (Holding) Corporation	Wuhan Far Eastern New Material Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	936,627	100.00	-	
	Far Eastern Apparel (Suzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	893,901	61.54	-	
	Far Eastern New Century (China) Investment Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,804,440	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	3,946,216	60.00	-	
Far Eastern New Century (China) Investment Corporation	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	1,028,057	12.36	-	
	Shanghai Yuan Zi Information Technology Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	60,723	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	304,971	8.11	-	
	Yuan Ding Enterprise (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	748,748	100.00	-	
Sino Belgium (Holding) Corporation	Sino Belgium Beer (Suzhou) Corporation	(Note A)	Other liabilities - other	(Note I)	(253,137)	100.00	-	
	Martens Beers Trading (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	8,299	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	128,663	100.00	-	
Far Eastern Industries (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	15,278	68,538	-	68,538	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	598,234	2,683,679	-	2,683,679	
Yuan Ding Corporation	YDT Technology International Corporation	(Note A)	Investments accounted for using the equity method	13,992	251,806	100.00	-	
	Ding Ding Integrated Marketing Service Corporation	(Note A)	Investments accounted for using the equity method	41,633	189,744	60.00	-	
	Far Eastern Technical Consultants Corporation	(Note A)	Investments accounted for using the equity method	4,550	58,119	91.00	-	
	YDC (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	8,028	17.70	-	
	Ding Ding Hotel Corporation	(Note A)	Other liabilities - other	64,502	(179,310)	61.99	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Investments accounted for using the equity method	56,690	19,297	54.48	-	
	FET Consulting Engineers Corporation	(Note A)	Investments accounted for using the equity method	85,000	460,437	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	186,563	0.16	139,077	
	Far EasTone Telecommunications Corporation	(Note A)	Investments accounted for using the equity method	4,164	103,371	0.13	322,671	
	Yu Yuan Investment Corporation	(Note A)	Investments accounted for using the equity method	129,637	1,155,189	25.02	-	119,000 thousand shares pledged or mortgaged as collaterals for loans.
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	84	556	1.00	-	
	Yu Ding Industry Corporation	(Note A)	Investments accounted for using the equity method	2,419	46,962	2.59	-	
	FEDS Asia Pacific Development Corporation	(Note A)	Investments accounted for using the equity method	10,650	133,258	5.00	-	10,236 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	June 30, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Ding Ding Integrated Marketing Service Corporation	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	44,796	\$ 426,921	14.93	\$ -	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	21,772	133,664	20.00	-	
	Far Eastern New Century Corporation	(Note F)	Financial assets at fair value through profit or loss - current	779	19,289	-	19,289	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,592	75,735	0.24	75,735	
	Far Eastern Electronic Commerce Corporation	(Note A)	Investments accounted for using the equity method	187	39	0.18	-	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	16,340	100,311	15.01	-	
	DDIM (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	(34,228)	46.13	-	
	PACIFIC SOGO DEPARTMENT STORES CORPORATION	-	Financial assets carried at cost - non-current	1	10	-	-	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,602	111,420	-	111,420	
	Far Eastern Technical Consultants Corporation	Cosmos Foreign Exchange Corporation	-	Financial assets carried at cost - non-current	480	4,800	4.00	-
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	(Note A)	Other liabilities - other	(Note I)	39,971	53.87	-	
YDC (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	(Note A)	Other liabilities - other	(Note I)	(345)	0.46	-	
	Speedy (Shanghai) Digital Tech. Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	44,178	100.00	-	
DDIM (Virgin Islands) Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	(Note A)	Other liabilities - other	(Note I)	(74,623)	99.54	-	
YDT Technology International Corporation	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	120	1,185	0.03	1,956	
	Far Eastern Department Stores Corporation	(Note A)	Investments accounted for using the equity method	2,764	94,473	0.19	43,531	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,113	-	1,580	
	YDC (Virgin Islands) Corporation	(Note A)	Investments accounted for using the equity method	(Note I)	37,330	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,723	26,633	0.09	26,633	
	Oriental Securities Investment Consultant Corporation	-	Financial assets carried at cost - non-current	1	10	0.00	-	
Far Eastern Electronic Toll Collection Corporation	FETC International Corporation	-	Investments accounted for using the equity method	20,000	198,529	100.00	-	
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	(Note A)	Investments accounted for using the equity method	2,100,000	25,957,312	100.00	-	
	ARCOA Communication Corporation	(Note A)	Investments accounted for using the equity method	82,762	1,249,641	61.63	-	
	KGEx.com Corporation	(Note A)	Investments accounted for using the equity method	78,896	849,432	99.99	-	
	Hiiiir Digital Marketing Corporation	(Note A)	Investments accounted for using the equity method	88,617	82,454	93.28	-	
	Yuan Cing Corporation	(Note A)	Investments accounted for using the equity method	2,000	27,337	100.00	-	
	Far Eastern Info Service (Holding) Corporation	(Note A)	Other liabilities - other	1	(49,699)	100.00	-	
	O-music Corporation	(Note A)	Investments accounted for using the equity method	2,500	8,150	50.00	-	
	Q-ware Communications Corporation	(Note A)	Other liabilities - other	33,983	(78,686)	81.46	-	
	Far Eastern Electronic Toll Collection Corporation	(Note A)	Investments accounted for using the equity method	118,251	719,167	39.42	-	
	Yuan Hsin Digital Payment Corporation	(Note A)	Investments accounted for using the equity method	32,658	200,096	30.00	-	
	Ding Ding Integrated Marketing Service Corporation	(Note A)	Investments accounted for using the equity method	10,408	47,023	15.00	-	
	Alliance Digital Technology Corporation	(Note A)	Investments accounted for using the equity method	6,000	29,569	14.40	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Investments accounted for using the equity method	2,173	5,741	15.24	-	
	App Works Fund II Corporation	-	Financial assets carried at cost - non-current	15,000	150,000	11.11	-	
	CDIB Capital Innovation Accelerator Corporation	-	Financial assets carried at cost - non-current	4,500	45,000	12.00	-	
ARCOA Communication Corporation	DataExpress Infotech Corporation	(Note A)	Investments accounted for using the equity method	12,866	159,523	70.00	-	
	THI consultants	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Web Point Corporation	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
New Century InfoComm Corporation	New Diligent Corporation	(Note A)	Investments accounted for using the equity method	54,000	\$ 106,086	100.00	\$ -	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	113,145	100.00	-	
	Digital United (Cayman) Corporation	(Note A)	Investments accounted for using the equity method	4,320	25,534	100.00	-	
	Far Eastern Electronic Commerce Corporation	(Note A)	Investments accounted for using the equity method	777	2,053	5.45	-	
	Ding Ding Integrated Marketing Service Corporation	(Note A)	Investments accounted for using the equity method	3,469	15,674	5.00	-	
	Opas Fund Segregated Portfolio Tranche A	-	Available-for-sale financial assets - current	15	455,198	-	455,198	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	4	155,885	-	155,885	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	Bank Pro E-service Technology Corporation	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
New Diligent Corporation	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	204	100.00	-	
	Far Eastern New Diligent Corporation	(Note A)	Investments accounted for using the equity method	-	44,385	100.00	-	
	New Diligent Hong Kong Corporation (Note K)	(Note A)	Investments accounted for using the equity method	-	-	-	-	
DataExpress Infotech Corporation	Linkwell Tech. Corporation	(Note A)	Investments accounted for using the equity method	-	36,769	100.00	-	
	Home Master Technology Corporation	(Note A)	Other liabilities - other	-	(9,342)	100.00	-	
Digital United (Cayman) Corporation	Digital United Information Technologies (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	-	12,476	100.00	-	
Far Eastern Tech-info Corporation (Shanghai)	Far Eastern New Century Information Technology (Beijing) Corporation (Note M)	(Note A)	Investments accounted for using the equity method	-	676	0.96	-	
Far Eastern New Diligent Corporation	Far Eastern New Century Information Technology (Beijing) Corporation (Note M)	(Note A)	Investments accounted for using the equity method	-	63,066	89.56	-	
	Far Eastern Tech-info Corporation (Shanghai) (Note M)	(Note A)	Investments accounted for using the equity method	-	56,599	58.33	-	
Far Eastern Info Service (Holding) Corporation	Far Eastern Tech-info Corporation (Shanghai) (Note M)	(Note A)	Investments accounted for using the equity method	-	40,433	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. Parent company.

G. Financial assets under asset management contracts can be sold in the open market by the investee, Oriental Securities Corporation.

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

I. A foreign owned company.

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

K. New Diligent Hong Kong Corporation was established on December 4, 2014. The investment amount had not been remitted to the investee as of June 30, 2017.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (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 (Taiwan) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,183,311	\$ 7,161,947	151,116	\$ 1,511,163	-	\$ -	\$ -	\$ -	\$ (404,012)	1,334,427	\$ 8,269,098
Far Eastern Investment (Holding) Corporation	Far Eastern Polytex (Vietnam) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note 2)	US\$ 48,230	(Note 2)	US\$ 50,000	-	-	-	-	US\$ (3,078)	(Note 2)	US\$ 95,152
	Malaysia Garment Manufactures Pte. Corporation	Investments accounted for using the equity method	-	(Note A)	-	-	30	US\$ 15,849	-	-	-	-	US\$ (199)	30	US\$ 15,650
Far Eastern General Contractor Corporation	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,393	168,020	34,608	378,000	50,001	546,173	546,020	153	-	-	-
	Hua Nan Kirin Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	28,470	338,000	28,470	338,093	338,000	93	-	-	-
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Corporation	Investments accounted for using the equity method	-	(Note A)	30	478,337	-	-	30	482,135	482,135	-	3,798	-	-
Yuan Ding Corporation	Far Eastern Electronic Commerce Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	23,913	(239,266)	32,777	327,766	-	-	-	-	(69,203)	56,690	19,297
Far EasTone Telecommunications Corporation	Hiiir Digital Marketing Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	53,726	(109,380)	34,891	348,909	-	-	-	-	(157,075)	88,617	82,454

Notes: A. Subsidiary.

B. A foreign owned company

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 SIX MONTHS ENDED JUNE 30, 2017
(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			
New Century InfoComm Corporation	Lands located in Bangiao Ya-Tong section, New Taipei City	2017.5.4	\$ 1,749,577	The payment \$437,394 thousand has been made	Far Eastern Resources Development Corporation	Fellow subsidiary	Far Eastern New Century Corporation	Ultimate parent company	2003.9.2	The ultimate parent company, Far Eastern New Century, established by partition the real estate	Elite Appraisers Firm REPro Real Estate Joint Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm	Integrated the office in Banqiao for expanding the telecommunication facilities	No

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 SIX MONTHS ENDED JUNE 30, 2017**

(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 Corporation	Lands located in Bangiao Ya-Tong section, New Taipei City	2017.5.4	2003.9.2	\$ 1,749,577	\$ 1,749,577	The payment \$437,394 thousand has been received	Untransferred	New Century InfoComm Corporation	Fellow subsidiary	For New Century InfoComm Corporation to establish business facilities and offices	Elite Appraisers Firm REPro Real Estate Joint Appraisers Firm Debenham Tie Leung Real Estate Appraiser Office Sinyi Real Estate Appraisers Firm	-

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern New Century Corporation	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	\$ 4,134,633	20	Based on contract	\$ -	-	\$ -	-	\$ (234,058)	(7)	
	Worldwide Polychem (HK) Corporation	(Note A)	Sale	(1,238,824)	(6)	Based on contract	-	-	-	-	778,338	11	
	Far Eastern Industries (Shanghai) Corporation	(Note A)	Sale	(700,296)	(3)	Based on contract	-	-	-	-	283,103	4	
	Far Eastern Apparel (Vietnam) Corporation	(Note A)	Sale	(183,910)	(1)	Based on contract	-	-	-	-	90,604	1	
	Far Eastern Industries (WuXi) Corporation	(Note A)	Sale	(175,255)	(1)	Based on contract	-	-	-	-	14,868	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	124,546	1	Based on contract	-	-	-	-	(12,217)	-	
	Oriental Resources Development Corporation	(Note A)	Purchase	273,174	1	Based on contract	-	-	-	-	(53,499)	(2)	
	Everest Textile Corporation	(Note D)	Sale	(118,147)	(1)	Based on contract	-	-	-	-	6,031	-	
	Freudenberg Far Eastern Spunweb Corporation	(Note D)	Sale	(162,692)	(1)	Based on contract	-	-	-	-	71,074	1	
	Oriental Union Chemical Corporation	(Note D)	Purchase	740,709	4	Based on contract	-	-	-	-	(183,007)	(6)	
Far Eastern Apparel (Holding) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Purchase	1,780,863	47	Based on contract	-	-	-	-	(660,133)	(44)	
	Far Eastern Apparel (Suzhou) Corporation	(Note C)	Purchase	605,092	16	Based on contract	-	-	-	-	(191,218)	(13)	
	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Sale	(268,780)	(7)	Based on contract	-	-	-	-	89,008	10	
	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Purchase	1,372,454	37	Based on contract	-	-	-	-	(655,322)	(43)	
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	(1,780,863)	(65)	Based on contract	-	-	-	-	660,133	63	
	Far Eastern Apparel (Suzhou) Corporation	(Note C)	Sale	(175,938)	(6)	Based on contract	-	-	-	-	57,864	6	
	Far Eastern Industries (WuXi) Corporation	(Note C)	Purchase	182,502	8	Based on contract	-	-	-	-	(66,171)	(9)	
Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	700,296	6	Based on contract	-	-	-	-	(283,103)	(8)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	2,323,675	21	Based on contract	-	-	-	-	(308,082)	(9)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	284,388	3	Based on contract	-	-	-	-	(57,910)	(2)	
	Far Eastern Polychem Industries Corporation	(Note C)	Sale	(3,656,458)	(32)	Based on contract	-	-	-	-	179,024	9	
Far Eastern Industries (Suzhou) Corporation	Wuhan Far Eastern New Material Corporation	(Note C)	Sale	(357,367)	(3)	Based on contract	-	-	-	-	355,071	19	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	598,305	45	Based on contract	-	-	(248,998)	(100)	(58,660)	(53)	
	Oriental Industries (Suzhou) Corporation	(Note C)	Sale	(1,214,651)	(90)	Based on contract	-	-	-	-	172,997	75	
Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	3,656,458	94	Based on contract	-	-	-	-	(179,024)	(80)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(381,924)	(9)	Based on contract	-	-	-	-	140,593	14	
	Wuhan Far Eastern New Material Corporation	(Note C)	Purchase	204,241	5	Based on contract	-	-	-	-	(45,329)	(20)	
	Wuhan Far Eastern New Material Corporation	(Note C)	Sale	(129,624)	(3)	Based on contract	-	-	-	-	41,766	4	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(2,323,675)	(41)	Based on contract	-	-	-	-	308,082	84	
	Far Eastern Industries (Suzhou) Corporation	(Note C)	Sale	(598,305)	(11)	Based on contract	-	-	248,998	13	58,660	16	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(4,134,633)	(51)	Based on contract	-	-	-	-	234,058	24	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(284,388)	(3)	Based on contract	-	-	-	-	57,910	6	
Oriental Industries (Suzhou) Corporation	Far Eastern Industries (Suzhou) Corporation	(Note C)	Purchase	1,214,651	37	Based on contract	-	-	-	-	(172,997)	(24)	
	Oriental Textile (Holding) Corporation	(Note C)	Sale	(1,610,520)	(43)	Based on contract	-	-	-	-	553,341	41	
Oriental Textile (Holding) Corporation	Oriental Industries (Suzhou) Corporation	(Note C)	Purchase	1,610,520	97	Based on contract	-	-	-	-	(553,341)	(100)	

(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 Eastern Apparel (Vietnam) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	\$ 183,910	14	Based on contract	\$ -	-	\$ -	-	\$ (90,604)	(28)	
	Far Eastern Apparel (Holding) Corporation	(Note C)	Sale	(1,372,454)	(90)	Based on contract	-	-	-	-	655,322	92	
	Far Eastern Apparel (Holding) Corporation	(Note C)	Purchase	268,780	20	Based on contract	-	-	-	-	(89,008)	(28)	
	Far Eastern New Apparel (Vietnam) Corporation	(Note C)	Purchase	136,434	10	Based on contract	-	-	-	-	(87,565)	(27)	
Far Eastern New Apparel (Vietnam) Corporation	Far Eastern Apparel (Vietnam) Corporation	(Note C)	Sale	(136,434)	(100)	Based on contract	-	-	-	-	87,565	100	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Corporation	(Note C)	Purchase	381,924	64	Based on contract	-	-	-	-	(140,593)	(53)	
Wuhan Far Eastern New Material Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	357,367	54	Based on contract	-	-	-	-	(355,071)	(81)	
	Far Eastern Polychem Industries Corporation	(Note C)	Purchase	129,624	20	Based on contract	-	-	-	-	(41,766)	(10)	
	Far Eastern Polychem Industries Corporation	(Note C)	Sale	(204,241)	(28)	Based on contract	-	-	-	-	45,329	26	
Worldwide Polychem (HK) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	1,238,824	91	Based on contract	-	-	-	-	(778,338)	(100)	
Far Eastern Industries (WuXi) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	175,255	14	Based on contract	-	-	-	-	(14,868)	(25)	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Sale	(182,502)	(13)	Based on contract	-	-	-	-	66,171	26	
Far Eastern Apparel (Suzhou) Corporation	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(605,092)	(54)	Based on contract	-	-	-	-	191,218	57	
	Far Eastern Dyeing & Finishing (Suzhou) Corporation	(Note C)	Purchase	175,938	18	Based on contract	-	-	-	-	(57,864)	(10)	
Oriental Resources Development Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(273,174)	(71)	Based on contract	-	-	-	-	53,499	77	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(124,546)	(26)	Based on contract	-	-	-	-	12,217	12	
Far EasTone Telecommunications Corporation	ARCOA Communication Corporation	(Note C)	Cost of telecommunications services, marketing expenses and cost of sales	5,359,396	19	Based on contract	-	-	-	-	(812,154)	(8)	
	New Century InfoComm Corporation	(Note C)	Operating revenue	(231,043)	(1)	Based on contract	-	-	-	-	1,034	-	(Note E)
			Cost of telecommunications services	1,355,653	7	Based on contract	-	-	-	-	(680,195)	(7)	
	O-music Corporation	(Note C)	Cost of telecommunications services	102,364	-	Based on contract	-	-	-	-	(36,381)	(1)	
	DataExpress Infotech Corporation	(Note C)	Operating revenue	(106,269)	-	Based on contract	-	-	-	-	2,992	-	
New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	(Note C)	Operating revenue	(1,355,653)	(24)	Based on contract	-	-	-	-	680,195	46	(Note F)
			Cost of telecommunications services	231,043	6	Based on contract	-	-	-	-	(1,034)	-	
ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	(Note C)	Operating revenue	(5,359,396)	(68)	Based on contract	-	-	-	-	812,154	69	
O-music Corporation	Far EasTone Telecommunications Corporation	(Note C)	Operating revenue	(102,364)	(98)	Based on contract	-	-	-	-	36,381	98	
DataExpress Infotech Corporation	Far EasTone Telecommunications Corporation	(Note C)	Purchase	106,269	8	Based on contract	-	-	-	-	(2,992)	(3)	

Note: A. From FENC to subsidiary.

B. From the subsidiary to FENC.

C. Between subsidiaries.

(Continued)

- D. The consolidated company's investee which accounted for under the equity method.
- E. 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.
- F. Including the receivables collected by Far EasTone for NCIC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM AFFILIATES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE SIX MONTHS ENDED JUNE 30, 2017**

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Corporation	(Note B)	\$ 778,338	6.77	\$ -	-	\$ 177,322	
	Far Eastern Industries (Shanghai) Corporation	(Note B)	283,103	9.21	-	-	142,651	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	234,058	28.43	-	-	229,416	
Far Eastern Polychem Industries Corporation	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	140,593	9.50	-	-	65,649	
Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	655,322	9.75	-	-	238,991	
Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Corporation	(Note D)	179,024	59.63	-	-	179,024	
	Wuhan Far Eastern New Material Corporation	(Note D)	355,071	3.97	-	-	63,654	
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	660,133	12.64	-	-	310,533	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note D)	308,082	9.32	-	-	308,082	
	Far Eastern Industries (Suzhou) Corporation	(Note D)	307,658	6.97	-	-	121,031	
Oriental Industries (Suzhou) Corporation	Oriental Textile (Holding) Corporation	(Note D)	553,341	12.70	-	-	263,560	
Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	(Note D)	172,997	9.14	-	-	172,997	
Far Eastern Apparel (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	(Note D)	191,218	12.60	-	-	136,513	
Far Eastern Construction Corporation	Far Eastern Department Stores Corporation	(Note E)	115,048	(Note F)	-	-	-	
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation	(Note D)	107,636	(Note G)	-	-	92,317	
	ARCOA Communication Corporation	(Note D)	142,514	10.31	-	-	74,634	
New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	(Note D)	766,957	(Note H)	-	-	319,527	
ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	(Note D)	812,154	11.44	-	-	812,154	

(Continued)

- Notes: A. This table does not include the receivables from financier. For more details, refer to Table 5. This table also does not include the other receivables from non-operating projects. For more details, refer to Table 4.
- B. From FENC to subsidiary.
- C. From the subsidiary to FENC.
- D. Between subsidiaries.
- E. The consolidated company's investee which accounted for under the equity method.
- F. The turnover rate was unavailable due to the main component of receivables from related parties was rent equalization.
- G. The turnover rate was unavailable due to the receivables from related parties were mainly from the advance payments made for NCIC's daily operating expenditures, and the operating management service revenue from NCIC.
- H. The turnover rate was unavailable due to the receivables from related parties were from the collection of telecommunications bills by Far EasTone for NCIC and financing provided by NCIC to Far EasTone.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars)**

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
0	Far Eastern New Century Corporation	Worldwide Polychem (HK) Corporation	1	Accounts receivable	\$ 778,338	Based on agreement	-
		Worldwide Polychem (HK) Corporation	1	Sales	1,238,824	Based on agreement	1
		Far Eastern Industries (Shanghai) Corporation	1	Sales	700,296	Based on agreement	1
		Far Eastern Industries (Shanghai) Corporation	1	Accounts receivable	283,103	Based on agreement	-
		Far Eastern Industries (WuXi) Corporation	1	Sales	175,255	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	1	Sales	183,910	Based on agreement	-
1	Yuan Ding Investment Corporation	Kai Yuan International Investment Corporation	3	Other receivables	402,000	Based on agreement	-
		Kai Yuan International Investment Corporation	3	Interest revenue	3,492	Based on agreement	-
		An Ho Garment Corporation	3	Other receivables	434,000	Based on agreement	-
		An Ho Garment Corporation	3	Interest revenue	3,019	Based on agreement	-
		Yuan Tong Investment Corporation	3	Interest revenue	297	Based on agreement	-
2	Far Eastern Polychem Industries Corporation	Pet Far Eastern (M) Sdn. Bhd.	3	Sales	381,924	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	140,593	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Other receivables	224,300	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest receivables	3,916	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	3,965	Based on agreement	-
		Far Eastern Ishizuka Green Pet	3	Interest revenue	77	Based on agreement	-
		Far Eastern Ishizuka Green Pet	3	Interest receivables	23	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	628,040	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	3,082	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	1,342	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Other receivables	91,260	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Sales	129,624	Based on agreement	-
3	Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	2	Accounts receivable	234,058	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	4,134,633	Based on agreement	4
		Far Eastern Industries (Shanghai) Corporation	3	Sales	284,388	Based on agreement	-
4	Far Eastern Investment (Holding) Corporation	Oriental Textile (Holding) Corporation	3	Other receivables	1,058,616	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest receivables	4,729	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Interest revenue	10,432	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Other receivables	180,995	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest receivables	54,580	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	3	Other receivables	228,150	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Other receivables	149,058	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Interest receivables	681	Based on agreement	-
		Sino Belgium (Holding) Corporation	3	Interest revenue	1,759	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
		Far Eastern New Century (China) Investment Corporation	3	Other receivables	\$ 1,749,853	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Other receivables	450,216	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	2,765	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest revenue	14,794	Based on agreement	-
		Worldwide Polychem (HK) Corporation	3	Other receivables	97,344	Based on agreement	-
		Far Eastern New Apparel (Vietnam) Corporation	3	Other receivables	453,258	Based on agreement	-
		PET Far Eastern (Holding) Corporation	3	Other receivables	26,916	Based on agreement	-
		PET Far Eastern (Holding) Corporation	3	Interest receivables	311	Based on agreement	-
		PET Far Eastern (Holding) Corporation	3	Interest revenue	863	Based on agreement	-
5	PET Far Eastern (Holding) Corporation	Far Eastern New Century (China) Investment Corporation	3	Other receivables	269,160	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	369	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	407	Based on agreement	-
6	Yuan Ding Corporation	Far Eastern Electronic Commerce Corporation	3	Interest revenue	955	Based on agreement	-
		Ding Ding Hotel Corporation	3	Other receivables	300,000	Based on agreement	-
		Ding Ding Hotel Corporation	3	Interest receivables	288	Based on agreement	-
		Ding Ding Hotel Corporation	3	Interest revenue	1,591	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Other receivables	91,260	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest receivables	532	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest revenue	532	Based on agreement	-
7	Oriental Textile (Holding) Corporation	Far Eastern New Century (China) Investment Corporation	3	Other receivables	1,103,556	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest receivables	2,570	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	5,054	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Other receivables	197,384	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest receivables	2,276	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	2,295	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Other receivables	486,720	Based on agreement	-
8	Far Eastern Apparel (Holding) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Other receivables	516,610	Based on agreement	-
		Far Eastern Apparel (Vietnam) Corporation	3	Sales	268,780	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	39	Based on agreement	-
9	Far Eastern Apparel (Vietnam) Corporation	Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	655,322	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	1,372,454	Based on agreement	1
10	Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Corporation	3	Accounts receivable	179,024	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Sales	3,656,458	Based on agreement	4
		Wuhan Far Eastern New Material Corporation	3	Accounts receivable	355,071	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Sales	357,367	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	1,974	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	18,557	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest receivables	25,358	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
11	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	\$ 660,133	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	1,780,863	Based on agreement	2
		Oriental Industries (Suzhou) Corporation	3	Other receivables	1,214,849	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest receivables	2,566	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	10,197	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Other receivables	116,636	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest receivables	790	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest revenue	834	Based on agreement	-
		Far Eastern Apparel (Suzhou) Corporation	3	Sales	175,938	Based on agreement	-
12	Waldorf Services B.V.	Far Eastern Investment (Holding) Corporation	3	Interest revenue	3,239	Based on agreement	-
13	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	3	Accounts receivable	308,082	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Sales	2,323,675	Based on agreement	2
		Far Eastern Industries (Suzhou) Corporation	3	Notes receivable	248,998	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Sales	598,305	Based on agreement	1
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	38	Based on agreement	-
14	Far Eastern Industries (WuXi) Corporation	Oriental Industries (Suzhou) Corporation	3	Other receivables	529,644	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest receivables	1,691	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	10,027	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Sales	182,502	Based on agreement	-
15	Oriental Industries (Suzhou) Corporation	Oriental Textile (Holding) Corporation	3	Accounts receivable	553,341	Based on agreement	-
		Oriental Textile (Holding) Corporation	3	Sales	1,610,520	Based on agreement	2
		Far Eastern Industries (Suzhou) Corporation	3	Other receivables	1,120,383	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest receivables	2,403	Based on agreement	-
		Far Eastern Industries (Suzhou) Corporation	3	Interest revenue	12,814	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Other receivables	760,238	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Interest receivables	1,743	Based on agreement	-
		Sino Belgium Beer (Suzhou) Corporation	3	Interest revenue	10,179	Based on agreement	-
16	Far Eastern Industries (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	3	Accounts receivable	172,997	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Sales	1,214,651	Based on agreement	1
17	Far Eastern Apparel (Suzhou) Corporation	Oriental Industries (Suzhou) Corporation	3	Other receivables	839,918	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest receivables	10,353	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	10,316	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Accounts receivable	191,218	Based on agreement	-
		Far Eastern Apparel (Holding) Corporation	3	Sales	605,092	Based on agreement	1
		Far Eastern Industries (WuXi) Corporation	3	Other receivables	291,590	Based on agreement	-
		Far Eastern Industries (WuXi) Corporation	3	Interest receivables	1,187	Based on agreement	-
		Far Eastern Industries (WuXi) Corporation	3	Interest revenue	4,801	Based on agreement	-
18	Far Eastern New Century (China) Investment Corporation	Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	447,097	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	269	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
		Far Eastern Industries (Shanghai) Corporation	3	Other receivables	\$ 2,300,569	Based on agreement	-
		Far Eastern Industries (Shanghai) Corporation	3	Interest revenue	8,546	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Other receivables	4	Based on agreement	-
		Oriental Industries (Suzhou) Corporation	3	Interest revenue	25	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Other receivables	13,113	Based on agreement	-
		Wuhan Far Eastern New Material Corporation	3	Interest revenue	62	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Other receivables	24,713	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Interest revenue	121	Based on agreement	-
19	Far Eastern Ishizuka Green Pet	Far Eastern New Century Corporation	2	Sales	124,546	Based on agreement	-
20	Oriental Resources Development Corporation	Far Eastern New Century Corporation	2	Sales	273,174	Based on agreement	-
21	Wuhan Far Eastern New Material Corporation	Far Eastern Polychem Industries Corporation	3	Sales	204,241	Based on agreement	-
		Far Eastern New Century (China) Investment Corporation	3	Interest revenue	145	Based on agreement	-
22	FEDP (Holding) Corporation	Far Eastern Polychem Industries Corporation	3	Other receivables	60,840	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest receivables	280	Based on agreement	-
		Far Eastern Polychem Industries Corporation	3	Interest revenue	1,353	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Other receivables	152,100	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest receivables	701	Based on agreement	-
		Far Eastern Investment (Holding) Corporation	3	Interest revenue	594	Based on agreement	-
23	Ding Ding Integrated Marketing Service Corporation	Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Other receivables	60,840	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest receivables	513	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Corporation	3	Interest revenue	573	Based on agreement	-
24	Far Eastern Industries (Yangzhou) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Other receivables	224,300	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Interest receivables	2,255	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Corporation	3	Interest revenue	2,120	Based on agreement	-
25	Far Eastern New Apparel (Vietnam) Corporation	Far Eastern Apparel (Vietnam) Corporation	3	Sales	136,434	Based on agreement	-
26	Far EasTone Telecommunications Corporation	ARCOA Communication Corporation	3	Accounts receivable	140,704	Based on agreement	-
		New Century InfoComm Corporation	3	Other receivables	106,602	Based on agreement	-
		New Century InfoComm Corporation	3	Telecommunications service revenue	229,302	Based on agreement	-
		DataExpress Infotech Corporation	3	Sales	105,957	Based on agreement	-
		Q-ware Communications Corporation	3	Other receivables	167,209	Based on agreement	-
27	New Century InfoComm Corporation	Far EasTone Telecommunications Corporation	3	Telecommunications service revenue	1,355,653	Based on agreement	1
		Far EasTone Telecommunications Corporation	3	Other receivables	690,127	Based on agreement	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
28	ARCOA Communication Corporation	Far EasTone Telecommunications Corporation	3	Operating revenue	\$ 260,048	Based on agreement	-
		Far EasTone Telecommunications Corporation	3	Accounts receivable	777,634	Based on agreement	-
		Far EasTone Telecommunications Corporation	3	Sales	5,069,498	Based on agreement	5
29	O-music Corporation	Far EasTone Telecommunications Corporation	3	Telecommunications service revenue	102,364	Based on agreement	-

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	2,652,282	2,652,282	750,511	22.33	\$ 15,053,804	\$ 1,839,460	\$ 267,332	Investment gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,552,724	360,239	61,457	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,235,888	463,076	42,464	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,499	82,106	25	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	159,823	159,823	140,278	19.65	1,920,055	24,863	4,886	(Note A)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	810,000	810,000	135,000	16.83	1,819,078	36,219	6,096	(Notes A and E)
	Yuan Ding Investment Corporation	Taiwan	Investment	100,052	100,052	1,822,822	99.40	37,758,143	2,863,792	2,847,218	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$609 (Notes B and H)
	Far Eastern Resources Development Corporation	Taiwan	Real estate construction and selling	14,931,733	14,931,733	667,242	100.00	101,540,252	936,287	949,555	Including the adjusted transactions between subsidiaries \$13,268 (Note B)
	Far Eastern Polytex (Holding) Corporation	Bermuda	Investment	8,384,209	8,384,209	135	100.00	7,619,495	(56,867)	(56,867)	(Note B)
	Far Eastern Polychem Industries Corporation	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	6,782,240	(54,389)	(39,726)	(Note B)
	Yuan Tong Investment Corporation	Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,848,258	175,972	180,925	Including the adjusted transactions between subsidiaries \$4,953 (Note B)
	Kai Yuan International Investment Corporation	Taiwan	Investment	999,993	999,993	302,843	100.00	4,940,602	142,825	142,825	(Note B)
	Far Eastern Investment (Holding) Corporation	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	8,697,655	(62,543)	(62,543)	(Notes B and K)
	PET Far Eastern (Holding) Corporation	Bermuda	Investment	5,811,250	5,811,250	333	90.54	4,200,920	(90,834)	(77,378)	Including discounted amortization \$4,863 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	12,431,130	10,919,967	1,334,427	75.56	8,269,098	(546,963)	(404,012)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$9,273 (Notes B and H)
	Far Eastern Construction Corporation	Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	8,000,709	206,056	134,163	(Notes B and K)
	Yuan Ding Corporation	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,035,054	(3,177)	2,566	Including the adjusted transactions between subsidiaries \$3,746 (Notes B, I and K)
	An Ho Garment Corporation	Taiwan	Garment production and Investment	1,023	1,023	66,346	100.00	1,869,686	105,130	105,181	Including the adjusted transactions between subsidiaries \$51 (Note B)
	Ding Yuan International Investment Corporation	Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,646,815	77,158	77,197	Including the adjusted transactions between subsidiaries \$39 (Note B)
	FEDP (Holding) Corporation	Bermuda	Investment	676,315	676,315	244	50.43	149,438	(51,123)	(25,781)	(Note B)
	Fu Kwok Garment Manufacturing Corporation	Taiwan	Garment production	9,088	9,088	3,999	99.96	227,974	38,395	38,383	(Notes B and K)
	Ding Ding Hotel Corporation	Taiwan	Hotel	393,651	393,651	19,772	19.00	(54,909)	(163,941)	(31,149)	(Note B)
	Far Eastern Textile Corporation	Taiwan	Textile production	1,000	1,000	100	100.00	1,477	29	29	(Note B)
Yuan Ding Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	587,269	542,452	21,000	0.62	608,569	1,839,460	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,277,307	1,306,557	70,818	8.00	1,252,582	463,076	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	440,066	430,454	21,588	1.52	433,917	360,239	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,100,151	82,106	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	21,083,377	5,753,581	-	(Note B)
	Far Eastern Polychem Industries Corporation	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,503,412	(54,389)	-	(Note B)
	Far Eastern Apparel (Holding) Corporation	Bermuda	Investment	2,179,442	2,179,442	111	100.00	3,234,354	295,714	-	(Note B)
	Da Ju Fiber Corporation	Taiwan	Sale of polychemical products	263,790	263,790	46,418	41.86	1,619,392	82,000	-	(Note A)
	Far Eastern Apparel Corporation	Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	144,022	(56,319)	-	(Note B)
	Yuan Faun Corporation	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	122,104	2,230	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	3,830	45.50	61,987	1,037	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	384,929	6,549	-	(Note A)
	Far Eastern Fibertech Corporation	Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,124,938	86,740	-	(Note B)
	Oriental Resources Development Corporation	Taiwan	Medical materials manufacturing and wholesale and waste recycling and processing	338,188	338,188	34,242	70.00	335,996	23,084	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Corporation	Liquid Air Far East Corporation	Taiwan	Industrial gas production and selling	\$ 504,806	\$ 504,806	86,615	35.00	\$ 1,634,517	\$ 746,455	\$ -	(Note A)
	Freudenberg Far Eastern Spunweb Corporation	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	275,477	235,300	-	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	255,424	255,424	185,247	25.96	2,642,134	24,863	-	(Note A)
	Yuan Ding Corporation	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,076,513	(3,177)	-	(Notes B and K)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	923,975	44,390	-	(Note A)
	Oriental Textile (Holding) Corporation	Bermuda	Investment	7,142,602	7,142,602	110	100.00	7,870,140	183,807	-	(Note B)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	796,491	796,491	119,653	14.92	1,526,007	36,219	-	(Notes A and E)
	Yu Yuan Investment Corporation	Taiwan	Investment	673,704	673,704	98,198	18.96	215,668	217,866	-	(Note A)
	Far Eastern General Contractor Corporation	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	21,511	12,299	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	519,599	415,679	91,766	5.20	577,756	(546,963)	-	(Note B)
	FETG Investment Antilles N.V.	Antillem	Investment	US\$ 6	US\$ 6	6	100.00	480,516	(59,060)	-	(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	(Note C)	50.00	201,198	7,496	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	12,576	-	-	(Note A)
Far Eastern Apparel (Vietnam) Corporation	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	571,852	89,459	-	(Note B)	
Worldwide Polychem (HK) Corporation	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	58,728	(47,184)	-	(Note B)	
Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,610	-	-	(Note B)	
Far Eastern Polytex (Vietnam) Corporation	Vietnam	Chemical fiber and textile production	US\$ 100,000	US\$ 50,000	(Note D)	100.00	2,894,510	(94,433)	-	(Note B)	
Far Eastern New Apparel (Vietnam) Corporation	Vietnam	Garment production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	28,521	(76,649)	-	(Note B)	
Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	172,486	3,748	-	(Note B)	
Malaysia Garment Manufactures Pte. Corporation	Singapore	Garment production and investment	US\$ 15,849	US\$ -	30	37.92	476,075	4,697	-	(Note B)	
Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ -	59	41.00	(12,531)	-	-	(Note A)	
Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ -	90	50.00	(11,627)	-	-	(Note A)	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	201,198	7,496	-	(Note B)
Ding Yuan International Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	375,512	375,512	13,222	0.39	421,797	1,839,460	-	(Note A)
Far Eastern Department Stores Corporation	Far Eastern Department Stores Corporation	Taiwan	Department store operations	98,105	96,904	5,103	0.36	106,610	360,239	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	40,372	40,372	1,093	0.23	8,883	82,106	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	676,265	684,551	27,365	3.09	652,652	463,076	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	38,457	38,457	920	0.03	39,597	5,753,581	-	(Note B)
	Pacific Liu Tong Investment Corporation	Taiwan	Investment	90,000	90,000	18,000	2.24	224,203	36,219	-	(Notes A and E)
	Yu Ding Industry Corporation	Taiwan	Department store operations	95,624	95,624	12,315	13.20	323,926	65,823	-	(Note A)
	Fu Kwok Garment Manufacturing Corporation	Taiwan	Garment production	50	50	1	0.03	60	38,395	-	(Note B)
	Kai Yuan International Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	483,448	483,448	20,207	0.60	633,914	1,839,460	-
Far EasTone Telecommunications Corporation		Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,069,151	5,753,581	-	(Note B)
Oriental Union Chemical Corporation		Taiwan	Petrochemical materials production	746,596	801,854	32,273	3.64	648,676	463,076	-	(Note A)
Far Eastern Department Stores Corporation		Taiwan	Department store operations	519,473	519,473	20,672	1.46	552,155	360,239	-	(Note A)
Kowloon Cement Corporation		Hong Kong	Cement production	226,896	226,896	1,127	49.00	464,780	(13,651)	-	(Note A)
Far Eastern International Leasing Corporation		Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	925,030	44,390	-	(Note A)
Pacific Liu Tong Investment Corporation		Taiwan	Investment	90,000	90,000	18,000	2.24	224,405	36,219	-	(Notes A and E)
Far Eastern Polychem Industries Corporation	PET Far Eastern (Holding) Corporation	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	442,910	(90,834)	-	(Note B)
	FEDP (Holding) Corporation	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	146,888	(51,123)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	630,844	(22,107)	-	(Note B)
Far Eastern Construction Corporation	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	506,767	1,839,460	-	(Note A)
	Far Eastern General Contractor Corporation	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	1,975,309	12,299	-	(Note B)
Far Eastern Apparel Corporation	Asia Cement Corporation	Taiwan	Cement production	16,246	16,246	469	0.01	13,653	1,839,460	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	6,353	6,353	90	-	6,113	5,753,581	-	(Note B)
	Yu Ding Industry Corporation	Taiwan	Department store operations	29	29	8	0.01	104	65,823	-	(Note A)
Far Eastern General Contractor Corporation	Far Eastern Technical Consultants Corporation	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	5,868	8,706	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	498,448	(58,869)	-	(Note B)
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Corporation	Singapore	Garment production and Investment	SGD -	SGD 3,000	-	-	-	4,697	-	(Note B)
	Far Eastern International Garments	Philippines	Garment production	US\$ -	US\$ 290	-	-	-	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO -	PESO 9,000	-	-	-	-	-	(Note A)
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan	Malaysia	Garment production	SGD -	SGD -	(Note D)	99.00	(43)	-	(Note B)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
An Ho Garment Corporation	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	\$ 748,158	\$ 748,158	40,818	1.25	\$ 985,681	\$ 5,753,581	\$ -	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	220,916	1,839,460	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	255,339	463,076	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	10,483	10,483	370	0.03	10,923	360,239	-	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	113,076	113,076	7,688	1.08	103,465	24,863	-	(Note A)
	Yu Ding Industry Corporation	Taiwan	Department store operations	111,997	111,997	14,618	15.66	286,183	65,823	-	(Note A)
	Pacific Liu Tong Investment Corporation (Note H)	Taiwan	Investment	67,285	67,285	9,681	1.21	125,858	36,219	-	(Notes A and E)
	Yuan Ding Investment Corporation	Taiwan	Investment	148,994	148,994	5,502	0.30	157,613	2,863,792	-	(Note B)
Yuan Faun Corporation	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,238	2,793	-	(Note B)
Fu Kwok Garment Manufacturing Corporation	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,599	5,753,581	-	(Note B)
Yuan Tong Investment Corporation	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,588,525	5,753,581	-	(Note B)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.80	1,202,609	360,239	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,656,885	463,076	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,579	0.85	998,481	1,839,460	-	(Note A)
	Pacific Liu Tong Investment Corporation (Note H)	Taiwan	Investment	90,000	90,000	18,000	2.24	223,206	36,219	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Corporation	Taiwan	Electronic toll collection service	787,104	787,104	35,934	11.98	346,815	11,995	-	(Note B)
	Liquid Air Far East Corporation	Taiwan	Industrial gas production and selling	20	20	1	-	23	746,455	-	(Note A)
	Sino Belgium (Holding) Corporation	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(356,183)	(69,767)	-	(Note B)
	Freudenberg Far Eastern Spunweb Corporation	Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	30	235,300	-	(Note A)
	Malaysia Garment Manufactures Pte. Corporation	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	163,212	4,697	-	(Note B)
Yuan Ding Corporation	YDT Technology International Corporation	Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	251,806	(16,173)	-	(Note B)
	Ding Ding Integrated Marketing Service Corporation	Taiwan	Marketing	558,000	558,000	41,633	60.00	189,744	(22,506)	-	(Note B)
	Far Eastern Technical Consultants Corporation	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	58,119	8,706	-	(Note B)
	YDC (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	8,028	(1,238)	-	(Note B)
	Ding Ding Hotel Corporation	Taiwan	Hotel	645,021	645,021	64,502	61.99	(179,310)	(163,941)	-	(Note B)
	Far Eastern Electronic Commerce Corporation	Taiwan	Information software, department stores, convenience stores and nonstore retailing	566,896	239,130	56,690	54.48	19,297	(103,831)	-	(Note B)
	FET Consulting Engineers Corporation	Taiwan	Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business	822,701	822,701	85,000	100.00	460,437	(15,502)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	186,563	1,839,460	-	(Note A)
	Far EasTone Telecommunications Corporation	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	103,371	5,753,581	-	(Note B)
	Yu Yuan Investment Corporation	Taiwan	Investment	411,187	411,187	129,637	25.02	1,155,189	217,866	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	84	1.00	556	1,037	-	(Note A)
	Yu Ding Industry Corporation	Taiwan	Department store operations	22,676	22,676	2,419	2.59	46,962	65,823	-	(Note A)
	FEDS Asia Pacific Development Corporation	Taiwan	Department store operations	100,000	100,000	10,650	5.00	133,258	69,884	-	(Note A)
	Far Eastern Electronic Toll Collection Corporation	Taiwan	Electronic toll collection service	977,650	977,650	44,796	14.93	426,921	11,995	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taiwan	Electronic stored value card	300,000	300,000	21,772	20.00	133,664	(121,072)	-	(Note B)
Ding Ding Integrated Marketing Service Corporation	Far Eastern Electronic Commerce Corporation	Taiwan	Information software, department stores, convenience stores and nonstore retailing	1,828	745	187	0.18	39	(103,831)	-	(Note B)
	Yuan Hsin Digital Payment Corporation	Taiwan	Electronic stored value card	225,150	225,150	16,340	15.01	100,311	(121,072)	-	(Note B)
	DDIM (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	(34,228)	(31,583)	-	(Note B)
FET Consulting Engineers Corporation	DDIM (Virgin Islands) Corporation	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	(39,971)	(31,583)	-	(Note B)
YDT Technology International Corporation	Everest Textile Corporation	Taiwan	Chemical fiber production	10,161	10,161	120	0.03	1,185	82,106	-	(Note A)
	Far Eastern Department Stores Corporation	Taiwan	Department store operations	51,673	51,673	2,764	0.19	94,473	360,239	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,113	1,839,460	-	(Note A)
	YDC (Virgin Islands) Corporation	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	37,330	(1,238)	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastern Electronic Toll Collection Corporation	Fetc International Corporation	Taiwan	Dispatched labor, procuring equipments, and sales agent services	\$ 200,000	\$ -	20,000	100.00	\$ 198,529	\$ (1,471)	\$ -	(Note B)
Far EasTone Telecommunications Corporation	New Century InfoComm Corporation ARCOA Communication Corporation	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	25,957,312	886,301	-	(Note B)
		Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	1,249,641	64,578	-	(Note B)
	Taiwan	KGEx.com Corporation	Type II telecommunications services	2,440,457	2,440,457	78,896	99.99	849,432	44,775	-	(Note B)
	Taiwan	Hiiir Digital Marketing Corporation	Electronic information providing services	886,169	537,260	88,617	93.28	82,454	(142,346)	-	(Note B)
	Taiwan	Yuan Cing Corporation	Call center services	-	-	2,000	100.00	27,337	6,251	-	(Notes B and L)
	Bermuda	Far Eastern Info Service (Holding) Corporation	Investment	92,616	92,616	1	100.00	(49,699)	(40)	-	(Note B)
	Taiwan	O-music Corporation	Electronic information providing services	25,000	25,000	2,500	50.00	8,150	8	-	(Note B)
	Taiwan	Q-ware Communications Corporation	Type II telecommunications services	832,038	832,038	33,983	81.46	(78,686)	(2,295)	-	(Note B)
	Taiwan	Far Eastern Electronic Toll Collection Corporation	Electronic toll collection service	2,542,396	2,542,396	118,251	39.42	719,167	11,995	-	(Note B)
	Taiwan	Yuan Hsin Digital Payment Corporation	Electronic stored value card	450,000	450,000	32,658	30.00	200,096	(121,072)	-	(Note B)
	Taiwan	Ding Ding Integrated Marketing Service Corporation	Marketing	139,500	139,500	10,408	15.00	47,023	(22,506)	-	(Note B)
	Taiwan	Alliance Digital Technology Corporation	Electronic information providing services	60,000	60,000	6,000	14.40	29,569	(27,061)	-	(Note A)
	Taiwan	Far Eastern Electronic Commerce Corporation	Information software, department stores, convenience stores and nonstore retailing	172,604	80,893	2,173	15.24	5,741	(103,831)	-	(Note B)
ARCOA Communication Corporation	DataExpress Infotech Corporation	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	159,523	155	-	(Note B)
New Century InfoComm Corporation	New Diligent Corporation	Taiwan	Investment	1,060,000	1,060,000	54,000	100.00	106,086	(6,610)	-	(Note B)
		Taiwan	Information Security Service Digital United Inc.	Security and monitoring service via internet	148,777	148,777	10,249	100.00	113,145	9,792	-
	Cayman Islands	Digital United (Cayman) Corporation	Investment	132,406	132,406	4,320	100.00	25,534	(5,357)	-	(Note B)
	Taiwan	Far Eastern Electronic Commerce Corporation	Information software, department stores, convenience stores and nonstore retailing	28,922	28,922	777	5.45	2,053	(103,831)	-	(Note B)
	Taiwan	Ding Ding Integrated Marketing Service Corporation	Marketing	46,500	46,500	3,469	5.00	15,674	(22,506)	-	(Note B)
New Diligent Corporation	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	30	100.00	204	55	-	(Note B)
		British Virgin Islands	Investment	330,598	330,598	-	100.00	44,385	(7,852)	-	(Note B)
	Hong Kong	New Diligent Hong Kong Corporation	Investment	-	-	-	-	-	-	-	(Notes B and J)
DataExpress Infotech Corporation	Linkwell Tech. Corporation	Taiwan	Sale of communications products	10,000	10,000	-	100.00	36,769	(2,832)	-	(Note B)
		Taiwan	Home Master Technology Corporation	Sale of communications products	10,000	10,000	-	100.00	(9,342)	(926)	-

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. A foreign owned company

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

F. Shares in thousands.

G. Investment in Mainland China, please refer to Schedule O.

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

I. The effect from the adjustment of FENC shares which held by Yuan Ding Company Corporation.

J. New Diligent Hong Kong Corporation was established on December 4, 2014. The investment amount had not been remitted to the investee as of June 30, 2017.

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of June 30, 2017 (Note C)	Accumulated Repatriation of Investment Income as of June 30, 2017	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Corporation	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments.	\$ 8,435,471	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 19,167	100.00	\$ 19,167	\$ 8,317,617	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Corporation	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories.	917,733	2	1,010,901	-	-	1,010,901	64,997	100.00	64,997	1,452,553	233,172	Notes F and G
Far Eastern Industries (WuXi) Corporation	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics.	2,159,877	2	2,018,430	-	-	2,018,430	29,055	100.00	29,055	2,963,363	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products.	6,737,387	2	2,976,148	-	-	2,976,148	(796,409)	61.35	(488,597)	2,304,110	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,656,559	2	1,342,854	-	-	1,342,854	188,993	100.00	188,993	2,632,699	92,719	Notes H and S
Far Eastern Industries (Suzhou) Corporation	Production and sales of fiber and non-fiber polyester products	1,769,142	2	1,765,319	-	-	1,765,319	(36,657)	100.00	(36,657)	78,583	-	Note K
Wuhan Far Eastern New Material Corporation	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	767,320	2	724,110	-	-	724,110	3,775	100.00	3,775	936,627	-	
Oriental Industries (Suzhou) Corporation	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	4,911,482	2	4,957,248	-	-	4,957,248	190,408	100.00	190,408	5,570,758	-	Note H
Far Eastern New Century (China) Investment Corporation	Investment	2,784,378	2	2,795,325	-	-	2,795,325	(104,807)	100.00	(104,807)	1,804,440	-	
Sino Belgium Beer (Suzhou) Corporation	Brewery	1,709,875	2	1,763,952	-	-	1,763,952	(69,272)	100.00	(69,272)	(253,137)	-	Note L
Martens Beers Trading (Shanghai) Corporation	Brewery	351,730	2	231,475	-	-	231,475	(6,442)	100.00	(6,442)	8,299	-	Note L

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of June 30, 2017 (Note C)	Accumulated Repatriation of Investment Income as of June 30, 2017	Note
					Outflow	Inflow							
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	\$ 6,519,733	2	\$ 4,181,323	\$ -	\$ -	\$ 4,181,323	\$ 15,046	60.00	\$ 9,028	\$ 3,946,216	\$ -	
Far Eastern Industries (Yangzhou) Corporation	PA and its by-product production	1,385,736	2	1,436,190	-	-	1,436,190	204	100.00	204	1,400,964	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,661,072	2	1,962,908	-	-	1,962,908	639,828	50.00	319,914	1,793,676	-	
Shanghai Yuan Zi Information Technology Corporation	Software development, equipment maintenance and consulting	57,017	3	-	-	-	-	78	100.00	78	60,723	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	85,234	3	-	-	-	-	3,205	100.00	3,205	128,663	-	
Suzhou An Ho Apparel Corporation	Garment production	4,486	3	-	-	-	-	102	100.00	102	48,955	-	
Yuan Ding Enterprise (Shanghai) Corporation	Chemical products, machinery and equipment lubricants wholesale, commission agents and foreign trade	1,148,416	3	-	-	-	-	(44,945)	100.00	(44,945)	748,748	-	
Tong Da Air Industry (Yangzhou) Corporation	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,845,873	2	1,020,489	-	-	1,020,489	101,316	50.00	50,658	992,710	-	
Yuan Ding Integrated Information Service (Shanghai) Corporation	Computer software and internet software design and development	675,808	2	598,270	-	-	598,270	(31,729)	100.00	(31,729)	(74,968)	-	Note M
Speedy (Shanghai) Digital Tech. Corporation	Intelligent control equipment and security monitoring products and services	29,335	2	24,220	-	-	24,220	(1,067)	100.00	(1,067)	44,178	-	Note N
Digital United Information Technologies (Shanghai) Corporation	Research and design of computer system	94,302	2	94,302	-	-	94,302	1,775	100.00	1,775	12,476	-	Note P
Far Eastern New Century Information Technology (Beijing) Corporation	Electronic information providing services	349,830	2	313,326	-	-	313,326	(8,222)	90.52	(7,443)	63,742	-	Note Q
Far Eastern Tech-info Corporation (Shanghai)	Computer software, data processing and provision of network information service	182,520	2	199,086	-	-	199,086	(83)	100.00	(83)	97,032	-	Note O
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	34,283	-	-	34,283	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Notes T and U)	\$ 19,840,318	\$ 22,685,481	\$ -

(Continued)

Notes: A. Investment types are classified as follows:

1. The investment was made directly in China.
 2. The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Corporation, PET Far Eastern (Holding) Corporation, Far Eastern Apparel (Holding) Corporation, Oriental Textile (Holding) Corporation, FEDP (Holding) Corporation, Far Eastern Polytex (Holding) Corporation, Sino Belgium (Holding) Corporation, YDC (Virgin Islands) Corporation, DDIM (Virgin Islands) Corporation, Far Eastern Info Service (Holding) Corporation, Digital United (Cayman) Corporation and Far Eastern New Diligent Company Corporation.
 3. Other types.
- B. Recognition of investment gain or loss was based on the percentage of holding shares from the unreviewed financial statements, except for Oriental Industries (Suzhou) Corporation, it was based on the percentage of holding shares from reviewed financial statements by an international accounting firm which cooperated with an ROC accounting firm.
- C. The ending balance of long term investment.
- D. As of June 30, 2017, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the parent company and the other was from Yuan Ding Investment Corporation.
- E. As of June 30, 2017, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Corporation received by FENC and Yuan Ding Investment Corporation.
- F. As of June 30, 2017, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand, which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Corporation.
- G. As of June 30, 2017, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Corporation which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Corporation and Far Eastern Apparel (Holding) Corporation.
- H. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Corporation.
- I. As of June 30, 2017, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Corporation which remitted through an FENC subsidiary, Oriental Textile (Holding) Corporation.
- J. As of June 30, 2017, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation which remitted through FENC subsidiaries, Far Eastern Polychem Corporation, PET Far Eastern (Holding) Corporation and Far Eastern Polytex (Holding) Corporation.
- K. As of June 30, 2017, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand, which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Corporation and Yuan Tong Investment Corporation.
- L. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, Yuan Tong Investment Corporation.
- M. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by FENC subsidiaries, YDT Technology International Corporation, FET Consulting Engineers Corporation and Ding Ding Integrated Marketing Services Corporation.
- N. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, YDT Technology International Corporation.
- O. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, Far EasTone Telecommunications Corporation.
- P. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, New Century InfoComm Tech Corporation.
- Q. As of June 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, New Diligent Corporation.
- R. Company dissolution had been approved by the local government on April 13, 2010. New Diligence Corporation (Shanghai) had remitted US\$73 thousand back to Taiwan on June 27, 2012, and wrote off the amount as the investment registered with the Investment Commission of the MOEA.
- S. As of June 30, 2017, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Corporation which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Corporation.
- T. Investment amounts authorized by the Investment Commission of the MOEA include US\$744,755 thousand, and the original investment RMB 6,695 thousand from Far Eastern Polytex (Holding) Corporation which approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10320431180, there is no limitation on the amount of the parent company's investment in China.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of U.S. Dollars)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Corporation	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Corporation			Far Eastern Polychem Industries Corporation	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Corporation	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Corporation	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Corporation	3,879		3,879		
	Yuan Ding Investment Corporation	2004.12.29	No. 093032402	Far Eastern Polychem Industries Corporation	7,014		7,014		
	Yuan Ding Investment Corporation	2004.11.02	No. 093032239	Far Eastern Polychem Industries Corporation	15,898		15,898		
	Yuan Ding Investment Corporation	2004.12.29	No. 093032089	Far Eastern Polychem Industries Corporation	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Corporation	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Corporation	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Corporation	4,800	4,800			
					8,198 (Note E)				
	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Corporation	11,500	11,500			
Far Eastern Apparel (Suzhou) Corporation	Yuan Ding Investment Corporation	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Corporation	10,000	10,000			
	Yuan Ding Investment Corporation	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Corporation	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Corporation	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Corporation	5,000	5,000			
Far Eastern Industries (WuXi) Corporation	Yuan Ding Investment Corporation	2002.06.21	No. 091011903	Oriental Textile (Holding) Corporation	19,960	19,960			
	Yuan Ding Investment Corporation	2005.11.03	No. 094024169	Oriental Textile (Holding) Corporation	40,000	40,000			
Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Corporation	1,228				\$ 1,228
	Yuan Ding Investment Corporation	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Corporation Far Eastern Polychem Industries Corporation PET Far Eastern (Holding) Corporation	6,592				6,592

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Corporation	\$ 49,500	\$ 49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Corporation	4,800	4,800			
Far Eastern Industries (Suzhou) Corporation	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Corporation	2,936 (Note F) 41,171	41,171			
	Yuan Ding Investment Corporation	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Corporation	20,000	20,000			
Far Eastern Industries (Suzhou) Corporation	Yuan Ding Investment Corporation	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Corporation	30,000	30,000			
	Yuan Ding Investment Corporation	2002.11.26	No. 091035216	Far Eastern Polychem Industries Corporation	9,352				\$ 9,352
Oriental Industries (Suzhou) Corporation	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDP (Holding) Corporation	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Corporation	713				713
Wuhan Far Eastern New Material Corporation	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Corporation	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Corporation	4,524	4,524			
Oriental Industries (Suzhou) Corporation	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	FEDP (Holding) Corporation	4,800	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Corporation	754 (Note G) 18,224	18,224			
Wuhan Far Eastern New Material Corporation	Yuan Ding Investment Corporation	2005.08.01	No. 094015006	Oriental Textile (Holding) Corporation	19,800	19,800			
	Yuan Ding Investment Corporation	2006.02.09	No. 094037416	Oriental Textile (Holding) Corporation	30,200	30,200			
Martens Beers Trading (Shanghai) Corporation	Yuan Ding Investment Corporation	2007.10.02	No. 09600280400	Oriental Textile (Holding) Corporation	23,000	23,000			
	Yuan Ding Investment Corporation	2008.09.01	No. 09700172130	Oriental Textile (Holding) Corporation	32,500	32,500			
Martens Beers Trading (Shanghai) Corporation	Yuan Ding Investment Corporation	2013.04.29	No. 10200127470	Oriental Textile (Holding) Corporation	8,000	8,000			
	Yuan Ding Investment Corporation	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Corporation	43,000	43,000			
Far Eastern New Century (China) Investment Corporation (Note A)	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Corporation	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Corporation	10,000	10,000			
Sino Belgium Beer (Suzhou) Corporation	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Corporation	RMB 6,695				RMB 6,695
	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Corporation	48,000	48,000			
Sino Belgium Beer (Suzhou) Corporation	Yuan Tong Investment Corporation	2007.08.02	No. 09600248620	Sino Belgium (Holding) Corporation	18,000	18,000			
	Yuan Tong Investment Corporation	2008.02.21	No. 09600451060	Sino Belgium (Holding) Corporation	12,000	12,000			
Martens Beers Trading (Shanghai) Corporation	Yuan Tong Investment Corporation	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Corporation	16,000	16,000			
	Yuan Tong Investment Corporation	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Corporation	10,000	10,000			
Martens Beers Trading (Shanghai) Corporation	Yuan Tong Investment Corporation	2008.12.10	No. 09700456110	Sino Belgium (Holding) Corporation	3,800	3,800			
	Yuan Tong Investment Corporation	2010.07.29	No. 09900284200	Bockhold N.V	4,304				4,304
Martens Beers Trading (Shanghai) Corporation	Yuan Tong Investment Corporation	2014.04.24	No. 10300091010 (Note L)	Martens HK Corporation	1,500	1,500			
	Yuan Tong Investment Corporation			Sino Belgium (Holding) Corporation					

(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 Corporation (Shanghai)	Yuan Tong Investment Corporation	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Corporation	\$ 1,100	\$ 1,100			
	Yuan Tong Investment Corporation	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Corporation	1,000	1,000			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far EasTone Telecommunications Corporation	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Industries (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Corporation	166,000	166,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Corporation	49,000	49,000			
Yuan Ding Enterprise (Shanghai) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10300210860 (Note M)	PET Far Eastern (Holding) Corporation	66,000	66,000			
Tong Da Air Industry (Yangzhou) Corporation	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Corporation	1,000	1,000			
		2014.01.28	No. 10500282440 (Note R)	Far Eastern New Century (China) Investment Corporation Far Eastern Polytex (Holding) Corporation Far Eastern New Century (China) Investment Corporation	82,340	82,340			
Yuan Ding Integrated Information Service (Shanghai) Corporation	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Corporation	33,500	33,500			
Speedy (Shanghai) Digital Tech. Corporation	YDT Technology International Corporation	2011.10.19	No. 10000429550	YDC (Virgin Islands) Corporation	110	110			
		2011.11.03	No. 10000439470	DDIM (Virgin Islands) Corporation	8,100	8,100			
Far Eastern Tech-info Corporation (Shanghai)	FET Consulting Engineers Corporation Ding Ding Integrated Marketing Service Corporation	2015.08.11	No. 10400179060	DDIM (Virgin Islands) Corporation	1,100	1,100			
		2004.02.11	No. 093003471	YDC (Virgin Islands) Corporation	300	300			
Digital United Information Technologies (Shanghai) Corporation	YDT Technology International Corporation	2005.02.05	No. 094003122	YDC (Virgin Islands) Corporation	500	500			
		2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Corporation	2,500	2,500			
New Diligence Corporation (Shanghai)	Far EasTone Telecommunications Corporation New Diligent Corporation	2014.01.29	No. 10300022990	Far Eastern New Diligent Corporation	3,500	3,500			
		2002.10.07	No. 091041498	Digital United (Cayman) Corporation	3,100				\$ 3,100
Far Eastern New Century Information Technology (Beijing) Corporation	New Century InfoComm Corporation New Century InfoComm Corporation	2013.08.09	No. 10200302730	Digital United (Cayman) Corporation	1,000	1,000			
		2007.08.08	No. 09600261870	New Diligent Corporation (Note P)	1,127	1,127			
	New Diligent Corporation	2012.11.19	No. 10100496420	Far Eastern New Diligent Corporation	4,000	4,000			

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

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

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

D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.

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

(Continued)

- F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Corporation increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Corporation was made indirectly through Far Eastern Polytex (Holding) Corporation and FEDP (Holding) Corporation, under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Corporation under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Corporation from Yuan Tong Investment Corporation, for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Corporation, indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of June 30, 2017, FENC paid US\$138,000 thousand in this indirect investment.
- K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Corporation amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Corporation in Far Eastern Industries (Suzhou) Corporation.
- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Corporation amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Corporation and Martens Beers Trading (Shanghai) Corporation.
- M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Corporation, in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Corporation, indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers Trading (Shanghai) Corporation.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Corporation indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Corporation and Martens Beers Trading (Shanghai) Corporation.
- P. Company dissolution had been approved by the local government on April 13, 2010. New Diligence Corporation (Shanghai) had remitted US\$73 thousand back to Taiwan on June 27, 2012, and wrote off the amount as the investment registered with the Investment Commission of the MOEA.
- Q. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Corporation, indirectly in Tong Da Air Industry (Yangzhou) Corporation.
- R. After modifying MOEA approval from No. 10200399290 to No. 10500282440, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd, indirectly in Far Eastern New Century (China) Investment Corporation, then capitalized to Yuan Ding Enterprise (Shanghai) Corporation. As of June 30, 2017, FENC paid US\$38,848 thousand in this indirect investment.

(Concluded)