

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2017 and 2016, and changes in equity and cash flows for the nine months ended September 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 September 30, 2017 and 2016, combined total assets of these non-significant subsidiaries were NT\$239,296,097 thousand and NT\$210,731,518 thousand, respectively, representing 47.30% and 40.75%, respectively, of the consolidated total assets and combined total liabilities of these non-significant subsidiaries were NT\$104,967,399 thousand and NT\$96,736,905 thousand, respectively, representing 41.23% and 36.26%, respectively, of the consolidated total liabilities. For the three months ended September 30, 2017 and 2016, combined comprehensive income of these non-significant subsidiaries were NT\$(294,695) thousand and NT\$(1,420,789) thousand, respectively, representing (5.26%) and (122.12%) of the consolidated total comprehensive income, respectively. For the nine months ended September 30, 2017 and 2016, combined comprehensive income of these non-significant subsidiaries were NT\$(1,519,627) thousand and NT\$(4,395,320) thousand, respectively, representing (14.62%) and (149.07%), 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 September 30, 2017 and 2016, with carrying values of NT\$33,473,072 thousand and NT\$31,463,254 thousand, respectively, and the related share of the comprehensive income of associates for the three months ended September 30, 2017 and 2016 were NT\$1,449,055 thousand and NT\$360,479 thousand, respectively, and for the nine months ended September 30, 2017 and 2016 were NT\$2,631,547 thousand and NT\$(479,776) 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

November 9, 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	September 30, 2017 (Reviewed)		December 31, 2016 (Audited)		September 30, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 34)	\$ 24,296,934	5	\$ 35,675,422	7	\$ 42,529,497	8
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	3,565,992	1	3,835,959	1	3,440,009	1
Available-for-sale financial assets - current (Notes 4, 8 and 35)	829,694	-	656,773	-	635,115	-
Derivative financial assets for hedging - current (Notes 4, 9 and 34)	3,522	-	2,073	-	6,300	-
Debt investments with no active market - current (Notes 4, 11 and 34)	1,494,757	-	1,797,697	-	3,055,262	1
Notes and accounts receivable, net (Notes 4, 12 and 34)	25,289,344	5	24,830,649	5	22,931,828	4
Amounts due from customers for construction contracts (Notes 4 and 13)	1,245,898	-	1,202,624	-	891,513	-
Other receivables (Note 34)	4,997,975	1	7,811,376	2	5,650,669	1
Current tax assets (Note 4)	103,623	-	60,895	-	109,958	-
Inventories (Notes 4, 14 and 35)	24,136,747	5	22,103,308	4	21,026,517	4
Prepayments	4,572,460	1	3,399,270	1	4,100,139	1
Other financial assets - current (Notes 34 and 35)	3,933,005	1	4,402,953	1	4,331,603	1
Refundable deposits - current	17,214	-	37,643	-	9,737	-
Other current assets	2,187,695	-	1,722,674	-	2,234,907	-
Total current assets	96,674,860	19	107,539,316	21	110,953,054	21
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4, 8 and 35)	413,070	-	4,245,668	1	4,154,300	1
Financial assets measured at cost - non-current (Notes 4 and 10)	1,179,931	-	1,135,148	-	1,133,731	-
Investments accounted for using the equity method (Notes 4, 16 and 35)	59,627,337	12	53,421,270	11	53,192,328	10
Property, plant and equipment (Notes 4, 17 and 35)	150,310,309	30	148,316,398	29	147,966,040	29
Investment properties (Notes 4, 18 and 35)	124,105,094	25	124,758,539	24	125,838,948	24
Concession (Notes 20 and 35)	38,921,938	8	41,422,996	8	42,220,279	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)	3,819,613	1	3,676,776	1	3,444,565	1
Deferred tax assets (Note 4)	2,262,436	-	2,361,276	1	2,431,572	1
Prepayments for equipment (Note 17)	3,038,523	1	1,612,960	-	2,134,682	1
Refundable deposits - non-current	911,593	-	806,289	-	851,002	-
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)	3,404,220	1	3,783,584	1	2,467,012	1
Long-term prepayments for lease	6,584,567	1	6,716,440	1	6,630,102	1
Other non-current assets	1,381,298	-	357,983	-	283,741	-
Total non-current assets	409,265,444	81	405,920,842	79	406,233,817	79
TOTAL	\$ 505,940,304	100	\$ 513,460,158	100	\$ 517,186,871	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 34)	\$ 33,359,036	7	\$ 35,131,547	7	\$ 32,923,089	6
Short-term bills payable (Note 21)	6,755,259	1	9,278,381	2	9,657,919	2
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 34)	22,276	-	3,421	-	13,065	-
Derivative financial liabilities for hedging - current (Notes 4, 9 and 34)	2,535	-	47,767	-	34,059	-
Notes and accounts payable (Note 4)	18,895,903	4	15,910,920	3	16,324,295	3
Notes and accounts payable to related parties (Notes 4 and 34)	296,674	-	418,751	-	298,513	-
Amounts due to customers for construction contracts (Notes 4 and 13)	203,709	-	1,428	-	167,630	-
Payables to suppliers of machinery and equipment	1,429,394	-	2,615,378	1	2,163,989	-
Other payable	14,459,909	3	14,451,394	3	13,950,091	3
Current tax liabilities (Note 4)	1,899,396	-	2,393,096	-	2,379,650	1
Provisions - current (Notes 4 and 23)	282,483	-	270,831	-	269,739	-
Guarantee deposits received - current	352,597	-	298,281	-	373,164	-
Receipts in advance	1,891,400	-	1,174,563	-	1,698,957	-
Unearned revenue	2,885,897	1	2,585,723	1	2,549,620	1
Current portion of long-term liabilities (Notes 21 and 22)	14,842,758	3	20,057,220	4	16,640,032	3
Other current liabilities	3,015,449	1	2,544,731	-	2,438,081	1
Total current liabilities	100,594,675	20	107,183,432	21	101,881,893	20
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 4 and 9)	59,393	-	171,366	-	298,603	-
Bonds payable (Note 22)	76,606,329	15	62,518,046	12	70,806,351	14
Long-term borrowings (Note 21)	55,121,182	11	68,837,916	14	71,491,057	14
Provisions - non-current (Notes 4 and 23)	858,049	-	859,586	-	847,760	-
Deferred tax liabilities (Note 4)	17,048,325	3	17,014,677	3	17,158,234	3
Net defined benefit liabilities - non-current (Note 24)	3,332,256	1	3,610,061	1	3,169,319	1
Guarantee deposits received (Note 34)	518,466	-	607,007	-	665,171	-
Deferred credit-gains on related-party accounts (Note 34)	123,914	-	124,192	-	124,470	-
Other non-current liabilities	328,719	-	341,223	-	369,483	-
Total non-current liabilities	153,996,633	30	154,084,074	30	164,930,448	32
Total liabilities	254,591,308	50	261,267,506	51	266,812,341	52
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Capital stock						
Common stock	53,528,751	11	53,528,751	10	53,528,751	10
Capital surplus	2,859,430	-	2,859,588	1	2,856,283	1
Retained earnings						
Legal reserve	15,945,807	3	15,315,028	3	15,315,028	3
Special reserve	112,935,380	23	110,292,892	22	110,854,010	21
Unappropriated earnings	10,635,315	2	11,785,464	2	9,299,025	2
Total retained earnings	139,516,502	28	137,393,384	27	135,468,063	26
Other stockholders' equity	(3,871,941)	(1)	(2,870,205)	(1)	(1,944,827)	-
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	192,007,679	38	190,886,455	37	189,883,207	37
NON-CONTROLLING INTERESTS (Note 26)						
Total equity	59,341,317	12	61,306,197	12	60,491,323	11
Total equity	251,348,996	50	252,192,652	49	250,374,530	48
TOTAL	\$ 505,940,304	100	\$ 513,460,158	100	\$ 517,186,871	100

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

(With Deloitte & Touche review report dated November 9, 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 September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES								
(Notes 4, 9 and 34)								
Net sales	\$ 35,523,843	63	\$ 32,551,658	62	\$ 98,830,440	62	\$ 98,315,121	61
Telecommunications service revenue	15,937,445	28	16,889,217	32	47,993,542	30	50,723,829	32
Gain on disposal of investments, net (Note 8)	1,483,813	3	19,711	-	1,595,667	1	32,705	-
Construction revenue	681,801	1	731,132	1	2,638,509	2	2,830,280	2
Other operating revenue	<u>2,746,895</u>	<u>5</u>	<u>2,697,951</u>	<u>5</u>	<u>8,605,637</u>	<u>5</u>	<u>7,551,314</u>	<u>5</u>
Total operating revenues	<u>56,373,797</u>	<u>100</u>	<u>52,889,669</u>	<u>100</u>	<u>159,663,795</u>	<u>100</u>	<u>159,453,249</u>	<u>100</u>
OPERATING COSTS (Notes 4, 14, 27 and 34)								
Cost of goods sold	33,754,659	60	31,181,918	59	95,094,201	59	94,544,052	60
Cost of telecommunications services	6,736,604	12	6,609,072	13	19,644,505	12	19,466,734	12
Construction cost	664,035	1	662,812	1	2,573,469	2	2,674,711	2
Other operating cost	<u>905,364</u>	<u>1</u>	<u>1,281,713</u>	<u>2</u>	<u>4,184,858</u>	<u>3</u>	<u>3,584,639</u>	<u>2</u>
Total operating costs	<u>42,060,662</u>	<u>74</u>	<u>39,735,515</u>	<u>75</u>	<u>121,497,033</u>	<u>76</u>	<u>120,270,136</u>	<u>76</u>
GROSS PROFIT	<u>14,313,135</u>	<u>26</u>	<u>13,154,154</u>	<u>25</u>	<u>38,166,762</u>	<u>24</u>	<u>39,183,113</u>	<u>24</u>
REALIZED CONSTRUCTION INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>278</u>	<u>-</u>
OPERATING EXPENSES								
(Notes 4, 27 and 34)								
Selling and marketing	5,469,923	10	5,762,679	11	16,630,106	11	17,885,770	11
General and administrative	3,188,042	6	3,043,569	6	8,876,171	6	8,451,932	5
Research and development	<u>193,575</u>	<u>-</u>	<u>216,719</u>	<u>-</u>	<u>600,496</u>	<u>-</u>	<u>628,898</u>	<u>1</u>
Total operating expenses	<u>8,851,540</u>	<u>16</u>	<u>9,022,967</u>	<u>17</u>	<u>26,106,773</u>	<u>17</u>	<u>26,966,600</u>	<u>17</u>
OPERATING INCOME	<u>5,461,595</u>	<u>10</u>	<u>4,131,187</u>	<u>8</u>	<u>12,060,267</u>	<u>7</u>	<u>12,216,791</u>	<u>7</u>
NON-OPERATING INCOME								
Share of the profit or loss of associates	1,060,992	2	160,233	-	2,517,126	1	811,273	-
Interest income (Note 34)	113,621	-	81,225	-	268,341	-	278,497	-
Other income - other (Note 34)	281,665	-	152,486	-	884,839	-	774,178	-
Loss on disposal of investment properties	(212)	-	-	-	(212)	-	(25,201)	-
Gain (loss) on financial (liabilities) assets at fair value through profit or loss (Note 34)	45,436	-	37,321	-	63,157	-	(256,815)	-
Valuation gain on investment properties (Note 18)	199,787	-	615,301	1	1,054,259	1	1,746,402	1
Interest expense (Notes 9, 27 and 34)	(616,858)	(1)	(603,350)	(1)	(1,858,165)	(1)	(1,826,984)	(1)
Other expense	(51,131)	-	(153,154)	-	(501,136)	-	(449,942)	-
Loss on disposal of property, plant and equipment (Note 17)	(199,053)	-	(344,149)	(1)	(546,612)	-	(699,747)	-
Loss on disposal of concession	-	-	(42)	-	-	-	(111)	-
Loss on disposal of intangible asset	(5)	-	-	-	(61)	-	-	-

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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 September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange gain (loss), net (Note 4)	\$ 34,630	-	\$ (128,067)	-	\$ (190,310)	-	\$ (776,286)	-
Impairment loss (Notes 10 and 17)	<u>(127,183)</u>	<u>-</u>	<u>(52,517)</u>	<u>-</u>	<u>(128,331)</u>	<u>-</u>	<u>(105,634)</u>	<u>-</u>
Total non-operating incomes and expenses	<u>741,689</u>	<u>1</u>	<u>(234,713)</u>	<u>(1)</u>	<u>1,562,895</u>	<u>1</u>	<u>(530,370)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	6,203,284	11	3,896,474	7	13,623,162	8	11,686,421	7
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(844,596)</u>	<u>(1)</u>	<u>(745,714)</u>	<u>(1)</u>	<u>(2,303,544)</u>	<u>(1)</u>	<u>(2,457,513)</u>	<u>(1)</u>
NET INCOME	<u>5,358,688</u>	<u>10</u>	<u>3,150,760</u>	<u>6</u>	<u>11,319,618</u>	<u>7</u>	<u>9,228,908</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	531,529	1	(1,485,346)	(3)	(944,330)	-	(2,675,575)	(2)
Unrealized gain (loss) on available-for-sale financial assets	(1,394,791)	(3)	(51,218)	-	(1,014,668)	(1)	(397,104)	-
Cash flow hedges	12,503	-	33,430	-	179,598	-	40,737	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>1,091,690</u>	<u>2</u>	<u>(484,185)</u>	<u>(1)</u>	<u>855,154</u>	<u>1</u>	<u>(3,249,301)</u>	<u>(2)</u>
	<u>240,931</u>	<u>-</u>	<u>(1,987,319)</u>	<u>(4)</u>	<u>(924,246)</u>	<u>-</u>	<u>(6,281,243)</u>	<u>(4)</u>
Total other comprehensive income (loss), net	<u>240,931</u>	<u>-</u>	<u>(1,987,319)</u>	<u>(4)</u>	<u>(922,241)</u>	<u>-</u>	<u>(6,280,450)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 5,599,619</u>	<u>10</u>	<u>\$ 1,163,441</u>	<u>2</u>	<u>\$ 10,397,377</u>	<u>7</u>	<u>\$ 2,948,458</u>	<u>2</u>
NET INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 3,600,468	7	\$ 1,328,642	3	\$ 6,433,817	4	\$ 3,888,255	3
Non-controlling interests	<u>1,758,220</u>	<u>3</u>	<u>1,822,118</u>	<u>3</u>	<u>4,885,801</u>	<u>3</u>	<u>5,340,653</u>	<u>3</u>
	<u>\$ 5,358,688</u>	<u>10</u>	<u>\$ 3,150,760</u>	<u>6</u>	<u>\$ 11,319,618</u>	<u>7</u>	<u>\$ 9,228,908</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME (LOSS)								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 3,741,861	7	\$ (485,954)	(1)	\$ 5,434,082	4	\$ (2,056,475)	(1)
Non-controlling interests	<u>1,857,758</u>	<u>3</u>	<u>1,649,395</u>	<u>3</u>	<u>4,963,295</u>	<u>3</u>	<u>5,004,933</u>	<u>3</u>
	<u>\$ 5,599,619</u>	<u>10</u>	<u>\$ 1,163,441</u>	<u>2</u>	<u>\$ 10,397,377</u>	<u>7</u>	<u>\$ 2,948,458</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 September 30				For the Nine Months Ended September 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)								
Basic	\$ 0.72		\$ 0.27		\$ 1.29		\$ 0.78	
Diluted	\$ 0.72		\$ 0.27		\$ 1.28		\$ 0.78	

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

(With Deloitte & Touche review report dated November 9, 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												
	Equity Attributable to Owners of the Company					Other 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)	Total Equity Attributable to Owners of the Company	Non-controlling Interests (Note 26)	Total Equity
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 nine months ended September 30, 2016	-	-	-	-	3,888,255	-	-	-	-	-	3,888,255	5,340,653	9,228,908
Other comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	793	(3,346,407)	(2,613,209)	14,093	-	-	(5,944,730)	(335,720)	(6,280,450)
Total comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	3,889,048	(3,346,407)	(2,613,209)	14,093	-	-	(2,056,475)	5,004,933	2,948,458
Change in associates accounted for using the equity method	-	644	-	-	(399)	-	-	-	-	-	245	(2)	243
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	779	-	-	-	-	-	-	-	-	779	-	779
Disposal of investments in associates	-	-	-	(3,756)	2,963	-	-	-	-	-	(793)	-	(793)
Partial acquisition of interests in subsidiaries	-	47,177	-	-	(6,416)	-	-	-	-	-	40,761	51,076	91,837
Reversal of special reserve	-	-	-	(29,297)	29,297	-	-	-	-	-	-	-	-
Cash capital reduction by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
BALANCE, SEPTEMBER 30, 2016	<u>\$ 53,528,751</u>	<u>\$ 2,856,283</u>	<u>\$ 15,315,028</u>	<u>\$ 110,854,010</u>	<u>\$ 9,299,025</u>	<u>\$ (1,071,724)</u>	<u>\$ (1,493,282)</u>	<u>\$ (81,851)</u>	<u>\$ 702,030</u>	<u>\$ (25,063)</u>	<u>\$ 189,883,207</u>	<u>\$ 60,491,323</u>	<u>\$ 250,374,530</u>
BALANCE AT JANUARY 1, 2017	\$ 53,528,751	\$ 2,859,588	\$ 15,315,028	\$ 110,292,892	\$ 11,785,464	\$ (1,577,812)	\$ (1,947,657)	\$ (47,514)	\$ 702,778	\$ (25,063)	\$ 190,886,455	\$ 61,306,197	\$ 252,192,652
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 nine months ended September 30, 2017	-	-	-	-	6,433,817	-	-	-	-	-	6,433,817	4,885,801	11,319,618
Other comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	2,001	(1,313,286)	245,676	65,874	-	-	(999,735)	77,494	(922,241)
Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	6,435,818	(1,313,286)	245,676	65,874	-	-	5,434,082	4,963,295	10,397,377
Change in associates accounted for using the equity method	-	(781)	-	-	(486)	-	-	-	-	-	(1,267)	(16)	(1,283)
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	-	-	-	-	-	-	-	-	-	-	-	709,867	709,867
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	623	-	-	-	-	-	-	-	-	623	-	623
Partial acquisition of interests in subsidiaries	-	-	-	-	(6,895)	-	-	-	-	-	(6,895)	(13,105)	(20,000)
Reversal of special reserve	-	-	-	(19,518)	19,518	-	-	-	-	-	-	-	-
BALANCE, SEPTEMBER 30, 2017	<u>\$ 53,528,751</u>	<u>\$ 2,859,430</u>	<u>\$ 15,945,807</u>	<u>\$ 112,935,380</u>	<u>\$ 10,635,315</u>	<u>\$ (2,891,098)</u>	<u>\$ (1,701,981)</u>	<u>\$ 18,360</u>	<u>\$ 702,778</u>	<u>\$ (25,063)</u>	<u>\$ 192,007,679</u>	<u>\$ 59,341,317</u>	<u>\$ 251,348,996</u>

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

(With Deloitte & Touche review report dated November 9, 2017)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,623,162	\$ 11,686,421
Adjustments for:		
Depreciation	11,804,953	11,335,885
Amortization	3,476,313	3,082,651
Allowance for doubtful accounts	357,751	434,117
Interest expenses	1,858,165	1,826,984
Interest income	(268,341)	(278,497)
Dividend income	(254,311)	(200,268)
Share of the profit of associates	(2,517,126)	(811,273)
Loss on disposal of property, plant and equipment	546,612	699,747
Loss on disposal of investment properties	212	25,201
Loss on disposal of intangible asset	61	-
Loss on disposal of concession	-	111
Gain on disposal of investments	(1,600,799)	(39,780)
Impairment loss	128,331	105,634
Reversal of write-down of inventories	(10,797)	(281,420)
Realized gain on the transactions with associates	(278)	(278)
Gain on change in fair value of investment properties	(1,054,259)	(1,746,402)
Deferred loss on derivative assets for hedging	20,944	24,078
Net changes in operating assets and liabilities		
Financial assets held for trading	269,967	557,886
Notes and accounts receivable	(814,516)	7,916
Amounts due from customers for construction contracts	(43,274)	82,375
Other receivables	641,311	21,643
Inventories	(2,022,642)	3,737,661
Prepayments	(1,160,640)	(746,248)
Other current assets	(465,021)	(140,503)
Financial liabilities held for trading	18,855	13,065
Notes and accounts payable	2,984,983	701,393
Notes and accounts payable to related parties	(122,077)	(82,870)
Amounts due to customers for construction contracts	202,281	46,934
Other payables	(233,886)	(629,060)
Provisions	10,115	47,767
Receipts in advance	716,837	651,731
Other current liabilities	470,718	445,169
Net defined benefit liabilities	(278,542)	(772,549)
Unearned revenue	300,174	(31,557)
Cash generated from operations	26,585,236	29,773,664
Interest received	272,675	269,727
Dividend received	2,183,426	3,125,926

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
Interest paid	\$ (1,776,675)	\$ (1,754,167)
Income tax paid	<u>(2,707,484)</u>	<u>(1,773,654)</u>
Net cash generated from operating activities	<u>24,557,178</u>	<u>29,641,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(912,590)	(6,420)
Proceeds on the disposal of available-for-sale financial assets	-	202,059
Decrease in debt investments with no active market	302,940	295,728
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	(73,153)	(139,262)
Proceeds on disposed of investments accounted for using the equity-method	383,736	111,959
Payments for property, plant, equipment and prepayments for equipment	(16,738,158)	(14,692,674)
Proceeds on the disposal of property, plant and equipment	479,304	17,815
(Increase) decrease in refundable deposits	(84,875)	12,055
Decrease in other receivables	886,130	125,740
Payments for intangible assets	(780,790)	(699,711)
Proceeds on the disposal of intangible assets	547	5
Payments for investment properties	(1,895)	(1,723)
Proceeds on the disposal of investment properties	1,320,960	-
Increase in long-term prepayments for lease	(156,892)	(271,595)
Payments for concession	-	(8,130,000)
Proceeds on disposal of concession	-	154
Decrease in other financial assets	849,312	489,331
Increase in other non-current assets	<u>(1,022,578)</u>	<u>(29,821)</u>
Net cash used in investing activities	<u>(15,598,449)</u>	<u>(22,716,360)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(1,418,685)	8,235,462
(Decrease) increase in short-term bills payables	(2,524,000)	3,056,000
Proceeds from issue of bonds	19,700,000	15,600,000
Repayments of bonds payable	(8,150,000)	(13,329,500)
Proceeds from long-term borrowings	133,274,955	110,126,865
Repayment of long-term borrowings	(149,615,958)	(116,032,497)
(Decrease) increase in guarantee deposits received	(34,225)	55,160
Decrease in other non-current liabilities	(12,504)	(23,848)
Cash dividend paid	(4,282,267)	(5,352,875)
Cash capital increase by subsidiaries	847,613	91,837

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2017	2016
Cash capital reduction by subsidiaries	\$ -	\$ (15)
Dividends paid to non-controlling interest	(7,613,275)	(7,626,933)
Partial acquisition of interests in subsidiaries from non-controlling interest	<u>(20,000)</u>	<u>-</u>
Net cash used in financing activities	<u>(19,848,346)</u>	<u>(5,200,344)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(488,871)</u>	<u>(74,109)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,378,488)	1,650,683
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>\$ 24,296,934</u>	<u>\$ 42,529,497</u>

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

(With Deloitte & Touche review report dated November 9, 2017)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 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 approved by the board of directors on November 9, 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.

It 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” and related amendment

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 9 “Prepayment Features with Negative Compensation”	January 1, 2019
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
Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”	January 1, 2019
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, Tables 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

	September 30, 2017	December 31, 2016	September 30, 2016
Cash			
Cash on hand and petty cash	\$ 32,457	\$ 79,920	\$ 34,924
Demand and checking accounts	<u>15,034,011</u>	<u>18,810,198</u>	<u>19,988,760</u>
	<u>15,066,468</u>	<u>18,890,118</u>	<u>20,023,684</u>
Cash equivalents (investments with original maturities less than three months)			
Time deposits	7,352,069	1,841,027	1,147,973
Commercial paper and corporate bonds purchased under resell agreements	<u>1,701,209</u>	<u>14,831,983</u>	<u>21,207,931</u>
	<u>9,053,278</u>	<u>16,673,010</u>	<u>22,355,904</u>
Management discretionary accounts			
Demand accounts	<u>177,188</u>	<u>112,294</u>	<u>149,909</u>
	<u>\$ 24,296,934</u>	<u>\$ 35,675,422</u>	<u>\$ 42,529,497</u>

The Group's members individually contracted and fully authorized, other related parties, Oriental Securities Investment Advisory Corporation (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT\$177,188 thousand, NT\$112,294 thousand and NT\$149,909 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.

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

	September 30, 2017	December 31, 2016	September 30, 2016
Time deposits	0.35%-3.80%	0.05%-8.30%	0.05%-3.45%
Commercial paper and corporate bonds purchased under resell agreements	0.28%-0.36%	0.28%-0.75%	0.28%-1.20%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Financial assets held for trading - current</u>			
Mutual funds - beneficial certificates	\$ 3,127,133	\$ 3,405,976	\$ 3,126,451
Marketable equity securities	402,852	355,122	242,631
Guarantee deposits - cotton futures contracts	18,163	42,328	41,156
Guarantee deposits - PTA futures contracts	12,219	12,396	12,601
Forward exchange contracts	5,625	17,760	258
Combined foreign exchange options	-	2,377	3,445
Cross-currency swap contracts	<u>-</u>	<u>-</u>	<u>13,467</u>
	<u>\$ 3,565,992</u>	<u>\$ 3,835,959</u>	<u>\$ 3,440,009</u>

(Continued)

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Financial liabilities held for trading - current</u>			
Forward exchange contracts	\$ 9,769	\$ 255	\$ 5,097
Option contracts	748	3,166	80
Combined foreign exchange options	11,759	-	-
Cross-currency swap contracts	<u>-</u>	<u>-</u>	<u>7,888</u>
	<u>\$ 22,276</u>	<u>\$ 3,421</u>	<u>\$ 13,065</u> (Concluded)

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

	Currency	Maturity	Contract Amount (Thousands)
<u>September 30, 2017</u>			
Buy	USD/NTD	2017.10.3-2017.10.26	USD38,720/NTD 1,169,255
Buy	USD/JPY	2017.10.25-2017.11.28	USD7,000/JPY784,684
Buy	USD/RMB	2017.10.25-2017.11.10	USD4,000/RMB26,650
Sell	EUR/USD	2017.10.17-2017.12.22	EUR6,000/USD7,112
Sell	USD/JPY	2017.10.20-2018.2.28	USD2,260/JPY250,842
Sell	USD/RMB	2017.10.13-2017.10.23	USD17,000/RMB111,161
Sell	USD/NTD	2017.10.17-2017.11.14	USD2,400/NTD 71,955
Sell	USD/CAD	2017.10.25	USD1,000/CAD1,234

(Continued)

	Currency	Maturity	Contract Amount (Thousands)
<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>September 30, 2016</u>			
Buy	USD/RMB	2016.11.25	USD2,000/RMB13,405
Buy	USD/NTD	2016.10.06-2016.11.08	USD24,100/NTD757,271
Sell	USD/NTD	2016.10.05-2016.11.30	USD40,480/NTD1,270,818
Buy	USD/JPY	2016.11.28-2016.12.28	USD12,000/JPY1,224,470
Sell	EUR/USD	2016.12.28	EUR2,000/USD2,241

(Concluded)

d. Option contracts

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

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

	Currency	Maturity	Contract Amount (Thousands)
<u>September 30, 2017</u>			
Sell call option	USD/NTD	2017.10.3-2017.10.12	USD14,000/NTD 425,820
<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>September 30, 2016</u>			
Sell call option	USD/NTD	2016.10.03-2016.10.06	USD8,000/NTD254,226

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. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

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

	Currency	Maturity	Contract Amount (Thousands)
<u>September 30, 2017</u>			
Buy USD put options	USD/NTD	2017.10.3-2017.11.10	USD60,500/NTD 1,835,458
Sell USD call options	USD/NTD	2017.10.3-2017.11.10	USD121,000/NTD 3,670,915
<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>September 30, 2016</u>			
Buy EUR put options	EUR/USD	2016.10.24-2016.12.13	EUR16,000/USD18,278
Sell EUR call options	EUR/USD	2016.10.24-2016.12.13	EUR48,000/USD54,833
Buy USD put options	USD/NTD	2016.10.06-2016.10.25	USD5,000/NTD158,340
Sell USD call options	USD/NTD	2016.10.06-2016.10.25	USD15,000/NTD475,020

f. Cross-currency swap contracts

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

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

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

Currency	Range of Interest Rates	Maturity Date	Contract Amount (Thousands)
<u>September 30, 2016</u>			
USD/RMB	3.48%-4.00%	2016.11.25-2016.12.30	USD75,843/RMB500,000

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Equity investments</u>			
Marketable equity securities	\$ 397,311	\$ 4,198,219	\$ 4,106,750
Overseas mutual funds - beneficial certificates	749,793	598,132	582,782
Overseas shares	<u>95,660</u>	<u>106,090</u>	<u>99,883</u>
	<u>\$ 1,242,764</u>	<u>\$ 4,902,441</u>	<u>\$ 4,789,415</u>

(Continued)

	September 30, 2017	December 31, 2016	September 30, 2016
Current	\$ 829,694	\$ 656,773	\$ 635,115
Non-current	<u>413,070</u>	<u>4,245,668</u>	<u>4,154,300</u>
	<u>\$ 1,242,764</u>	<u>\$ 4,902,441</u>	<u>\$ 4,789,415</u>

(Concluded)

On August 18, 2017, the Group acquired 79,875 thousand shares of Far Eastern International Commercial Bank (FEIB) from associate with a total amount of 791,550 thousand, representing a total of 16.37% shares of FEIB including 13.8% of the original shares. The Group evaluated that it has a significant influence on FEIB. Therefore, the Group reclassified from available-for-sale financial assets at fair value of NT\$5,041,614 thousand of the investments to the investments accounted for using equity-method, and recognized the gain on sales of securities amounting to 1,486,081 thousand.

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2017	December 31, 2016	September 30, 2016
Derivative financial assets under hedge <u>accounting - current</u>			
Cash flow hedges - forward exchange contracts	\$ 3,522	\$ 2,073	\$ -
Cash flow hedges - foreign exchange swap contracts	<u>-</u>	<u>-</u>	<u>6,300</u>
	<u>\$ 3,522</u>	<u>\$ 2,073</u>	<u>\$ 6,300</u>
Derivative financial liabilities under hedge <u>accounting - current</u>			
Cash flow hedges - forward exchange contracts	\$ -	\$ 40,229	\$ 33,559
Cash flow hedges - foreign exchange swap contracts	<u>2,535</u>	<u>7,538</u>	<u>500</u>
	<u>\$ 2,535</u>	<u>\$ 47,767</u>	<u>\$ 34,059</u>
Derivative financial liabilities under hedge <u>accounting - noncurrent</u>			
Cash flow hedges - interest rate swaps	<u>\$ 59,393</u>	<u>\$ 171,366</u>	<u>\$ 298,603</u>

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:

September 30, 2017

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2017.10.25	EUR2,000
Foreign exchange swap contracts	USD/NTD	2017.10.18-2017.11.13	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

September 30, 2016

	Currency	Maturity Date	Contract Amount (Thousands)
Forward exchange contracts	NTD/EUR	2016.10.25-2017.07.25	EUR24,500
Foreign exchange swap contracts	USD/NTD	2016.10.14-2016.11.15	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 nine months ended September 30, 2017 and 2016 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Net gain (loss) on sales of securities	\$ 9,885	\$ (12,731)	\$ (37,121)	\$ (18,297)

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
NTD1,307,198	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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Interest expense debits	<u>\$ 2,286</u>	<u>\$ 6,463</u>	<u>\$ 12,061</u>	<u>\$ 23,622</u>

10. FINANCIAL ASSETS MEASURED AT COST

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Noncurrent</u>			
Domestic unlisted common shares	\$ 932,034	\$ 882,424	\$ 882,938
Overseas unlisted common shares	<u>247,897</u>	<u>252,724</u>	<u>250,793</u>
	<u>\$ 1,179,931</u>	<u>\$ 1,135,148</u>	<u>\$ 1,133,731</u>
<u>Distinguish from the type of measure</u>			
Available-for-sale	<u>\$ 1,179,931</u>	<u>\$ 1,135,148</u>	<u>\$ 1,133,731</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 nine months ended September 30, 2017 and 2016 the amortization were NT\$634 thousand, NT\$514 thousand, NT\$1,782 thousand and NT\$1,541 thousand, respectively, recognized as impairment loss.

11. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,494,757</u>	<u>\$ 1,797,697</u>	<u>\$ 3,055,262</u>

The market interest rates of the time deposits with original maturity more than 3 months were 0.70%-2.50%, 0.12%-1.30% and 0.24%-1.40% per annum respectively as of September 30, 2017, December 31, 2016 and September 30, 2016.

12. NOTES AND ACCOUNTS RECEIVABLE

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 26,694,239	\$ 26,173,376	\$ 24,245,753
Less: Allowance for doubtful accounts	<u>(1,404,895)</u>	<u>(1,342,727)</u>	<u>(1,313,925)</u>
	<u>\$ 25,289,344</u>	<u>\$ 24,830,649</u>	<u>\$ 22,931,828</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:

	September 30, 2017	December 31, 2016	September 30, 2016
1-90 days	\$ 23,176,561	\$ 22,399,146	\$ 20,278,873
91-180 days	1,690,259	1,996,949	2,148,516
181-365 days	95,478	138,193	119,027
More than 365 days	<u>327,046</u>	<u>296,361</u>	<u>385,412</u>
	<u>\$ 25,289,344</u>	<u>\$ 24,830,649</u>	<u>\$ 22,931,828</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	-	196,011	196,011
Add: (Reversal of) Impairment losses recognized on receivables	(1,603)	359,354	357,751
Deduct: Amounts written off during the period as uncollectible	(266)	(489,398)	(489,664)
Effect of exchange rate differences	<u>-</u>	<u>(1,930)</u>	<u>(1,930)</u>
Balance at September 30, 2017	<u>\$ 243,557</u>	<u>\$ 1,161,338</u>	<u>\$ 1,404,895</u>
Balance at January 1, 2016	\$ 11,546	\$ 1,240,968	\$ 1,252,514
Add: Accounts recovered during the period	-	162,930	162,930
Add: Impairment losses recognized on receivables	122,865	311,252	434,117
Deduct: Amounts written off during the period as uncollectible	(5,845)	(526,436)	(532,281)
Effect of exchange rate differences	<u>-</u>	<u>(3,355)</u>	<u>(3,355)</u>
Balance at September 30, 2016	<u>\$ 128,566</u>	<u>\$ 1,185,359</u>	<u>\$ 1,313,925</u>

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

	September 30, 2017	December 31, 2016	September 30, 2016
Amount due from customers for <u>construction contracts</u>			
Construction costs incurred plus recognized profits less recognized losses to date	\$ 17,379,635	\$ 18,074,224	\$ 11,186,564
Less: Progress billings	<u>16,133,737</u>	<u>16,871,600</u>	<u>10,295,051</u>
Amount due from customers for construction contracts	<u>\$ 1,245,898</u>	<u>\$ 1,202,624</u>	<u>\$ 891,513</u>
Amounts due to customers for <u>construction contracts</u>			
Progress billings	\$ 4,500,159	\$ 894,236	\$ 5,611,423
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>4,296,450</u>	<u>892,808</u>	<u>5,443,793</u>
Amount due to customers for construction contracts	<u>\$ 203,709</u>	<u>\$ 1,428</u>	<u>\$ 167,630</u>
Retentions receivable	<u>\$ 371,157</u>	<u>\$ 281,193</u>	<u>\$ 252,231</u>
Retentions payable	<u>\$ 716,585</u>	<u>\$ 633,699</u>	<u>\$ 501,775</u>

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

14. INVENTORIES

	September 30, 2017	December 31, 2016	September 30, 2016
Merchandise inventories	\$ 3,441,338	\$ 3,528,667	\$ 3,375,167
Finished goods	6,084,794	4,645,827	5,153,120
Work in progress	2,747,337	2,673,769	2,722,884
Raw materials	6,399,686	5,237,872	4,980,529
Supplies	808,062	728,798	706,480
Available-for-sale - buildings and land	2,131,686	2,764,531	3,387,450
Available-for-construction - land	<u>2,523,844</u>	<u>2,523,844</u>	<u>700,887</u>
	<u>\$ 24,136,747</u>	<u>\$ 22,103,308</u>	<u>\$ 21,026,517</u>

Costs of goods sold were NT\$33,754,659 thousand, NT\$31,181,918 thousand, NT\$95,094,201 thousand and NT\$94,544,052 thousand, respectively, for the three months and nine months ended September 30, 2017 and 2016. The cost of goods sold, which included reversal of write-downs for the three months and nine months ended September 30, 2017 and 2016, were NT\$9,046 thousand, NT\$90,768 thousand, NT\$10,797 thousand and NT\$281,420 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		
			September 30, 2017	December 31, 2016	September 30, 2016
Far Eastern New Century Corporation	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29	38.29
	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70	99.70
	Far Eastern Resources Development Co., Ltd.	Real estate leasing and development service	100.00	100.00	100.00
	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00	100.00
	Far Eastern Polychem Industries Ltd. (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) Ltd.	Investment	100.00	100.00	100.00
	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00	100.00
	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00
	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00	100.00
	Yuan Ding Co., Ltd. (Note 2)	Real estate leasing and hotel	49.99	49.99	49.99
	Far Eastern Construction Co., Ltd.	Real estate construction and selling	65.11	65.11	65.11
	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00
	An Ho Garment Co., Ltd.	Garment production and investment	100.00	100.00	100.00
	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00	100.00
	Fu Kwok Knitting & Garment Co., Ltd.	Garment production	99.99	99.99	99.99
	Far Eastern Textile Ltd.	Textile production	100.00	100.00	100.00
	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33	66.33
	Yuan Hsin Digital Payment Co., Ltd.	Digital payment	65.01	65.01	65.01
	Yuan Ding Investment Co., Ltd.	Malaysia Garment Manufactures Pte. Ltd.	Clothing production and investment	50.92	50.92
Oriental Textile (Holding) Ltd. (OTTI)		Investment	100.00	100.00	100.00
Far Eastern Apparel (Holding) Ltd. (FEAH)		Investment	100.00	100.00	100.00
Far Eastern Fibertech Co., Ltd.		Nylon production	100.00	100.00	100.00
Far Eastern Apparel Co., Ltd.		Sale of textile, garments, and clothing	100.00	100.00	100.00
Oriental Resources Development Co., Ltd.		Production and wholesale of medical supplies; waste recycling and re-processing	70.00	70.00	70.00
Yuan Faun Co., Ltd.		Consulting	100.00	100.00	100.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			September 30, 2017	December 31, 2016	September 30, 2016
Far Eastern Investment (Holding) Corporation (FEIH)	FETG Investment Autilles 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) Ltd.	Clothing production	100.00	100.00	100.00
	Far Eastern New Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00	100.00
Far Eastern Polychem Industries Corporation (FEPI)	Far Eastern Polytex (Vietnam) Ltd.	Chemical fiber and textile production	100.00	100.00	100.00
	Magna View Sdn. Bhd.	Investment	100.00	100.00	100.00
	Far Eastern Industries (Shanghai) Corporation	Chemical fiber production	100.00	100.00	100.00
	Far Eastern Industries (Yangzhou) Ltd.	Production and sales of polyester products	100.00	100.00	100.00
	Far Eastern Ishizuka Green Pet Corporation (FEIGP)	Recycled PET production and sales	90.00	90.00	90.00
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	Construction	99.95	99.95	99.95
Far Eastern Apparel (Holding) Ltd. (FEAH)	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	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 Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19	55.19
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Corporation	Investment	90.88	90.88	90.88
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd. (Note 4)	Dispatched labor, procuring equipment, and sales agent services	100.00	-	-
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	Garment production	100.00	100.00	100.00
PET Far Eastern (Holding) Ltd. (PETH)	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35	61.35
Oriental Textile (Holding) Ltd. (OTTH)	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00	100.00
	Oriental Industries (Suzhou) Ltd.	Production and sales of polyester resins and industrial fabrics	100.00	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	Far Eastern Industries (Suzhou) Ltd.	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) Co., Ltd.	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 Co., Ltd.	Investment	100.00	100.00	100.00
Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	100.00	100.00	100.00
	Yuan Ding Enterprise (Shanghai) Limited	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) Ltd.	Brewer	100.00	100.00	100.00
	Martens Beers (Shanghai) Ltd.	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 Co., Ltd.	Ding Ding Hotel Co., Ltd.	Hotel	80.99	80.99
Yuan Ding Co., Ltd.	YDT Technology International Corporation	Electronic materials and by-product sale	100.00	100.00	100.00
	Far Eastern Technical Consultants Co., Ltd.	Real estate development business consulting and management	100.00	100.00	100.00
	FET Consulting Engineers Co., Ltd.	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00	100.00
	Ding Ding Integrated Marketing Services Corporation	Market research and general advertisement	80.00	80.00	80.00
	Far Eastern Electronic Commerce Co., Ltd. (Note 5)	Online retail service	-	73.42	73.42
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDT Technology International Corporation	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDC (Virgin Islands) Ltd.	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00	100.00
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	PT Malaysia Garment Bintan	Clothing Production	99.00	99.00	99.00
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Corporation	Types I and II telecommunications services	100.00	100.00	100.00
	ARCOA Communication Co., Ltd.	Sales of communications products and office equipment	61.63	61.63	61.63
	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99	99.99
	Yuan Cing Co., Ltd.	Call center services	100.00	100.00	99.99
	Far Eastern Info Service Holding Corporation	Investment	100.00	100.00	100.00
	O-music Co., Ltd.	Electronic information providing services	50.00	50.00	50.00
	Q-Ware Communication Corporation	Type II telecommunications services	81.46	81.46	81.46
	Hiiir Corporation (Note 5)	Electronic information providing services	-	89.54	89.54
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir) (Note 5)	Electronic information providing services	93.62	-	-
	ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		
			September 30, 2017	December 31, 2016	September 30, 2016
New Century InfoComm Tech Corporation	New Diligent Co., Ltd.	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) Ltd.	Investment	100.00	100.00	100.00
	Simple InfoComm Co., Ltd. (Note 3)	Electronic information providing services	-	-	-
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Corporation	Design and research of computer system	100.00	100.00	100.00
New Diligent Co., Ltd.	Sino Lead Enterprise Corporation	Telecommunications services	100.00	100.00	100.00
	Far East New Diligent Company Ltd.	Investment	100.00	100.00	100.00
Far East New Diligent Company Ltd.	New Diligent (Hong Kong) Corporation	Investment	-	-	-
	Far Eastern Tech-Info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	90.52	90.52	79.04
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Sale of communications products	100.00	100.00	100.00
	Home Master Technology Ltd.	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 dissolved on December 19, 2015 and liquidated on April 6, 2016.

Note 4: A subsidiary of Far Eastern Electronic Toll Collection Co., Ltd., it was a new established subsidiary of oversea business from the shareholders resolution of Far Eastern Electronic Toll Collection Co., Ltd. on April 27, 2017 under the Enterprises Mergers and Acquisitions Act (the date of the partition was April 30, 2017).

Note 5: 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 Co., Ltd. (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 nine months ended September 30, 2017 and 2016 of the Company, Far EasTone Telecommunications Co., Ltd. (Far EasTone), New Century InfoComm Tech Corporation (NCIC) and ARCOA Communication Co., Ltd. (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 Nine Months Ended		September 30, 2017	December 31, 2016	September 30, 2016
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016			
Far EasTone	\$ 1,768,252	\$ 1,989,359	\$ 5,327,329	\$ 5,712,393	\$ 42,345,063	\$ 44,534,397	\$ 43,179,941

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:

	September 30, 2017	December 31, 2016	September 30, 2016
Current assets	\$ 22,949,483	\$ 26,557,388	\$ 32,773,152
Non-current assets	102,239,312	106,249,934	108,058,251
Current liabilities	(28,886,472)	(30,980,704)	(31,416,857)
Non-current liabilities	<u>(28,121,084)</u>	<u>(30,104,017)</u>	<u>(39,875,074)</u>
Equity	<u>\$ 68,181,239</u>	<u>\$ 71,722,601</u>	<u>\$ 69,539,472</u>
Equity attributable to:			
Owners of the Group	\$ 25,836,176	\$ 27,188,204	\$ 26,359,531
Non-controlling interests of Far EasTone	41,638,819	43,817,814	42,482,284
Non-controlling interests of Far EasTone's subsidiaries	<u>706,244</u>	<u>716,583</u>	<u>697,657</u>
	<u>\$ 68,181,239</u>	<u>\$ 71,722,601</u>	<u>\$ 69,539,472</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2017	2016	2017
	2016	2017	2016
Revenue	<u>\$ 22,864,994</u>	<u>\$ 23,318,608</u>	<u>\$ 67,281,222</u>
Profit for the period	\$ 2,860,930	\$ 3,216,874	\$ 8,623,053
Other comprehensive income for the period	<u>32,851</u>	<u>292</u>	<u>136,683</u>
	<u>(56,006)</u>		
Total comprehensive income for the period	<u>\$ 2,893,781</u>	<u>\$ 3,217,166</u>	<u>\$ 8,759,736</u>
Profit attributable to:			
Owners of the Group	\$ 1,092,678	\$ 1,227,815	\$ 3,295,724
Non-controlling interests of Far EasTone	1,761,013	1,978,805	5,311,548
Non-controlling interests of Far EasTone's subsidiaries	<u>7,239</u>	<u>10,254</u>	<u>15,781</u>
	<u>\$ 2,860,930</u>	<u>\$ 3,216,874</u>	<u>\$ 8,623,053</u>
	<u>\$ 9,239,482</u>		
Total comprehensive income attributable to:			
Owners of the Group	\$ 1,105,263	\$ 1,227,783	\$ 3,348,034
Non-controlling interests of Far EasTone	1,781,294	1,978,752	5,392,852
Non-controlling interests of Far EasTone's subsidiaries	<u>7,224</u>	<u>10,631</u>	<u>15,850</u>
	<u>\$ 2,893,781</u>	<u>\$ 3,217,166</u>	<u>\$ 8,759,736</u>
	<u>\$ 9,183,476</u>		

**For the Nine Months Ended
September 30**

	2017	2016
Net cash inflow from:		
Operating activities	\$ 20,603,730	\$ 22,505,580
Investing activities	(7,166,038)	(15,208,944)
Financing activities	(17,147,061)	(6,748,082)
Effect of exchange rate changes	(548)	2,281
	<u>\$ (3,709,917)</u>	<u>\$ 550,835</u>

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	September 30, 2017		December 31, 2016		September 30, 2016	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Associate that are individually material						
Listed companies						
Asia Cement Corporation	\$ 19,994,945	26	\$ 19,291,041	26	\$ 18,978,479	26
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Ltd.	7,032,397	24	7,079,848	23	6,986,429	23
Oriental Union Chemical Corporation	5,925,509	31	5,903,309	32	5,892,158	32
Everest Textile Corporation	1,129,850	26	1,160,911	26	1,118,438	26
Far Eastern International Bank	5,080,832	16	-	-	-	-
	<u>19,168,588</u>		<u>14,144,068</u>		<u>13,997,025</u>	
Unlisted companies						
Oriental Securities Corporation	4,687,116	47	4,658,305	47	4,654,955	46
Pacific Liu Tong Investment Co., Ltd.	4,115,347	40	4,234,587	40	4,086,420	40
Far Eastern International Leasing Corporation	1,856,937	34	1,866,661	34	1,861,183	34
Far Easter Union Petrochemical (Yangzhou) Corporation	1,947,229	50	1,515,620	50	1,379,534	50
Liquid Air Far East Co., Ltd.	1,779,916	35	1,778,443	35	1,692,309	35
Da Ju Fiber Co., Ltd.	1,630,728	42	1,585,067	42	1,514,878	42
Yu Yuan Investment Co., Ltd.	1,325,730	44	1,298,224	44	2,024,376	44
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,045,612	50	969,375	50	970,991	50
Yu Ding Industry Co., Ltd.	667,387	31	636,473	31	617,211	31
Kowloon Cement Corporation	465,207	49	471,469	49	497,747	49
Yuan Ding Leasing Corporation	386,256	46	389,978	46	389,852	46
Freudenberg Far Eastern Spunweb Co., Ltd.	317,071	30	341,233	30	296,062	30
FEDS Asia Pacific Development Co., Ltd.	134,917	5	129,763	5	134,853	5
Yue Ming Corporation	62,643	47	62,062	47	73,388	47
Alliance Digital Technology Co., Ltd.	27,593	14	33,869	14	8,073	13
Com 2B Corporation	12,510	20	13,333	20	13,343	20
Opas Fund Segregated Portfolio Company	1,605	34	1,699	34	1,649	34
	<u>20,463,804</u>		<u>19,986,161</u>		<u>20,216,824</u>	
	<u>\$ 59,627,337</u>		<u>\$ 53,421,270</u>		<u>\$ 53,192,328</u>	

Material associates were as follow:

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

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

Name of Associate	September 30, 2017	December 31, 2016	September 30, 2016
Asia Cement Corporation	<u>\$ 23,176,850</u>	<u>\$ 22,700,192</u>	<u>\$ 23,604,756</u>

On August 18, 2017, the Group has significant influence on Far Eastern International Bank (Note 8). Therefore, starting from August 18, 2017, the investment in Far Eastern International Bank was recognized as investments accounted for using equity method.

As of September 30, 2017, December 31, 2016 and September 30, 2016, investments in FEDS Asia Pacific Development Co., Ltd. and Alliance Digital Technology Co., Ltd. were accounted for the equity-method since the Group exercised significant influence on them even though the Group owned less than 20% of each investee's voting 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 nine months ended September 30, 2017 and 2016 had not been reviewed, except Asia Cement Corporation (ACC), Far Eastern Department Stores Ltd., Oriental Union Chemical Corporation, Everest Textile Corporation, Pacific Liu Tong Investment Co., Ltd. for the nine months ended September 30, 2017 and 2016, and Far Eastern International Bank for the nine months ended September 30, 2017. The independent auditors expressed a qualified reviewed report on the financial statements of some associates mentioned above because the financial statements of some of the investees of these associates had not been reviewed.

17. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	September 30, 2017	December 31, 2016	September 30, 2016
Total property, plant and equipment	\$ 150,310,309	\$ 148,316,398	\$ 147,966,040
Prepayments for equipment	<u>3,038,523</u>	<u>1,612,960</u>	<u>2,134,682</u>
	<u>\$ 153,348,832</u>	<u>\$ 149,929,358</u>	<u>\$ 150,100,722</u>

	Land	Buildings	Machinery and Equipment	Telecommu- nications Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in- progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 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	131,082	319,779	20,997	11,774	11,975	324,751	14,729,486	15,552,174
Disposals	-	(182,220)	(1,061,202)	(3,088,514)	(374,331)	(34,782)	(520,939)	(93,432)	(535,420)
Adjustments and reclassification	1,749,577	418,539	507,039	4,110,991	886,668	68,992	573,761	(6,814,568)	1,500,999
Effect of exchange rate difference	499	(157,625)	(893,391)	(1)	(430)	(9)	(59,003)	(189,782)	(1,299,742)
Balance at September 30, 2017	<u>\$ 20,198,254</u>	<u>\$ 31,741,681</u>	<u>\$ 118,063,198</u>	<u>\$ 128,848,526</u>	<u>\$ 15,818,689</u>	<u>\$ 4,708,468</u>	<u>\$ 21,236,390</u>	<u>\$ 41,359,421</u>	<u>\$ 381,974,627</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	-	82,021	967,057	2,532,714	345,851	41,813	360,048	-	4,329,504
Impairment loss	-	-	-	-	-	-	-	(126,549)	(126,549)
Depreciation expense	-	(630,221)	(2,967,090)	(5,942,771)	(960,009)	(294,713)	(1,010,149)	-	(11,804,953)
Adjustments and reclassification	-	(35,835)	47,287	(5,666)	(2,763)	87	(4,007)	-	(897)
Effect of exchange rate differences	-	45,646	544,285	3	140	9	34,275	-	624,358
Balance at September 30, 2017	<u>\$ (96,557)</u>	<u>\$ (14,719,545)</u>	<u>\$ (83,939,729)</u>	<u>\$ (96,627,604)</u>	<u>\$ (13,442,163)</u>	<u>\$ (3,828,573)</u>	<u>\$ (15,778,219)</u>	<u>\$ (193,405)</u>	<u>\$ (228,625,795)</u>

(Continued)

	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, 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	103,661	274,175	60,314	16,438	24,820	194,605	13,193,341	13,870,390
Disposals	-	(50,786)	(824,109)	(6,965,027)	(130,035)	(39,005)	(238,161)	(23,977)	(8,271,100)
Adjustments and reclassification	(95)	685,710	2,409,804	6,527,617	465,995	155,964	536,839	(10,817,852)	(36,018)
Effect of exchange rate difference	(13,615)	(423,677)	(2,468,944)	(3)	(897)	(42)	(171,160)	(475,856)	(3,554,194)
Balance at September 30, 2016	<u>\$ 18,454,036</u>	<u>\$ 31,426,869</u>	<u>\$ 119,455,331</u>	<u>\$ 130,310,282</u>	<u>\$ 15,325,530</u>	<u>\$ 4,901,995</u>	<u>\$ 20,223,624</u>	<u>\$ 31,810,640</u>	<u>\$ 371,908,307</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	-	47,721	806,736	6,315,126	129,823	34,171	219,961	-	7,553,538
Impairment loss	-	-	(100,000)	-	-	-	-	-	(100,000)
Depreciation expense	-	(620,313)	(2,930,860)	(5,515,202)	(906,542)	(304,571)	(1,058,397)	-	(11,335,885)
Adjustments and reclassification	-	(275)	(850)	-	(8,520)	-	1,550	-	(8,095)
Effect of exchange rate differences	-	174,753	1,274,209	2	577	37	110,524	-	1,560,102
Balance at September 30, 2016	<u>\$ (96,557)</u>	<u>\$ (14,067,637)</u>	<u>\$ (82,097,945)</u>	<u>\$ (94,032,526)</u>	<u>\$ (12,813,469)</u>	<u>\$ (3,739,773)</u>	<u>\$ (14,959,678)</u>	<u>\$ -</u>	<u>\$ (221,807,585)</u>

(Concluded)

The Group expects the future cash flows of the machinery equipment which produce the certain products from chemical fiber department will be reduced. As a result, the recoverable amount was less than the book value. The recoverable amount of the machinery equipment was based on the usable value. As of September 30, 2017 and 2016, the recoverable amounts were \$2,429,875 thousand and \$2,731,292 thousand, respectively, with the discount rate of 5.2942% and 3.9703%, respectively. The Group recognized the impairment loss amounting to \$126,549 thousand, \$50,000 thousand, \$126,549 thousand and \$100,000 thousand for the three months and nine months ended September 30, 2017 and 2016. 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 September 30, 2017, December 31, 2016 and September 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
Additions	1,895
Disposals	(212)

(Continued)

	Completed Investment Properties
Reclassification	\$ (1,694,449)
Recognized in profit (gain arising from the change in fair value of investment property)	1,054,259
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(14,938)</u>
Balance at September 30, 2017	<u>\$ 124,105,094</u>
Balance at January 1, 2016	\$ 124,190,706
Additions	1,723
Disposals	(25,201)
Reclassification	(43,458)
Recognized in profit (gain arising from the change in fair value of investment property)	1,746,402
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(31,224)</u>
Balance at September 30, 2016	<u>\$ 125,838,948</u> (Concluded)

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 Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the six months ended June 30, 2015 and recognized as inventories (available-for-sale - land and building). The portions of floors had been rented out. 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 it's fair value was evaluated base on the market rentals which were between NT\$0.4 thousand and NT\$1.1 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair values of investment properties were as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Independent valuation	<u>\$ 124,105,094</u>	<u>\$ 124,758,539</u>	<u>\$ 125,838,948</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 September 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:

	September 30, 2017	December 31, 2016	September 30, 2016
Expected future cash inflows	\$ 59,359,021	\$ 59,070,894	\$ 59,797,622
Expected future cash outflows	<u>(2,208,789)</u>	<u>(2,208,126)</u>	<u>(2,246,466)</u>
Expected future cash inflows, net	<u>\$ 57,150,232</u>	<u>\$ 56,862,768</u>	<u>\$ 57,551,156</u>
Discount rate	1.845%-2.22%	1.845%-2.22%	1.845%-2.30%

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 nine months ended September 30, 2017 and 2016, were NT\$257,333 thousand, NT\$321,405 thousand, NT\$775,614 thousand and NT\$826,207 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:

	September 30, 2017	December 31, 2016	September 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, domestic macroeconomic prospects, local land use, and market rates.

19. GOODWILL

	For the Nine Months Ended September 30	
	2017	2016
<u>Cost</u>		
Beginning and 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

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Carrying amounts</u>			
Concession	<u>\$ 38,921,938</u>	<u>\$ 41,422,996</u>	<u>\$ 42,220,279</u>
Other intangible assets			
Computer software	3,336,203	3,177,633	2,935,650
Others	<u>483,410</u>	<u>499,143</u>	<u>508,915</u>
	<u>3,819,613</u>	<u>3,676,776</u>	<u>3,444,565</u>
	<u>\$ 42,741,551</u>	<u>\$ 45,099,772</u>	<u>\$ 45,664,844</u>

	Concession	Computer Software	Others	Total
Balance at January 1, 2017	\$ 41,422,996	\$ 3,177,633	\$ 449,143	\$ 45,099,772
Additions	-	779,650	1,140	780,790
Amortization	(2,582,459)	(661,319)	(86,117)	(3,329,895)
Disposals	-	(608)	-	(608)
Reclassifications	81,401	42,593	70,221	194,215
Effect of exchange rate differences	<u>-</u>	<u>(1,746)</u>	<u>(977)</u>	<u>(2,723)</u>
Balance at September 30, 2017	<u>\$ 38,921,938</u>	<u>\$ 3,336,203</u>	<u>\$ 483,410</u>	<u>\$ 42,741,551</u>
Balance at January 1, 2016	\$ 35,151,640	\$ 2,811,278	\$ 654,267	\$ 38,617,185
Additions	9,130,000	657,841	41,870	9,829,711
Amortization	(2,136,913)	(598,425)	(201,722)	(2,937,060)
Disposals	(265)	(5)	-	(270)
Reclassifications	75,817	68,048	19,523	163,388
Effect of exchange rate differences	<u>-</u>	<u>(3,087)</u>	<u>(5,023)</u>	<u>(8,110)</u>
Balance at September 30, 2016	<u>\$ 42,220,279</u>	<u>\$ 2,935,650</u>	<u>\$ 508,915</u>	<u>\$ 45,664,844</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

	September 30, 2017	December 31, 2016	September 30, 2016
Credit bank loans	\$ 29,382,025	\$ 31,214,468	\$ 28,589,103
Secured and pledged bank loans	240,000	430,056	915,056
Loans from related parties	<u>3,737,011</u>	<u>3,487,023</u>	<u>3,418,930</u>
	<u>\$ 33,359,036</u>	<u>\$ 35,131,547</u>	<u>\$ 32,923,089</u>

- 1) The interest rates for bank loans were 0.50%-5.30%, 0.53%-8.90% and 0.53%-5.76% as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of September 30, 2017, December 31, 2016 and September 30, 2016.

b. Short-term bills payable

	September 30, 2017	December 31, 2016	September 30, 2016
Commercial paper	\$ 6,758,000	\$ 9,282,000	\$ 9,660,000
Less: Unamortized discount on bills payable	<u>2,741</u>	<u>3,619</u>	<u>2,081</u>
	<u>\$ 6,755,259</u>	<u>\$ 9,278,381</u>	<u>\$ 9,657,919</u>

The short-term bills payable outstanding were issued at interest rates of 0.518%-1.790%, 0.50%-1.838% and 0.49%-1.26%, as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.

c. Long-term borrowings

	September 30, 2017	December 31, 2016	September 30, 2016
Bank loans	<u>\$ 55,467,074</u>	<u>\$ 67,564,299</u>	<u>\$ 61,935,324</u>
Long-term commercial paper	600,000	4,900,000	10,383,000
Less: Unamortized discount on commercial paper	<u>284</u>	<u>13,237</u>	<u>33,032</u>
	<u>599,716</u>	<u>4,886,763</u>	<u>10,349,968</u>
	56,066,790	72,451,062	72,285,292
Less: Current portion	<u>945,608</u>	<u>3,613,146</u>	<u>794,235</u>
	<u>\$ 55,121,182</u>	<u>\$ 68,837,916</u>	<u>\$ 71,491,057</u>

The foregoing loans are repayable through a lump sum payment on maturity and pay interest monthly; a lump sum of capital and interest on maturity; a lump sum of capital on maturity and prepaid interest which are in New Taiwan dollars, Japanese yen, EUR, RMB dollars and U.S. dollars. Therefore, some of the loans are revolving credit loans, which can be repaid within the credit line limitation. The maturity dates of revolving credit loans are based on the maturity dates of the credit line limit contracts. The maturity dates and bank interest rates of the Group's borrowings were as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Maturity	October 2017- April 2031	January 2017 - April 2031	October 2017- April 2031
Bank interest rates	0.60%-4.85%	0.63%-8.10%	0.42%-1.66%

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.
<hr/> NT\$ 5,600,000 thousand <hr/>				

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.

On July 19, 2017, a FENC subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), got a five-year syndicated loan in a total amount of NT\$16,800,000 thousand from bank groups which Mega International Commercial Bank is the leading bank. During the contract period, OPTC needs to keep its liability ratio within a certain range calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjusts the liability ratio to within the required range in 5 months from June 1 next year. Otherwise, starting from November 1, OPTC has to pay extra 0.125% interest of the outstanding amounts until the day before the liability ratio has met the range requirement. OPTC does not violate the contract above.

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 bank groups which Mega International Commercial Bank is the leading bank. During the contract period, OPTC needs to keep its liability ratio within a certain range calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjusts the liability ratio to within the required range in 5 months from June 1 next year. Otherwise, starting from November 1, OPTC has to pay extra 0.125% interest of the outstanding amounts until the day before the liability ratio has met the range requirement. OPTC does not violate the contract above. On July 19, 2017, OPTC got a new syndicated loan from bank groups which Mega International Commercial Bank is the leading bank, and terminated this syndicated loan in advance.

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

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

Project	Credit	Fixed dial Date	Expected Repayment Period
Syndicated loan borrowings			
A	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

	September 30, 2017	December 31, 2016	September 30, 2016
Nonconvertible domestic bonds	\$ 90,600,000	\$ 79,050,000	\$ 86,750,000
Discount of nonconvertible domestic bonds	<u>(96,521)</u>	<u>(87,880)</u>	<u>(97,852)</u>
	90,503,479	78,962,120	86,652,148
Less: Current portion	<u>13,897,150</u>	<u>16,444,074</u>	<u>15,845,797</u>
	<u>\$ 76,606,329</u>	<u>\$ 62,518,046</u>	<u>\$ 70,806,351</u>

Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
				September 30, 2017	December 31, 2016	September 30, 2016	
<u>Parent company</u>							
Unsecured bonds							
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 1)
105-2	2016.09.20-2021.09.20	0.72	3,800,000	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							
100-2	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	(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 3)
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)
106-2	2017.09.04-2022.09.04	1.17	2,000,000	<u>2,000,000</u>	<u>-</u>	<u>-</u>	(Note 2)
Total outstanding balance				<u>\$ 90,600,000</u>	<u>\$ 79,050,000</u>	<u>\$ 86,750,000</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 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 4: This bond is repayable in lump sum at the 104.8411% of total amount on maturity.

23. PROVISIONS

	September 30, 2017	December 31, 2016	September 30, 2016
Dismantling obligation	\$ 985,276	\$ 975,571	\$ 964,122
Warranties	<u>155,256</u>	<u>154,846</u>	<u>153,377</u>
	<u>\$ 1,140,532</u>	<u>\$ 1,130,417</u>	<u>\$ 1,117,499</u>
Current	\$ 282,483	\$ 270,831	\$ 269,739
Noncurrent	<u>858,049</u>	<u>859,586</u>	<u>847,760</u>
	<u>\$ 1,140,532</u>	<u>\$ 1,130,417</u>	<u>\$ 1,117,499</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2017	\$ 975,571	\$ 154,846	\$ -	\$ 1,130,417
Additional provisions recognized	29,916	28,035	-	57,951
Reductions arising from payments	<u>(20,211)</u>	<u>(27,625)</u>	<u>-</u>	<u>(47,836)</u>
Balance at September 30, 2017	<u>\$ 985,276</u>	<u>\$ 155,256</u>	<u>\$ -</u>	<u>\$ 1,140,532</u>
Balance at January 1, 2016	\$ 926,125	\$ 142,146	\$ 1,461	\$ 1,069,732
Additional provisions recognized	56,269	42,625	-	98,894
Reductions arising from payments	<u>(18,272)</u>	<u>(31,394)</u>	<u>(1,461)</u>	<u>(51,127)</u>
Balance at September 30, 2016	<u>\$ 964,122</u>	<u>\$ 153,377</u>	<u>\$ -</u>	<u>\$ 1,117,499</u>

24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and nine months ended September 30, 2017 and 2016 were calculated as NT\$42,993 thousand, NT\$47,198 thousand, NT\$125,613 thousand and NT\$141,425 thousand by the actuarially determined pension cost discount rate as of December 31, 2016 and 2015. The Group transferred defined benefit costs NT\$216 thousand, NT\$184 thousand, NT\$694 thousand and NT\$552 thousand to related parties for the three months and nine months ended September 30, 2017 and 2016, respectively.

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	September 30, 2017		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 261,028	\$ 371,157	\$ 632,185
Inventories	2,131,686	2,523,844	4,655,530
Amounts due from customers for construction contracts	146,884	1,099,014	1,245,898
Other financial assets - current	211,239	651,358	862,597
Refundable deposits - current	-	10,977	10,977
<u>Liabilities</u>			
Notes and accounts payable	498,011	716,585	1,214,596
Notes and accounts payable to related parties	20,041	-	20,041
Amounts due to customers for construction contracts	3,910	199,799	203,709
Receipts in advance	19,637	-	19,637
Provisions - current	-	50,734	50,734
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

	September 30, 2016		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 327,085	\$ 273,325	\$ 600,410
Inventories	3,387,450	700,887	4,088,337
Amounts due from customers for construction contracts	427,296	464,217	891,513
Other financial assets - current	300,780	844,771	1,145,551
Refundable deposits - current	3	9,891	9,894
<u>Liabilities</u>			
Notes and accounts payable	539,697	501,775	1,041,472
Notes and accounts payable to related parties	127,291	-	127,291
Amounts due to customers for construction contracts	516	167,114	167,630
Receipts in advance	164,459	-	164,459
Provisions - current	-	53,203	53,203

26. EQUITY

a. Share capital

1) Common shares

	September 30, 2017	December 31, 2016	September 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 September 30, 2017, December 31, 2016 and September 30, 2016, there are 32 thousand, 33 thousand, and 33 thousand units outstanding, which were equal to 324 thousand, 328 thousand, and 328 thousand common shares of the Company.

b. Capital surplus

	September 30, 2017	December 31, 2016	September 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	13,131	12,508	12,508
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>42,592</u>	<u>43,373</u>	<u>34,585</u>
	<u>\$ 2,859,430</u>	<u>\$ 2,859,588</u>	<u>\$ 2,856,283</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 Nine Months Ended	
	2017	2016
Balance at January 1	\$ 21,565,171	\$ 21,860,117
Reversed on elimination of the original need to appropriate a special reserves:		
Disposal of associates	(8,442)	(2,291)
Disposal of investment properties	-	(7,763)
Balance at September 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 Nine Months Ended September 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 September 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	(848,206)	-	-	-	(848,206)
Unrealized loss on available-for-sale financial assets	-	(1,064,049)	-	-	(1,064,049)
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	64,354	-	64,354
Share of the other comprehensive income (loss) of associates	<u>(465,080)</u>	<u>1,309,725</u>	<u>1,520</u>	<u>-</u>	<u>846,165</u>
Balance at September 30, 2017	<u>\$ (2,891,098)</u>	<u>\$ (1,701,981)</u>	<u>\$ 18,360</u>	<u>\$ 702,778</u>	<u>\$ (3,871,941)</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	(2,398,105)	-	-	-	(2,398,105)
Unrealized loss on available-for-sale financial assets	-	(344,652)	-	-	(344,652)
Gains on hedging instruments in cash flow hedges arising from fair value changes	-	-	14,088	-	14,088
Share of the other comprehensive income (loss) of associates	<u>(948,302)</u>	<u>(2,268,557)</u>	<u>5</u>	<u>-</u>	<u>(3,216,854)</u>
Balance at September 30, 2016	<u>\$ (1,071,724)</u>	<u>\$ (1,493,282)</u>	<u>\$ (81,851)</u>	<u>\$ 702,030</u>	<u>\$ (1,944,827)</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2017	2016
Beginning balance	\$ 61,306,197	\$ 63,145,438
Attributable to non-controlling interests:		
Net income	4,885,801	5,340,653
Cash dividends distributed by subsidiaries	(7,783,681)	(7,710,107)
Exchange differences on translating foreign operations	(96,124)	(277,470)
Unrealized gain (loss) on available-for-sale financial assets	49,381	(52,452)
Gains on hedging instruments in cash flow hedges arising from fair value changes	115,244	26,649
Share of other comprehensive loss of associates	8,993	(32,447)
Changes in special reserve of associates	-	(12)
Changes in capital surplus of associates	(1)	1
Changes in unappropriated earnings of associates	(15)	9
Non-controlling interests arising from the new capital stock issued by subsidiaries	709,867	-
Change in ownership interest of subsidiaries	158,764	51,076
Acquisition (disposal) of partial interests of subsidiaries	(13,105)	-
Disposal of the investments accounted for using the equity-methods	(4)	-
Capital reduction of subsidiaries	-	(15)
Ending balance	<u>\$ 59,341,317</u>	<u>\$ 60,491,323</u>

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>September 30, 2017</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,783</u>
<u>December 31, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,861</u>
<u>September 30, 2016</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 18,268</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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Capitalized interests on properties	\$ 105,649	\$ 76,053	\$ 302,593	\$ 221,130
Capitalization rates	0.26%-4.75%	0.90%-4.13%	0.26%-4.75%	0.80%-4.26%

b. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Property, plant and equipment	\$ 4,023,402	\$ 3,851,208	\$ 11,804,953	\$ 11,335,885
Intangible assets	1,133,763	997,957	3,329,895	2,937,060
Long-term prepayments for lease	<u>49,764</u>	<u>46,192</u>	<u>146,418</u>	<u>145,591</u>
	<u>\$ 5,206,929</u>	<u>\$ 4,895,357</u>	<u>\$ 15,281,266</u>	<u>\$ 14,418,536</u>
An analysis of deprecation by function				
Operating costs	\$ 3,565,306	\$ 3,381,777	\$ 10,432,806	\$ 9,943,452
Operating expenses	445,549	455,179	1,329,580	1,330,952
Other expense	<u>12,547</u>	<u>14,252</u>	<u>42,567</u>	<u>61,481</u>
	<u>\$ 4,023,402</u>	<u>\$ 3,851,208</u>	<u>\$ 11,804,953</u>	<u>\$ 11,335,885</u>
An analysis of amortization by function				
Operating costs	\$ 952,027	\$ 851,391	\$ 2,828,104	\$ 2,474,062
Operating expenses	<u>231,500</u>	<u>192,758</u>	<u>648,209</u>	<u>608,589</u>
	<u>\$ 1,183,527</u>	<u>\$ 1,044,149</u>	<u>\$ 3,476,313</u>	<u>\$ 3,082,651</u>

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Post-employment benefits				
Defined contribution plans	\$ 213,867	\$ 211,649	\$ 636,246	\$ 645,375
Defined benefit plans	42,777	47,014	124,919	140,873
Other employee benefits	<u>5,094,613</u>	<u>4,680,006</u>	<u>14,759,152</u>	<u>13,965,276</u>
Total employee benefit expense	<u>\$ 5,351,257</u>	<u>\$ 4,938,669</u>	<u>\$ 15,520,317</u>	<u>\$ 14,751,524</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Analysis of employee benefit expense by function				
Operating costs	\$ 2,501,149	\$ 2,408,083	\$ 7,253,748	\$ 7,296,466
Operating expenses	<u>2,850,108</u>	<u>2,530,586</u>	<u>8,266,569</u>	<u>7,455,058</u>
	<u>\$ 5,351,257</u>	<u>\$ 4,938,669</u>	<u>\$ 15,520,317</u>	<u>\$ 14,751,524</u>

(Concluded)

d. Employees' compensation and remuneration of directors

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 nine months ended September 30, 2017 and 2016 were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2017	2016
Employees' compensation	2.54%	3.26%
Remuneration of directors	1.90%	2.31%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Employees' compensation	<u>\$ 74,132</u>	<u>\$ 54,992</u>	<u>\$ 172,673</u>	<u>\$ 126,400</u>
Remuneration of directors	<u>\$ 59,154</u>	<u>\$ 29,929</u>	<u>\$ 129,505</u>	<u>\$ 89,379</u>

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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Current tax	\$ 724,645	\$ 839,729	\$ 2,159,002	\$ 2,267,854
Deferred tax	116,910	(60,828)	132,488	221,411
Adjustments for prior periods	<u>3,041</u>	<u>(33,187)</u>	<u>12,054</u>	<u>(31,752)</u>
Income tax recognized in profit or loss	<u>\$ 844,596</u>	<u>\$ 745,714</u>	<u>\$ 2,303,544</u>	<u>\$ 2,457,513</u>

b. Integrated income tax

	September 30, 2017	December 31, 2016	September 30, 2016
Unappropriated earnings Generated before January 1, 1998	<u>\$ 38,065</u>	<u>\$ 66,464</u>	<u>\$ 71,963</u>
Imputation credits accounts	<u>\$ 678,512</u>	<u>\$ 775,088</u>	<u>\$ 788,486</u>
		For the Year Ended December 31	
		2016	2015
		(Actual)	(Actual)
Creditable ratio for distribution of earning		13.87%	12.17%

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 Co., Ltd.	2012
Oriental Petrochemical (Taiwan) Corporation	2014
Fu Kwok Knitting & Garment Co., Ltd.	2015
Yuan Tong Investment Co., Ltd.	2015
Kai Yuan International Investment Co., Ltd.	2015
Ding Yuan International Investment Co., Ltd.	2015
An Ho Garment Co., Ltd.	2015
Far Eastern Textile Ltd.	2015
Far Eastern Construction Co., Ltd.	2015
Far Eastern General Contractor Inc.	2015
Yuan Ding Investment Co., Ltd.	2015
Far Eastern Fibertech Co., Ltd.	2015
Oriental Resources Development Co., Ltd.	2015
Far Eastern Apparel Co., Ltd.	2015
Yuan Faun Co., Ltd.	2015
Yuan Cheng Human Resources Consultant Corporation	2015
Yuan Ding Co., Ltd.	2015
Far Eastern Technical Consultants Co., Ltd.	2015
YDT Technology International Corporation	2014
FET Consulting Engineers Co., Ltd.	2015
Ding Ding Integrated Marketing Service Co., Ltd.	2015
Far Eastern Electronic Commerce Co., Ltd.	2015
Ding Ding Hotel Co., Ltd.	2015
Far Eastern Electronic Toll Collection Co., Ltd.	2014
Yuan Hsin Digital Payment Co., Ltd.	2015
Far EasTone Telecommunications Co., Ltd.	2015
New Century InfoComm Tech Corporation	2014
ARCOA Communication Co., Ltd.	2014
Simple InfoComm Co., Ltd.	2015
Q-Ware Communication Corporation	2015
Information Security Service Digital United Corporation	2015
Linkwell Tech. Co., Ltd.	2015
Data Express Infotech Corporation	2015
Yuan Cing Co., Ltd.	2015
O-music Co., Ltd.	2015
New Diligent Co., Ltd.	2015
KGEx.com Co., Ltd.	2015
Home Master Technology Ltd.	2015
Yuanshi Corporation	2015

KG Telecom (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 September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2017	2016	2017	2016
Basic earnings per share	<u>\$ 0.72</u>	<u>\$ 0.27</u>	<u>\$ 1.29</u>	<u>\$ 0.78</u>
Diluted earnings per share	<u>\$ 0.72</u>	<u>\$ 0.27</u>	<u>\$ 1.28</u>	<u>\$ 0.78</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 September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2017	2016	2017	2016
Net income for the period attributable to owners of the Company	<u>\$ 3,600,468</u>	<u>\$ 1,328,642</u>	<u>\$ 6,433,817</u>	<u>\$ 3,888,255</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares			
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2017	2016	2017	2016
Weighted average number of common shares used in the calculation of basic earnings per share	4,998,441	4,999,681	4,998,900	4,999,926
Effect of potentially dilutive common stock: Employees' compensation	<u>7,165</u>	<u>5,390</u>	<u>9,469</u>	<u>8,319</u>
Weighted average number of common shares used in the calculation of diluted earnings per share	<u>5,005,606</u>	<u>5,005,071</u>	<u>5,008,369</u>	<u>5,008,245</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 nine months ended September 30, 2017 and 2016, the Company's basic EPS were NT\$0.67, NT\$0.25, NT\$1.20 and NT\$0.73.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the nine months ended September 30, 2017

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

	Far Eastern Electronic Commerce Co., Ltd.
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 Co., Ltd. at a percentage different from its existing ownership percentage, increasing its continuing interest from 89.54% to 93.28%.

In July 2017, the Group acquired 2.11% of Hiiir Digital Marketing Co., Ltd.'s common shares, and increased its interest from 93.28% to 95.39%.

	June	July
Cash consideration paid	\$ (348,909)	\$ (20,000)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>336,667</u>	<u>26,895</u>
Differences arising from equity transactions	<u>\$ (12,242)</u>	<u>\$ (6,895)</u>
<u>Line items adjusted for equity transactions</u>		
Unappropriated earning	<u>\$ (12,242)</u>	<u>\$ (6,895)</u>

For the nine months ended September 30, 2016

On September 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, 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 September 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:

	September 30, 2017	December 31, 2016	September 30, 2016
Not later than 1 year	\$ 3,385,079	\$ 3,431,884	\$ 3,518,487
Later than 1 year and not later than 5 years	5,852,406	5,737,926	5,968,735
Later than 5 years	<u>898,798</u>	<u>995,328</u>	<u>1,031,249</u>
	<u>\$ 10,136,283</u>	<u>\$ 10,165,138</u>	<u>\$ 10,518,471</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:

	September 30, 2017	December 31, 2016	September 30, 2016
Not later than 1 year	\$ 626,037	\$ 715,608	\$ 677,232
Later than 1 year and not later than 5 years	2,497,146	2,321,036	2,188,540
Later than 5 years	<u>925,309</u>	<u>1,071,616</u>	<u>1,132,638</u>
	<u>\$ 4,048,492</u>	<u>\$ 4,108,260</u>	<u>\$ 3,998,410</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>September 30, 2017</u>		<u>December 31, 2016</u>		<u>September 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	\$ 90,503,479	\$ 91,082,063	\$ 78,962,120	\$ 79,554,962	\$ 86,652,148	\$ 87,599,694

2) Fair value hierarchy

September 30, 2017

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 91,082,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,082,063</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>

September 30, 2016

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	\$ 87,599,694	\$ -	\$ -	\$ 87,599,694

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

1) Fair value hierarchy

September 30, 2017

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss (FVTPL)</u>				
Open-end mutual funds - beneficial certificates	\$ 3,127,133	\$ -	\$ -	\$ 3,127,133
Marketable equity securities	402,852	-	-	402,852
Guarantee deposits - cotton futures contracts	-	-	18,163	18,163
Guarantee deposits - PTA futures contracts	-	-	12,219	12,219
Forward exchange contracts	-	-	5,625	5,625
	<u>\$ 3,529,985</u>	<u>\$ -</u>	<u>\$ 36,007</u>	<u>\$ 3,565,992</u>
<u>Available-for-sale financial assets</u>				
Marketable equity securities	\$ 397,311	\$ -	\$ -	\$ 397,311
Mutual funds - beneficial certificates	-	749,793	-	749,793
Oversea equity securities	95,660	-	-	95,660
	<u>\$ 492,971</u>	<u>\$ 749,793</u>	<u>\$ -</u>	<u>\$ 1,242,764</u>
<u>Hedging derivative financial assets</u>				
Forward exchange contracts	\$ -	\$ -	\$ 3,522	\$ 3,522
<u>Financial liabilities at FVTPL</u>				
Forward exchange contracts	\$ -	\$ -	\$ 9,769	\$ 9,769
Option contracts	-	-	748	748
Combined exchange options	-	-	11,759	11,759
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,276</u>	<u>\$ 22,276</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial liabilities				
Foreign exchange swap contracts	\$ -	\$ -	\$ 2,535	\$ 2,535
Interest rate swaps	<u>-</u>	<u>-</u>	<u>59,393</u>	<u>59,393</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,928</u>	<u>\$ 61,928</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>-</u>	<u>-</u>	<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>-</u>	<u>-</u>	<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	-	-	171,366	171,366
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,133</u>	<u>\$ 219,133</u>
				(Concluded)

September 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	\$ 3,126,451	\$ -	\$ -	\$ 3,126,451
Marketable equity securities	242,631	-	-	242,631
Guarantee deposits - cotton futures contracts	-	-	41,156	41,156
Guarantee deposits - PTA futures contracts	-	-	12,601	12,601
Cross-currency swap contracts	-	-	13,467	13,467
Combined exchange options	-	-	3,445	3,445
Forward exchange contracts	-	-	258	258
	<u>\$ 3,369,082</u>	<u>\$ -</u>	<u>\$ 70,927</u>	<u>\$ 3,440,009</u>

Available-for-sale financial assets				
Marketable equity securities	\$ 4,106,749	\$ -	\$ -	\$ 4,106,749
Mutual funds - beneficial certificates	-	582,782	-	582,782
Oversea equity securities	99,884	-	-	99,884
	<u>\$ 4,206,633</u>	<u>\$ 582,782</u>	<u>\$ -</u>	<u>\$ 4,789,415</u>

Hedging derivative financial assets				
Foreign exchange swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,300</u>	<u>\$ 6,300</u>

Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 5,097	\$ 5,097
Option contracts	-	-	80	80
Cross-currency swap contracts	-	-	7,888	7,888
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,065</u>	<u>\$ 13,065</u>
				(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial liabilities				
Foreign exchange swap contracts	\$ -	\$ -	\$ 500	\$ 500
Forward exchange contracts	-	-	33,559	33,559
Interest rate swaps	-	-	298,603	298,603
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,662</u>	<u>\$ 332,662</u>
				(Concluded)

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

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

For the nine months ended September 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	(64,158)	(49,182)	(113,340)
Unrealized	13,731	-	13,731
Recognized in other comprehensive income	-	179,598	179,598
Settlements	<u>(7,282)</u>	<u>28,238</u>	<u>20,956</u>
Balance at September 30, 2017	<u>\$ 13,731</u>	<u>\$ (58,406)</u>	<u>\$ (44,675)</u>

For the nine months ended September 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	(371,033)	(41,919)	(412,952)
Unrealized	57,862	-	57,862
Recognized in other comprehensive income	-	40,737	40,737
Settlements	<u>250,461</u>	<u>17,841</u>	<u>268,302</u>
Balance at September 30, 2016	<u>\$ 57,862</u>	<u>\$ (326,362)</u>	<u>\$ (268,500)</u>

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

Financial Instruments	Valuation Techniques and Inputs
Overseas mutual funds - beneficial certificates	Valuation based on the fair values of a portfolio of funds, calculated through each 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

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

c. Categories of financial instruments

	September 30, 2017	December 31, 2016	September 30, 2016
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 3,565,992	\$ 3,835,959	\$ 3,440,009
Derivative instruments in designated hedge accounting relationships	3,522	2,073	6,300
Loans and receivables (Note 1)	65,785,042	80,585,613	83,446,610
Available-for-sale financial assets (Note 2)	2,422,695	6,037,589	5,923,146
<u>Financial liabilities</u>			
FVTPL			
Held for trading	22,276	3,421	13,065
Derivative instruments in designated hedge accounting relationships	61,928	219,133	332,662
Amortized cost (Note 3)	223,778,039	231,255,558	236,411,170

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), interest rates (see (b) below) and other price (see (c) 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.

	September 30, 2017	December 31, 2016	September 30, 2016
5% change in profit or loss			
USD	\$ (282,766)	\$ (219,644)	\$ 2,410

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:

	September 30, 2017	December 31, 2016	September 30, 2016
Fair value interest rate risk			
Financial assets	\$ 20,730,825	\$ 29,757,336	\$ 33,502,448
Financial liabilities	142,735,706	148,600,090	159,126,432
Cash flow interest rate risk			
Financial assets	10,599,574	11,389,344	12,214,127
Financial liabilities	40,271,240	43,907,363	42,690,619

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 September 30, 2017, December 31, 2016 and September 30, 2016, had interest rates been 0.25% higher and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased by NT\$51,698 thousand, NT\$74,208 thousand and NT\$83,547 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased by NT\$26,499 thousand, NT\$28,473 thousand and NT\$30,535 thousand, respectively.

As of September 30, 2017, December 31, 2016 and September 30, 2016, had interest rates been 0.25% higher and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased by NT\$355,949 thousand, NT\$370,574 thousand and NT\$396,824 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased by NT\$100,678 thousand, NT\$109,768 thousand and NT\$106,727 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 September 30, 2017, December 31, 2016 and September 30, 2016 would have decreased by NT\$238,637 thousand, NT\$433,177 thousand and NT\$407,925 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>September 30, 2017</u>				
Long-term borrowings	\$ 27,834,653	\$ 8,614,005	\$ 18,672,524	\$ 55,121,182
Bonds payable	<u>17,800,000</u>	<u>22,100,000</u>	<u>36,800,000</u>	<u>76,700,000</u>
	<u>\$ 45,634,653</u>	<u>\$ 30,714,005</u>	<u>\$ 55,472,524</u>	<u>\$ 131,821,182</u>

(Continued)

	1-2 Years	2-3 Years	Over 3 Years	Total
<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>September 30, 2016</u>				
Long-term borrowings	\$ 30,950,302	\$ 21,059,907	\$ 19,480,848	\$ 71,491,057
Bonds payable	<u>13,900,000</u>	<u>17,800,000</u>	<u>39,200,000</u>	<u>70,900,000</u>
	<u>\$ 44,850,302</u>	<u>\$ 38,859,907</u>	<u>\$ 58,680,848</u>	<u>\$ 142,391,057</u>

(Concluded)

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 nine months ended September 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; as administrative tax remedies; and as government project for meeting requirements for certain projects.

	September 30, 2017	December 31, 2016	September 30, 2016
Financial assets at fair value through profit or loss (FVTPL) - current	\$ -	\$ 26,019	\$ -
Other financial assets - current	3,032,490	3,083,562	2,887,504
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	12,410,871	13,268,016	13,631,377
Investment properties	35,874,814	37,192,332	37,030,697
Available-for-sale financial assets - current and noncurrent	-	136,500	134,400
Investment accounted for using the equity method	2,528,209	2,662,804	3,042,406
Concession - cost	3,756,000	3,756,000	3,756,000
Other financial assets - noncurrent	3,369,210	3,766,697	1,143,418
Other noncurrent assets	<u>1,000,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 62,664,751</u>	<u>\$ 65,939,561</u>	<u>\$ 63,720,958</u>

As of September 30, 2017, December 31, 2016 and September 30, 2016, FENC and some of its subsidiaries had provided 84,205 thousand shares, 122,094 thousand shares and 122,094 thousand shares, respectively, of the common shares of Far EasTone Telecommunications Co., Ltd. and all 16,500 thousand common shares of Yuan Ding Co., Ltd., 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 September 30, 2017, December 31, 2016 and September 30, 2016 were as follows:

- a. The Group issued but unused letters of credit aggregated approximately NT\$1,216,320 thousand, NT\$681,049 thousand and NT\$1,000,850 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.
- b. The Group (except for Far EasTone and its subsidiaries) unpaid building construction and equipment installation contracts amounting to approximately NT\$6,594,335 thousand, NT\$6,354,694 thousand and NT\$5,644,872 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.

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

	September 30, 2017	December 31, 2016	September 30, 2016
Acquisition of property, plant and equipment under contracts	\$ 6,906,651	\$ 5,762,054	\$ 4,493,279
Less: Payments for acquisition of property, plant and equipment	<u>2,113,372</u>	<u>1,666,888</u>	<u>1,135,434</u>
	<u>\$ 4,793,279</u>	<u>\$ 4,095,166</u>	<u>\$ 3,357,845</u>
Acquisition of cellular phone equipment under contract	\$ 9,412,751	\$ 14,299,303	\$ 13,722,377
Less: Payments for acquisition of cellular phone equipment	<u>3,841,526</u>	<u>7,803,864</u>	<u>4,684,951</u>
	<u>\$ 5,571,225</u>	<u>\$ 6,495,439</u>	<u>\$ 9,037,426</u>

- c. The letter of bank guarantee which was issued for importing from manufacturers were all amounting to NT\$100,000 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016.
- d. There were undelivered cotton contracts which were unable to cancel amounting to NT\$69,768 thousand, NT\$380,559 thousand and NT\$292,880 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.
- e. Project contracts cost already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT\$29,481,831 thousand, NT\$27,813,089 thousand and NT\$27,713,724 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.
- f. Far Eastern Electronic Toll Collection Co., Ltd. (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT\$3,758,209 thousand, NT\$4,010,732 thousand and NT\$3,537,036 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.
- g. Endorsements and guarantees provided to the related parties are shown in Table 6 (attached).

- h. 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 November 9, 2017, the lawsuit was pending before the Taipei High Court.
- i. A subsidiary of FENC, Far Eastern General Contractor Inc. (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of November 9, 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.

- j. 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.
- k. A Company subsidiary, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), has cooperated with government authorities to establish an electronic toll collection system based on the "Establishment and Operating Contract" with Taiwan Area National Freeway Bureau (TANFB). However, on the basis of the system usage rate and the manner of system implementation, TANFB claimed it had the right to penalize FETC for the latter's failing to achieve the requirements for the electronic toll collection (ETC) system stated in the contract. However, FETC disagreed with the bureau's interpretation of the contract terms and filed for arbitration with the Negotiation Committee. Nevertheless, both the FETC and TANFB did not agree with the Negotiation Committee's arbitration. FETC filed a lawsuit against TANFB. The contract terms were as follow:

1) Usage rate

TANFB claimed that FETC had failed to reach the 45% designated ETC usage rate in the third year stated in the contract, thus violating the terms of the contract. TANFB and 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. FETC had completed the ETC driveway infrastructure and taximeter system infrastructure as promise and accrued proper provision.

37. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

According to No. 30 of Business Mergers and Acquisitions Act and in order for the parent company to integrate the whole resources in textile business, it has acquired a reasonable pricing opinion letter for stock swapping by an independent expert on October 24, 2017. On November 9, 2017, the FENC's board of directors approved to buy Fu Kwok Knitting & Garment Co., Ltd. (FK)'s shares from its minority stockholders for NT\$88 per share, and in a total of NT\$116.6 thousand for cash. The swapping date was set on December 30, 2017, as temporary. Both board meetings has authorized to the chairman of the board of directors to change the swapping date based on the actual situation if necessary. After swapping, the parent company will acquired 100% of FK's shares from 99.97%.

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:

September 30, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 354,318	30.26 (USD:NTD)	\$ 10,721,663
USD	98,078	6.649 (USD:RMB)	2,967,840
USD	60,697	7.800 (USD:HKD)	1,836,691
USD	2,730	4.391 (USD:MYR)	<u>82,610</u>
			<u>\$ 15,608,804</u>

Financial liabilities

Monetary items			
USD	204,478	30.26 (USD:NTD)	\$ 6,187,504
USD	94,174	6.649 (USD:RMB)	2,849,705
USD	26,848	7.800 (USD:HKD)	812,420
USD	3,432	4.391 (USD:MYR)	<u>103,852</u>
			<u>\$ 9,953,481</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>

Financial liabilities

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>

September 30, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 332,453	31.36 (USD:NTD)	\$ 10,425,726
USD	121,878	6.682 (USD:RMB)	3,822,094
USD	37,640	7.800 (USD:HKD)	1,180,390
USD	1,793	4.332 (USD:MYR)	<u>56,228</u>
			<u>\$ 15,484,438</u>
<u>Financial liabilities</u>			
Monetary items			
USD	255,652	31.36 (USD:NTD)	\$ 8,017,247
USD	141,757	6.682 (USD:RMB)	4,445,500
USD	95,793	7.800 (USD:HKD)	3,004,068
USD	2,099	4.332 (USD:MYR)	<u>65,825</u>
			<u>\$ 15,532,640</u>

For the three months and nine months ended September 30, 2017 and 2016, (realized and unrealized) net foreign exchange gains (losses) were NT\$34,630 thousand, NT\$(128,067) thousand, NT\$(190,310) thousand and NT\$(776,286) 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 9.
 - 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, telecommunication 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 Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Petrochemical business			\$ (1,120,410)	\$ (1,032,720)
Revenues generated from external customers	\$ 11,711,396	\$ 11,753,879		
Intersegment revenues	<u>10,457,897</u>	<u>11,365,311</u>		
	<u>22,169,293</u>	<u>23,119,190</u>		
Chemical fiber business			422,570	687,801
Revenues generated from external customers	45,460,175	44,088,493		
Intersegment revenues	<u>760,725</u>	<u>522,289</u>		
	<u>46,220,900</u>	<u>44,610,782</u>		
Textile business			845,527	907,019
Revenues generated from external customers	25,268,018	25,254,686		
Intersegment revenues	<u>68,995</u>	<u>85,114</u>		
	<u>25,337,013</u>	<u>25,339,800</u>		
Telecommunication services business			11,301,306	12,036,065
Revenues generated from external customers	67,070,487	69,931,979		
Intersegment revenues	<u>210,735</u>	<u>273,260</u>		
	<u>67,281,222</u>	<u>70,205,239</u>		
Real estate development			517,106	624,145
Revenues generated from external customers	4,400,652	4,669,806		
Intersegment revenues	<u>550,765</u>	<u>487,809</u>		
	<u>4,951,417</u>	<u>5,157,615</u>		
Investment and other			2,776,945	(216,163)
Revenues generated from external customers	8,307,826	4,649,395		
Intersegment revenues	<u>265,898</u>	<u>214,088</u>		
	<u>8,573,724</u>	<u>4,863,483</u>		
Adjustment and elimination	<u>(12,098,337)</u>	<u>(12,831,319)</u>	<u>88,660</u>	<u>222,185</u>
	<u>\$ 162,435,232</u>	<u>\$ 160,464,790</u>	<u>14,831,704</u>	<u>13,228,332</u>
Interest revenue			268,341	278,497
Exchange loss			(190,310)	(776,286)
Interest expense			(1,858,165)	(1,826,984)
Other revenue and income			<u>571,592</u>	<u>782,862</u>
Profit before tax			<u>\$ 13,623,162</u>	<u>\$ 11,686,421</u>

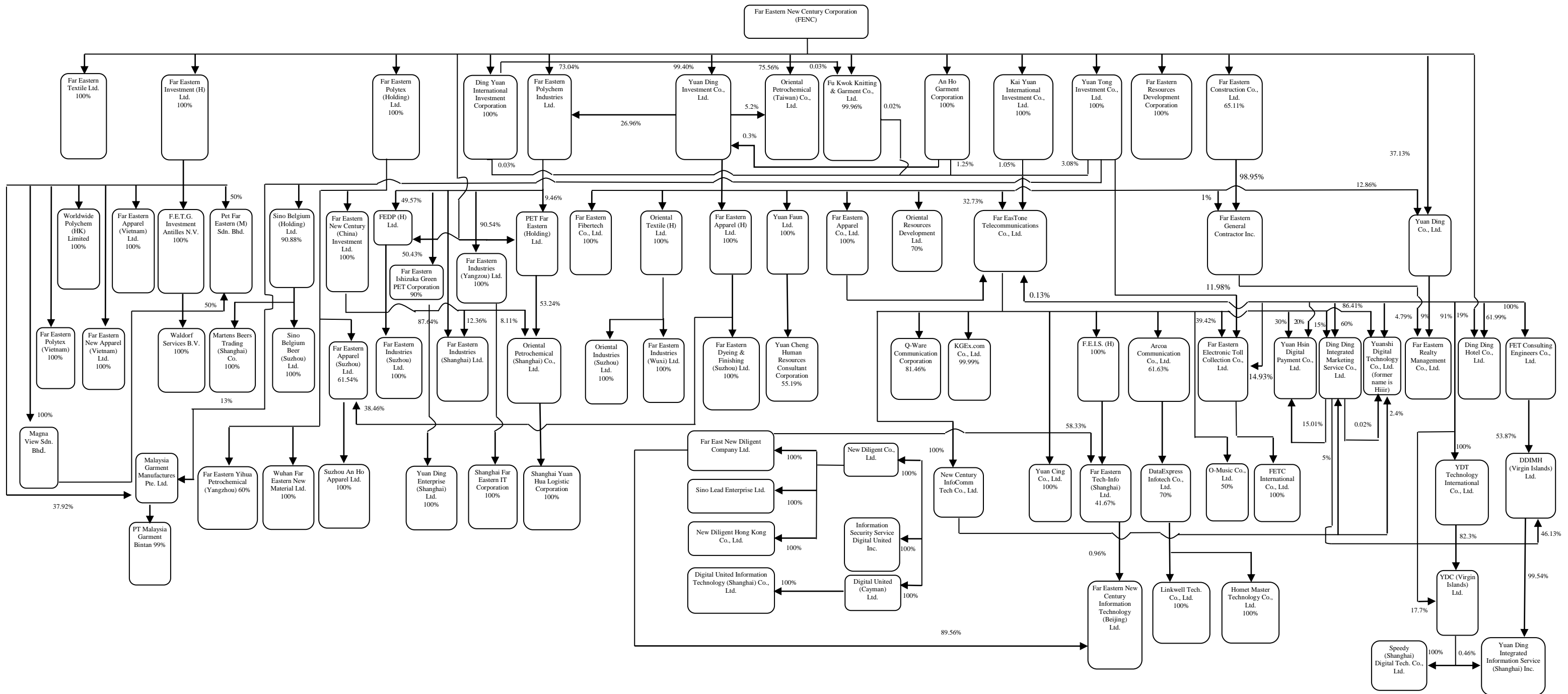
Note: For the nine months ended September 30, 2017, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profits of NT\$2,517,126 thousand and dividend income from associates NT\$254,311 thousand, respectively. For the nine months ended September 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\$811,273 thousand and dividend income from associates NT\$200,268 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.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
SEPTEMBER 30, 2017



FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

Related Party Name	Related Party Categories
Asia Cement Corporation	Associate
Far Eastern Department Stores Ltd.	Associate
Oriental Union Chemical Corporation	Associate
Everest Textile Corporation	Associate
Oriental Securities Corporation	Associate
Yu Yuan Investment Co., Ltd.	Associate
Yuan Ding Leasing Corporation	Associate
Far Eastern International Leasing Corporation	Associate
Liquid Air Far East Co., Ltd.	Associate
Da Ju Fiber Co., Ltd.	Associate
Far Eastern Union Petrochemical (Yangzhou) Corporation	Associate
Tong Da Air Industry (Yangzhou) Co., Ltd.	Associate
Yu Ding Industry Co., Ltd.	Associate
Freudenberg Far Eastern Spunweb Co., Ltd.	Associate
Yue Ming Corporation	Associate
Far Eastern International Bank	Other related party (the vice chairman of investee is the chairman of FENC. It becomes associate since 8/18/2017. For more details, refer to Note 8)
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's associate)
Pacific Petrochemical (Holding) Ltd. (PPL)	Other related party (the subsidiary of FENC's associate)
Shanghai Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Dalian Pacific Department Store Corporation	Other related party (the subsidiary of FENC's associate)
Pacific SOGO Department Stores Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Beicheng FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Quanxing Masion Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific (China) Investment Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Bai Ding Investment Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
Chiahui Power Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Der Ching Investment Corporation	Other related party (the subsidiary of FENC's associate)
Ya Tung Ready-mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Securities Investment Consultant Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Engineering Enterprise 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 Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Far Eastern Ai Mai Co., Ltd.	Other related party (the subsidiary of FENC's associate)

(Continued)

Related Party Name	Related Party Categories
Far Eastern Big City Shopping Malls Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuxi FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's associate)
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 Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Far Eastern Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
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)
Shanghai Bai	Other related party (the subsidiary of FENC's associate)
Ding Business Management. Consulting Co., Ltd.	
Chubei New Century Shopping Mall Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Everest Textile (Shanghai) Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yali Concrete Produce Ltd..	Other related party (the subsidiary of FENC's associate)
Ya-Li Precast Prestressed Concrete Industries	Other related party (the subsidiary of FENC's associate)
Corporation	
Sichuan Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Jiangxi Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuhan Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yangzhou Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Hubei Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Oriental Petrochemical (YangZhou) Corporation	Other related party (the subsidiary of FENC's associate)
Huanggang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Ya Tung Department Store Ltd.	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)
Yuan Ze University	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Mr. Xu Yuanzhi Memorial Foundation	Other related party (the same chairman)
Far Eastern Medical Foundation	Other related party (the same chairman)
Far Eastern Y.Z. Hsu Science and Technology	Other related party (the same chairman)
Memorial Foundation	
Uni-President Enterprise Corporation	Other related party (supervisor of the subsidiary)
Him International Music Incorporated	Other related party (supervisor of the subsidiary)
Sony Music Entertainment Taiwan Ltd.	Other related party (corporate director of the subsidiary)
President Chain Store Corporation	Other related party (corporate director of the subsidiary)
Mitac Incorporated	Other related party (corporate director of the subsidiary)
Universal Music Taiwan Ltd.	Other related party (corporate director of the subsidiary)
Forward Music Co., Ltd.	Other related party (corporate director of the subsidiary)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)
Ding & Ding Management Consultants Co., Ltd.	Other related party (related party in substance)
TECO Electric & Machinery Co., Ltd.	Other related party (related party in substance)
SYSTEX Corporation	Other related party (related party in substance)
Tranquil Enterprise Ltd.	Other related party (related party in substance)
Far Eastern Polyclinic	Other related party (related party in substance)
Telecommunication & Transportation Foundation	Other related party (Far EastTone's donation is over one third of the foundation's fund)

(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 September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Sales				
Associates	\$ 358,583	\$ 312,776	\$ 1,097,097	\$ 979,122
Others	<u>241,735</u>	<u>311,699</u>	<u>703,663</u>	<u>780,473</u>
	<u>\$ 600,318</u>	<u>\$ 624,475</u>	<u>\$ 1,800,760</u>	<u>\$ 1,759,595</u>
Operating cost				
Associates	\$ 574,348	\$ 285,072	\$ 1,383,398	\$ 1,331,779
Others	<u>118,038</u>	<u>116,420</u>	<u>455,063</u>	<u>443,657</u>
	<u>\$ 692,386</u>	<u>\$ 401,492</u>	<u>\$ 1,838,461</u>	<u>\$ 1,775,436</u>
Operating expense				
Associates	\$ 7,891	\$ 7,590	\$ 25,847	\$ 29,514
Others	<u>87,226</u>	<u>118,159</u>	<u>305,622</u>	<u>280,236</u>
	<u>\$ 95,117</u>	<u>\$ 125,749</u>	<u>\$ 331,469</u>	<u>\$ 309,750</u>
Rental revenue (recognized as operating revenue)				
Associates	\$ 66,915	\$ 58,585	\$ 183,920	\$ 175,587
Others	<u>80,437</u>	<u>65,989</u>	<u>254,759</u>	<u>254,080</u>
	<u>\$ 147,352</u>	<u>\$ 124,574</u>	<u>\$ 438,679</u>	<u>\$ 429,667</u>
Rental expense (recognized as operating cost and expense)				
Associates	\$ 17,978	\$ 13,616	\$ 51,525	\$ 60,207
Others	<u>44,811</u>	<u>40,089</u>	<u>133,211</u>	<u>131,965</u>
	<u>\$ 62,789</u>	<u>\$ 53,705</u>	<u>\$ 184,736</u>	<u>\$ 192,172</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 Securities from the associates amounted to NT\$792,206 thousand and NT\$792,206 thousand for the three months and nine months ended September 30, 2017. The Group had purchased the software equipment, construction contracts, machinery and equipment and Securities from the other related parties amounted to NT\$157,090 thousand for the three months ended September 30, 2017 and NT\$266,278 thousand for the nine months ended September 30, 2017. The Group had purchased the software equipments, machinery and equipment and construction contracts amounted to NT\$1,739 thousand for the three months ended September 30, 2016 and NT\$13,633 thousand for the nine months ended September 30, 2016.
- c. The Group had acquired the oversea funds from Opas Fund Segregated Portfolio Tranche “C” both amounted to NT\$121,039 thousand for the three months and nine months ended September 30, 2017.
- d. 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.
- e. Compensation of key management personnel:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Short-term benefits	\$ 84,443	\$ 80,180	\$ 210,820	\$ 247,897
Post-employment benefits	<u>675</u>	<u>669</u>	<u>2,025</u>	<u>1,977</u>
	<u>\$ 85,118</u>	<u>\$ 80,849</u>	<u>\$ 212,845</u>	<u>\$ 249,874</u>

(Concluded)

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

	September 30, 2017	December 31, 2016	September 30, 2016
Notes and accounts receivable			
Associates	\$ 604,198	\$ 508,319	\$ 425,209
Others	<u>373,173</u>	<u>546,310</u>	<u>636,199</u>
	<u>\$ 977,371</u>	<u>\$ 1,054,629</u>	<u>\$ 1,061,408</u>
Notes and accounts payable			
Associates	\$ 207,571	\$ 182,925	\$ 100,739
Others	<u>89,103</u>	<u>235,826</u>	<u>197,774</u>
	<u>\$ 296,674</u>	<u>\$ 418,751</u>	<u>\$ 298,513</u>
Progress billings			
Associates	\$ 271,254	\$ 98,844	\$ 80,605
Others	<u>783,806</u>	<u>776,844</u>	<u>744,979</u>
	<u>\$ 1,055,060</u>	<u>\$ 875,688</u>	<u>\$ 825,584</u>
Guarantee deposits received			
Associates	\$ 66,806	\$ 10,899	\$ 10,899
Others	<u>73,940</u>	<u>168,222</u>	<u>195,224</u>
	<u>\$ 140,746</u>	<u>\$ 179,121</u>	<u>\$ 206,123</u>
Deferred credit - gains on related parties transactions			
Associates			
Oriental Securities Corporation	\$ 111,982	\$ 112,260	\$ 112,538
Others	2,810	2,594	2,594
Other related parties	<u>9,122</u>	<u>9,338</u>	<u>9,338</u>
	<u>\$ 123,914</u>	<u>\$ 124,192</u>	<u>\$ 124,470</u>

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

	September 30, 2017	December 31, 2016	September 30, 2016
Associates			
Yu Ding Industry Co., Ltd.	\$ 440,000	\$ 680,000	\$ 680,000
Far Eastern Union Petrochemical (Yangzhou) Corporation	2,457,540	2,816,370	2,299,570
Da Ju Fiber Co., Ltd.	656,000	940,000	940,000
Other related parties	<u>227,550</u>	<u>230,850</u>	<u>140,790</u>
	<u>\$ 3,781,090</u>	<u>\$ 4,667,220</u>	<u>\$ 4,060,360</u>

Interests income from loans to related parties:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Associates				
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 16,879	\$ 12,560	\$ 48,891	\$ 40,576
Others	3,978	6,377	12,166	14,741
Other related parties	<u>1,776</u>	<u>1,424</u>	<u>3,896</u>	<u>4,620</u>
	<u>\$ 22,633</u>	<u>\$ 20,361</u>	<u>\$ 64,953</u>	<u>\$ 59,937</u>

Loans from related parties:

	September 30, 2017	December 31, 2016	September 30, 2016
Other related parties (recognized as short-term borrowings - loans from related parties)	\$ 3,737,011	\$ 3,487,023	\$ 3,418,930
Other related parties (recognized as long-term borrowings - bank loans)	<u>-</u>	<u>600,000</u>	<u>690,000</u>
	<u>\$ 3,737,011</u>	<u>\$ 4,087,023</u>	<u>\$ 4,108,930</u>

Interests expense from loans from related parties:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
Other related parties	<u>\$ 2,355</u>	<u>\$ 172</u>	<u>\$ 6,644</u>	<u>\$ 172</u>

(Continued)

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

	September 30, 2017	December 31, 2016	September 30, 2016
Far Eastern International Bank	<u>\$ 11,386,454</u>	<u>\$ 9,371,078</u>	<u>\$ 10,113,762</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\$16,889 thousand and NT\$11,821 thousand for the three months ended September 30, 2017 and 2016; NT\$52,626 thousand and NT\$63,976 thousand for the nine months ended September 30, 2017 and 2016, respectively.

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

	September 30, 2017	December 31, 2016	September 30, 2016
Far Eastern International Bank	<u>\$ 98</u>	<u>\$ 1,197</u>	<u>\$ (594)</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\$(7,504) thousand and NT\$4,393 thousand for the three months ended September 30, 2017 and 2016; NT\$(16,486) thousand and NT\$3,739 thousand for the nine months ended September 30, 2017 and 2016, respectively.

Derivative financial assets (liabilities) for hedging - current

	September 30, 2017	December 31, 2016	September 30, 2016
Far Eastern International Bank	<u>\$ (2,535)</u>	<u>\$ (7,538)</u>	<u>\$ 5,800</u>

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

Note:

- The terms of sales to and purchases from other related parties were based on the agreements.
- The rent receivables (recognized as other receivables) from renting out the factories to other related parties were NT\$71,107 thousand, NT\$355,322 thousand and NT\$350,799 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016, respectively.
- The Group had sold investment properties - land to Far Eastern Medical Foundation in 2015. As of September 30, 2017, December 31, 2016 and September 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 NINE MONTHS ENDED SEPTEMBER 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 Co., Ltd.	Far Eastern Apparel Co., Ltd.	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 E); maximum amounts allowed for the period (Note F)
		Ding Yuan International Investment Co., Ltd.	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 E); maximum amounts allowed for the period (Note F)
		Far Eastern Apparel Co., Ltd.	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 E); maximum amounts allowed for the period (Note F)
		Far Eastern Resources Development Co., Ltd.	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 E); maximum amounts allowed for the period (Note F)
		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 E); maximum amounts allowed for the period (Note F)
		Yuan Tong Investment Co., Ltd.	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 E); maximum amounts allowed for the period (Note F)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	800,000	264,000	1.27-1.61	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note F)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	327,000	1.27-1.61	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note F)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	680,000	640,000	440,000	1.27-1.61	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note F)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	961,000	961,000	656,000	1.27-1.61	2	-	For revolving fund	-	Promissory note	-	3,831,674	19,158,370	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note F)
2	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	500,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	805,214	4,026,068	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note L)
3	Far EasTone Telecommunications Co., Ltd.	Q-ware Communications Corporation	Receivables from related parties	Yes	250,000	250,000	130,000	1.49-1.61	2	-	For revolving fund	-	-	-	6,747,500	33,737,498	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D)
4	New Century InfoComm Tech Co., Ltd.	Q-ware Communications Corporation	Receivables from related parties	Yes	250,000	-	-	1.33	2	-	For revolving fund	-	-	-	5,903,260	11,806,519	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	4,000,000	2,500,000	1,000,000	0.83	1	3,201,372	-	-	-	3,201,372	11,806,519	Amounts allowed for ending period (Note S); maximum amounts allowed for the period (Note D)	
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	5,500,000	5,500,000	5,500,000	0.83	2	-	For revolving fund	-	-	-	5,903,260	11,806,519	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note D)
5	Yuan Ding Co., Ltd.	Far Eastern Technical Consultants Co., Ltd.	Receivables from related parties	Yes	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note L)
		Ding Ding Integrated Marketing Service Co., Ltd.	Receivables from related parties	Yes	100,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,431,124	3,577,809	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note L)
		Far Eastern Electronic Commerce Co., Ltd.	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 J); maximum amounts allowed for the period (Note L)

(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) Inc. Ding Ding Hotel Co., Ltd.	Receivables from related parties Receivables from related parties	Yes Yes	\$ 125,380 800,000	\$ 121,040 500,000	\$ 90,780 500,000	1.9-2.1 1.0013-1.1679	2 2	\$ - -	For revolving fund For revolving fund	\$ - -	Promissory note Promissory note	\$ - -	\$ 1,431,124 1,431,124	\$ 3,577,809 3,577,809	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note L) Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note L)
6	YDT Technology International Corporation	Yuan Ding Co., Ltd.	Receivables from related parties	Yes	130,000	-	-	1.024-1.1349	2	-	For revolving fund	-	Promissory note	-	125,979	157,474	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note L)
7	FET Consulting Engineers Co., Ltd.	Yuan Ding Co., Ltd.	Receivables from related parties	Yes	200,000	180,000	180,000	1.0013-1.1679	2	-	For revolving fund	-	Promissory note	-	185,713	232,141	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note L)
8	Ding Ding Integrated Marketing Service Co., Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Receivables from related parties	Yes	125,380	60,520	60,520	1.75-2.1	2	-	For revolving fund	-	Promissory note	-	135,036	168,795	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note L)
9	Far Eastern Investment (Holding) Ltd.	Worldwide Polychem (HK) Ltd. Far Eastern Polytex (Holding) Ltd.. Far Eastern Apparel (Holding) Ltd. Far Eastern Polychem Industries Ltd.. PET Far Eastern (Holding) Ltd. Sino Belgium (Holding) Corporation PET Far Eastern (M) Sdn. Bhd. Far Eastern Apparel (Vietnam) Ltd. Far Eastern New Apparel (Vietnam) Ltd. Oriental Textile (Holding) Ltd. Far Eastern Polytex (Vietnam) Ltd.. Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates Receivables from affiliates	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	302,600 302,600 1,210,400 2,118,200 2,420,800 453,900 302,600 605,200 907,800 2,420,800 1,513,000 1,879,563	302,600 302,600 1,210,400 2,118,200 1,513,000 453,900 302,600 605,200 907,800 2,420,800 1,513,000 1,879,563	- - - - 27,306 151,300 174,749 226,950 556,784 1,019,762 1,361,700 1,775,207	- 2.31767 - 2.31767-2.44767 5.26667-5.93883 2.31767-2.44767 - - - 2.31767-2.44767 - - -	2 2 2 2 2 2 2 2 2 2 2 2	- - - - - - - - - - - -	For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund For revolving fund	- - - - - - - - - - - -	Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note Promissory note	- - - - - - - - - - - -	4,430,233 4,430,233 4,430,233 4,430,233 4,430,233 3,544,187 4,430,233 4,430,233 4,430,233 4,430,233 4,430,233 4,430,233	13,290,699 13,290,699 13,290,699 13,290,699 13,290,699 3,544,187 13,290,699 13,290,699 13,290,699 13,290,699 13,290,699 13,290,699	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
10	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates Receivables from affiliates Receivables from affiliates	Yes Yes Yes	605,200 907,800 605,200	605,200 907,800 605,200	90,780 402,458 574,249	- 2.31767-2.44767 -	2 2 2	- - -	For revolving fund For revolving fund For revolving fund	- - -	Promissory note Promissory note Promissory note	- - -	1,377,460 1,377,460 1,377,460	4,132,380 4,132,380 4,132,380	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O) Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)

(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) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	Receivables from affiliates	Yes	\$ 181,560	\$ 181,560	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,649,228	\$ 10,947,685	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Sino Belgium (Holding) Corporation	Receivables from affiliates	Yes	302,600	302,600	-	-	2	-	For revolving fund	-	Promissory note	-	2,919,383	2,919,383	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	Yes	605,200	605,200	-	-	2	-	For revolving fund	-	Promissory note	-	3,649,228	10,947,685	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	302,600	302,600	200,244	5.26667-5.92850	2	-	For revolving fund	-	Promissory note	-	3,649,228	10,947,685	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,002,440	2,002,440	482,406	1.265	2	-	For revolving fund	-	Promissory note	-	3,649,228	10,947,685	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	1,815,600	1,815,600	514,420	-	2	-	For revolving fund	-	Promissory note	-	3,649,228	10,947,685	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
12	Far Eastern Polychem Industries Ltd..	Wuhan Far Eastern New Material Ltd.	Receivables from affiliates	Yes	121,040	121,040	-	-	2	-	For revolving fund	-	Promissory note	-	4,462,086	13,386,258	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	1,422,220	1,422,220	-	-	2	-	For revolving fund	-	Promissory note	-	4,462,086	13,386,258	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Industries (Shanghai) Corporation	Receivables from affiliates	Yes	1,906,380	1,815,600	-	-	2	-	For revolving fund	-	Promissory note	-	4,462,086	13,386,258	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Ishizuka Green Pet Corporation	Receivables from affiliates	Yes	403,650	403,650	-	2.31767	2	-	For revolving fund	-	Promissory note	-	3,569,669	3,569,669	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	453,900	453,900	439,370	2.44767-5.93883	2	-	For revolving fund	-	Promissory note	-	4,462,086	13,386,258	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,685,090	2,685,090	637,140	1.265	2	-	For revolving fund	-	Promissory note	-	4,462,086	13,386,258	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
13	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	605,200	544,680	272,340	-	2	-	For revolving fund	-	Promissory note	-	1,936,898	1,936,898	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,138,970	2,138,970	273,060	1.265	2	-	For revolving fund	-	Promissory note	-	2,421,123	7,263,368	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
14	FEDP (Holding) Ltd.	Far Eastern Polychem Industries Ltd..	Receivables from affiliates	Yes	151,300	151,300	145,726	1.95739-2.44767	2	-	For revolving fund	-	Promissory note	-	175,474	526,422	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	151,300	151,300	151,300	2.31767-2.44767	2	-	For revolving fund	-	Promissory note	-	175,474	526,422	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
15	Waldorf Services B.V.	Oriental Textile (Holding) Ltd.	Receivables from affiliates	Yes	453,900	-	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Polychem Industries Ltd..	Receivables from affiliates	Yes	453,900	-	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	453,900	-	-	2.31767	2	-	For revolving fund	-	Promissory note	-	827,909	2,483,726	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
16	Far Eastern Polytex (Holding) Ltd..	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	99,858	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,931,546	11,794,637	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)
		Wuhan Far Eastern New Material Ltd.	Receivables from affiliates	Yes	121,040	121,040	-	-	2	-	For revolving fund	-	Promissory note	-	3,931,546	11,794,637	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note O)

(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			
17	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 910,200	\$ 910,200	\$ -	2.61	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,230,585	\$ 4,956,857	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Oriental Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	455,100	455,100	227,550	2	2	-	For revolving fund	-	Promissory note	-	991,371	991,371	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,047,950	2,047,950	1,806,661	2.58078-3.51376	2	-	For revolving fund	-	Promissory note	-	2,230,585	4,956,857	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
18	Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	364,080	-	-	-	2	-	For revolving fund	-	Promissory note	-	562,970	562,970	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	910,200	-	-	2.61	2	-	For revolving fund	-	Promissory note	-	1,266,682	2,814,849	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	295,815	295,815	295,815	2.61-3.68	2	-	For revolving fund	-	Promissory note	-	1,266,682	2,814,849	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,228,770	1,228,770	790,891	2.58078-3.51376	2	-	For revolving fund	-	Promissory note	-	1,266,682	2,814,849	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
19	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	45,510	45,510	-	-	2	-	For revolving fund	-	Promissory note	-	105,338	234,085	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
20	Oriental Industries (Suzhou) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	773,670	-	-	2.00-3.915	2	-	For revolving fund	-	Promissory note	-	2,183,047	2,183,047	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	227,550	227,550	-	-	2	-	For revolving fund	-	Promissory note	-	4,911,855	10,915,233	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	455,100	455,100	-	-	2	-	For revolving fund	-	Promissory note	-	4,911,855	10,915,233	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	455,100	455,100	-	-	2	-	For revolving fund	-	Promissory note	-	4,911,855	10,915,233	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	910,200	910,200	3,404	3.75064	2	-	For revolving fund	-	Promissory note	-	4,911,855	10,915,233	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,137,750	1,137,750	803,556	2.93435-3.75064	2	-	For revolving fund	-	Promissory note	-	4,911,855	10,915,233	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,820,400	1,820,400	1,201,095	2.93435-3.75064	2	-	For revolving fund	-	Promissory note	-	4,911,855	10,915,233	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
21	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	910,200	910,200	-	2.58078-3.50558	2	-	For revolving fund	-	Promissory note	-	2,679,047	5,953,438	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	546,120	546,120	546,120	4.03-4.35	2	-	For revolving fund	-	Promissory note	-	1,190,688	1,190,688	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
22	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	227,550	227,550	-	1.265	2	-	For revolving fund	-	Promissory note	-	231,288	693,863	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
23	Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	682,650	682,650	-	1.265	2	-	For revolving fund	-	Promissory note	-	4,109,028	7,396,250	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	910,200	455,100	455,100	2.00-4.35	2	-	For revolving fund	-	Promissory note	-	3,287,222	3,287,222	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	\$ 2,275,500	\$ 1,365,300	\$ 1,137,750	2.00-4.35	1	\$ 4,949,536	-	\$ -	Promissory note	\$ -	\$ 4,109,028	\$ 4,109,028	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	1,683,870	1,365,300	1,365,300	2	2	-	For revolving fund	-	Promissory note	-	3,287,222	3,287,222	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
24	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	136,530	136,530	-	1.265	2	-	For revolving fund	-	Promissory note	-	473,177	851,719	Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M)
25	Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	45,510	45,510	-	-	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		Oriental Textile (Holding) Ltd.	Other receivables - loans to related parties	Yes	91,020	91,020	-	-	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		Far Eastern Polychem Industries Ltd..	Other receivables - loans to related parties	Yes	91,020	91,020	-	-	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		PET Far Eastern (Holding) Ltd.	Other receivables - loans to related parties	Yes	91,020	91,020	-	-	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,137,750	1,137,750	-	1.265	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	136,530	136,530	13,230	1.265	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	54,612	54,612	25,162	1.265	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	741,813	500,610	497,779	1.265-2.00	2	-	For revolving fund	-	Promissory note	-	960,825	960,825	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Shanghai) Corporation	Other receivables - loans to related parties	Yes	4,642,020	3,185,700	1,427,749	1.265	2	-	For revolving fund	-	Promissory note	-	6,005,158	8,407,222	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note R)
26	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	45,510	45,510	-	-	2	-	For revolving fund	-	Promissory note	-	61,523	92,285	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
27	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	227,550	227,550	227,550	2	2	-	For revolving fund	-	Promissory note	-	1,277,882	2,839,739	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note P)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	546,120	546,120	546,120	2	2	-	For revolving fund	-	Promissory note	-	567,948	567,948	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note K)

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 September 30, 2017.

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

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

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

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

(Continued)

- G. The limitation is 5% of the net value of the financier from audited financial statements as of December 31, 2016.
- H. The limitation is 10% of the net value of the financier from audited financial statements as of December 31, 2016.
- I. The limitation is 15% of the net value of the financier from audited financial statements as of December 31, 2016.
- J. The limitation is 20% of the net value of the financier from audited financial statements as of December 31, 2016.
- K. The limitation is 40% of the net value of the financier from audited financial statements as of December 31, 2016.
- L. The limitation is 50% of the net value of the financier from audited financial statements as of December 31, 2016.
- M. The limitation is 90% of the net value of the financier from audited financial statements as of December 31, 2016.
- N. The limitation is 100% of the net value of the financier from audited financial statements as of December 31, 2016.
- O. The limitation is 150% of the net value of the financier from audited financial statements as of December 31, 2016.
- P. The limitation is 200% of the net value of the financier from audited financial statements as of December 31, 2016.
- Q. The limitation is 250% of the net value of the financier from audited financial statements as of December 31, 2016.
- R. The limitation is 350% of the net value of the financier from audited financial statements as of December 31, 2016.
- S. The limitation is business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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 Q)	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent (Note Q)	Endorsement/Guarantee Given on Behalf of Companies in Mainland China (Note Q)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 96,003,840	\$ 1,200,000	\$ -	\$ -	\$ -	-	\$ 192,007,679	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
1	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	(Note A)	19,158,370	250,000	100,000	-	-	0.26	38,316,740	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		Da Ju Fiber Co., Ltd.	(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 G); maximum amounts allowed for the period (Note H).
		PET Far Eastern (Holding) Ltd.	(Note C)	19,158,370	626,900	605,200	343,145	-	1.58	19,200,768	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note L).
		Oriental Textile (Holding) Ltd.	(Note A)	19,158,370	626,900	605,200	136,530	-	1.58	38,316,740	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
		Far Eastern Polychem Industries Ltd.	(Note C)	19,158,370	940,350	907,800	760,101	-	2.37	19,200,768	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note L).
		Oriental Industries (Suzhou) Ltd.	(Note A)	19,158,370	1,567,250	1,513,000	1,119,983	-	3.95	38,316,740	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note D)	13,495,011	5,708,448	5,708,448	2,640,000	5,708,448	2.97	26,990,022	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	3,577,810	2,053,000	2,043,000	1,260,000	650,000	1.06	7,155,619	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	3,577,810	125,380	-	-	-	-	-	7,155,619	-	-	Yes
4	FET Consulting Engineers Co., Ltd.	Yuan Ding Co., Ltd.	(Note D)	232,141	230,000	230,000	-	230,000	0.12	464,282	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
5	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note A)	38,603,079	154,300	154,300	154,300	-	1.20	38,603,079	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note M); maximum amounts allowed for the period (Note M).
6	PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	96,003,840	1,196,350	1,196,350	561,276	-	0.62	192,007,679	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note N); maximum amounts allowed for the period (Note O).
		Oriental Petrochemical (Shanghai) Corporation	(Note A)	96,003,840	766,250	756,500	675,205	-	0.39	192,007,679	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note N); maximum amounts allowed for the period (Note O).
7	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	96,003,840	650,710	650,710	73,002	-	1.70	192,007,679	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note N); maximum amounts allowed for the period (Note O).
8	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	96,003,840	321,020	318,570	-	-	0.83	192,007,679	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note N); maximum amounts allowed for the period (Note O).

(Continued)

- 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 as of September 30, 2017.
 - F. The amount of the collateral/guarantee is based on the net value of the guarantor from the latest reviewed financial statements as of September 30, 2017.
 - G. The amount of the collateral/guarantee is based on 50% of the net value of the guarantor from the latest reviewed financial statements as of June 30, 2017.
 - H. The amount of the collateral/guarantee is based on the net value of the guarantor from the latest reviewed financial statements as of June 30, 2017.
 - I. The amount of the collateral/guarantee is based on 50% of the net value of the guarantor from the latest audited financial statements.
 - J. The amount of the collateral/guarantee is based on the net value of the guarantor from the latest audited financial statements.
 - K. 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 September 30, 2017, and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on reviewed financial statements as of June 30, 2017).
 - L. 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 September 30, 2017, and the net value of Yuan Ding Investment Co., Ltd. (based on reviewed financial statements as of June 30, 2017).
 - M. The amount of the collateral/guarantee is based on 300% of the net value of the guarantor from the latest reviewed financial statements as of June 30, 2017.
 - N. The amount of the collateral/guarantee is based on 50% of the net value of the ultimate parent company from latest reviewed financial statements.
 - O. The amount of the collateral/guarantee is based on the net value of the ultimate parent company from the latest reviewed financial statements.
 - P. 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.
 - Q. 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

SEPTEMBER 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	September 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 H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 16,232,010	22.33	\$ 20,151,229	19,900 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Ltd.	(Note A)	Investments accounted for using the equity method	241,770	4,598,873	17.06	3,662,811	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,302,007	9.17	1,997,914	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	134	1,520	0.03	2,016	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	1,929,088	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	135,000	1,807,452	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	83,245	811,875	2.62	785,834	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	39,561,099	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	667,242	101,741,280	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	135	7,748,480	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	6,968,334	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	8,027,085	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,054,951	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	8,814,180	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	4,403,011	90.54	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,334,427	8,057,284	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	8,094,235	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,041,754	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,932,622	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,710,628	100.00	-	
FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	135,939	50.43	-		
Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,999	241,332	99.96	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Other liabilities - other	19,772	(79,760)	19.00	-		
Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,521	100.00	-		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	21,000	641,077	0.62	563,837	30,455 thousand shares pledged or mortgaged as collaterals for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,311,486	8.00	1,742,115	
	Far Eastern Department Stores Ltd.	(Note A)	Investments accounted for using the equity method	22,263	448,071	1.57	337,284	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	123,624	1,118,120	25.23	1,854,360	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	22,022,177	32.73	77,439,343	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,572,101	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	3,440,518	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	48,692	1,630,728	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	122,261	100.00	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	123,312	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,684	62,083	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	386,256	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,166,977	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,242	345,666	70.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,779,891	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	317,038	29.80	-	
Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,654,067	25.96	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	\$ 1,078,053	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	927,949	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	8,073,968	100.00	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	119,653	1,515,701	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	287,516	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	21,512	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	91,766	564,440	5.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	113,251	1,104,510	3.56	1,069,093	
	Chung Nan Textile Co., Ltd.	(Note L)	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	Universal Venture Capital Investment Corporation	(Note M)	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	China Investment and Development Co., Ltd.	(Note L)	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Taiwan Stock Exchange Corporation	-	Financial assets carried at cost - non-current	1,081	22,493	0.16	-	
	Oriental Securities Investment Consultant Co., Ltd.	(Note J)	Financial assets carried at cost - non-current	1	10	-	-	
	Dah Chung Bills Finance Corporation	(Note L)	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	302,978	1.05	302,978	
	Financial assets under asset management contracts (Note E)	-		-	-	-	-	
	Grand Pacific Petrochemical Corporation	-	Financial assets at fair value through profit or loss - current	1,075	25,101	-	25,101	
	TSRC Corporation	-	Financial assets at fair value through profit or loss - current	1,115	36,015	-	36,015	
	Nantex Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	251	5,542	-	5,542	
	Synnex Technology International Corporation	-	Financial assets at fair value through profit or loss - current	900	32,760	-	32,760	
	Inventec Corporation	-	Financial assets at fair value through profit or loss - current	1,425	32,276	-	32,276	
	Shin Zu Shing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	205	16,789	-	16,789	
	Chong Hong Construction Co., Ltd.	-	Financial assets at fair value through profit or loss - current	250	17,400	-	17,400	
	ASE Group	-	Financial assets at fair value through profit or loss - current	900	33,435	-	33,435	
Far Eastern Investment (Holding) Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	FETG Investment Antilles N.V.	(Note A)	Investments accounted for using the equity method	6	463,959	100.00	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000	204,809	50.00	-	
				Preferred stock 3,000				
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	12,510	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	678,223	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	69,289	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,605	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,825,826	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,332	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	203,236	100.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	480,583	37.92	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,465)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,566)	50.00	-	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Available-for-sale financial assets - current	3	121,039	-	121,039	
Malaysia Garment Manufactures Pte. Ltd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000	204,809	50.00	-	
				Preferred stock 3,000				

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	\$ 442,375	0.39	\$ 355,003	15,000 thousand shares pledged or mortgaged as collaterals for loans.
	Far Eastern Department Stores Ltd.	(Note A)	Investments accounted for using the equity method	5,603	115,042	0.40	84,885	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,137	9,051	0.23	17,052	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	674,885	3.09	673,191	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	40,457	0.03	66,767	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	18,000	222,656	2.24	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,844	328,230	13.20	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	64	0.03	-	
Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	84,155	820,723	2.64	794,419		
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	665,572	0.60	542,571	16,100 thousand shares pledged or mortgaged as collaterals for loans.
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,099,268	1.05	2,479,220	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,273	675,372	3.64	793,920	
	Far Eastern Department Stores Ltd.	(Note A)	Investments accounted for using the equity method	20,672	556,104	1.46	313,184	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	465,207	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	928,988	16.80	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	18,000	222,857	2.24	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	102,167	996,405	3.21	964,458	
U-Ming Marine Transport Corporation	(Note C)	Available-for-sale financial assets - non-current	422	14,432	0.05	14,432		
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	7,519,448	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	463,771	9.46	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	133,621	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,421,894	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	631,136	90.00	-	
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost - non-current	4	65,614	10.00	-	
Bank of Chongqing	-	Available-for-sale financial assets - non-current	3,884	95,660	0.12	95,660		
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	534,574	0.53	475,946	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	1,978,259	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Available-for-sale financial assets - current	1,590	54,371	0.19	54,371	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	577,595	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,789,919	100.00	-	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	13,231	0.01	12,593	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	5,776	-	6,534	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	8	104	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	6,225	9.00	-	
	U-Ming Marine Transport Corporation	(Note C)	Available-for-sale financial assets - current	746	25,530	0.09	25,530	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	9,687	50,923	3.48	-	
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	DFE DWS Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	2,246	26,091	-	26,091	
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,993	50,013	-	50,013	
	Paradigm Pion Money Market	-	Financial assets at fair value through profit or loss - current	3,573	41,016	-	41,016	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,158	133,062	-	133,062	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	481,955	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)		
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	\$ 53,653	100.00	\$ -		
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	956,265	100.00	-		
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	924,212	61.54	-		
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,828,131	100.00	-		
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	4,003,625	60.00	-		
Far Eastern New Century (China) Investment Co., Ltd.	Far Eastern Industries (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	1,060,479	12.36	-		
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	61,567	100.00	-		
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	310,283	8.11	-		
Sino Belgium (Holding) Corporation	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	737,229	100.00	-		
	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - other	(Note G)	(290,689)	100.00	-		
Martens Beers (Shanghai) Ltd.		(Note A)	Investments accounted for using the equity method	(Note G)	5,030	100.00	-		
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	132,956	100.00	-		
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	15,429	70,218	-	70,218		
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	601,012	2,735,206	-	2,735,206		
Yuan Ding Co., Ltd.	YDT Technology International Corporation	(Note A)	Investments accounted for using the equity method	13,992	243,707	100.00	-		
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	41,633	191,675	60.00	-		
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	61,729	91.00	-		
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	8,287	17.70	-		
	Ding Ding Hotel Co., Ltd.	(Note A)	Other liabilities - other	(Note A)	64,502	(260,392)	61.99	-	
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	(Note A)	Investments accounted for using the equity method	(Note A)	4,995	(447)	4.79	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	85,000	461,149	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	(Note A)	5,329	190,209	0.16	143,074	
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	4,164	107,100	0.13	302,270	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	129,637	1,077,876	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	(Note A)	103	560	1	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	2,523	47,800	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	10,650	134,917	5.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans.
Far Eastern Electronic Toll Collection Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	44,796	444,524	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	(Note A)	7,922	77,264	0.25	74,784	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	24,955	221,928	20.00	-	
	Far Eastern New Century Corporation	(Note D)	Financial assets at fair value through profit or loss - current	(Note A)	779	18,783	-	18,783	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	(Note A)	Investments accounted for using the equity method	(Note A)	17	232	0.02	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note A)	18,729	166,553	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Other liabilities - other	(Note G)	(34,317)	46.13	-		
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial assets carried at cost - non-current	(Note A)	1	10	-	-	
DFE DWS Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	(Note A)	6,158	71,527	-	71,527		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial assets carried at cost - non-current	480	\$ 4,800	4.00	\$ -	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Other liabilities - other	(Note G)	(40,075)	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note G)	(346)	0.46	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	45,653	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note G)	(74,809)	99.54	-	
YDT Technology International Corporation	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	120	1,159	0.02	1,806	
	Far Eastern Department Stores Ltd.	(Note A)	Investments accounted for using the equity method	2,764	93,119	0.20	41,873	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,154	-	1,625	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	38,533	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	2,786	27,175	0.09	26,298	
	Oriental Securities Investment Consultant Co., Ltd.	(Note J)	Financial assets carried at cost - non-current	1	10	-	-	
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,000	188,691	100.00	-	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,402,434	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	1,266,243	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	78,896	862,058	99.99	-	
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	(Note A)	Investments accounted for using the equity method	90,014	(9,233)	86.41	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	30,989	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Other liabilities - other	1	(49,331)	100.00	-	
	O-music Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,500	8,783	50.00	-	
	Q-ware Communications Corporation	(Note A)	Other liabilities - other	33,983	(81,617)	81.46	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	765,641	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,433	332,886	30.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,408	47,271	15.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,000	27,593	14.40	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial assets carried at cost - non-current	15,000	150,000	11.11	-	
	CDIB Capital Innovation Accelerator Co., Ltd.	-	Financial assets carried at cost - non-current	4,500	45,000	12.00	-	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	164,103	70.00	-	
	THI Consultants	(Note L)	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	141,130	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	110,205	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	4,320	14,557	100.00	-	
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	(Note A)	Investments accounted for using the equity method	2,500	(225)	2.40	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,469	15,757	5.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Available-for-sale financial assets - current	15	467,824	-	467,824	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Available-for-sale financial assets - current	4	160,930	-	160,930	
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	Bank Pro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	\$ 219	100.00	\$ -	
	Far East New Diligent Company Ltd.	(Note A)	Investments accounted for using the equity method	-	79,810	100.00	-	
	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	2,571	100.00	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	37,901	100.00	-	
	Home Master Technology Ltd.	(Note A)	Other liabilities - other	-	(6,940)	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	-	2,530	100.00	-	
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	1,067	0.96	-	
Far East New Diligent Company Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	99,510	89.56	-	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	57,867	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	41,340	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 FENC.

D. Parent company.

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

F. 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.

G. A foreign owned company.

H. 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.

I. The subsidiary of the invested company accounted for using the equity method.

J. The subsidiary of FENC's associate.

K. Related party in substance.

L. The investor is the corporate director of the investee.

M. The investor is the corporate supervisor of the investee.

(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 NINE MONTHS ENDED SEPTEMBER 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 B)	1,183,311	\$ 7,161,947	151,116	\$ 1,511,163	-	\$ -	\$ -	\$ -	\$ (615,826)	1,334,427	\$ 8,057,284
Far Eastern Investment (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd. Malaysia Garment Manufactures Pte. Ltd.	Investments accounted for using the equity method Investments accounted for using the equity method	Cash capital increase	(Note B)	(Note C)	US\$ 48,230	50,000	US\$ 50,000	-	-	-	-	US\$ (4,845)	-	US\$ 93,385
			Waldorf Services B.V.	(Note B)	-	-	30	US\$ 15,476	-	-	-	-	US\$ 406	30	US\$ 15,882
Far Eastern General Contractor Inc.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	15,393	168,020	68,618	750,000	71,853	785,193	785,002	191	-	12,158	133,062
	Hua Nan Kirin Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	47,062	559,000	47,062	559,124	559,000	124	-	-	-
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	Investments accounted for using the equity method	Far Eastern Investment (Holding) Ltd.	(Note A)	30	478,337	-	-	30	470,780	470,780	-	(7,557)	-	-
Yuan Tong Investment Co., Ltd.	Far Eastern International Bank	Available-for-sale financial assets - non-current	Far Eastern Department Stores Ltd., Oriental Union Chemical Corporation	(Note H)	19,796	180,139	79,875	791,550	99,671 (Note D)	-	971,689 (Note D)	-	-	-	-
Yuan Ding Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note B)	23,913	(239,266)	32,777	327,766	56,690 (Note E)	-	1,488 (Note E)	-	(87,012)	-	-
Far EastTone Telecommunications Co., Ltd.	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Investments accounted for using the equity method	Cash capital increase	(Note B)	53,726	(109,380)	34,891	348,909 (Note F)	-	-	-	-	(217,366)	90,014 (Note G)	(9,233) (Note G)

Notes: A. Parent company

B. Subsidiary.

C. A foreign owned company.

D. Reclassify to investments accounted for using the equity method (refer to Table 8).

E. The company was merged with Yuanshi Digital Technology Co., Ltd. (former name is Hiiir), while Far Eastern Electronic Commerce Co., Ltd. was dissolved.

F. The amount is the cost of investments. The shares include (a) 34,890,875 shares acquired through subscription of new common shares issued by Hiiir Inc. and (b) 1,397,549 shares acquired through share exchange due to the merger between Hiiir and Far Eastern Electronic Commerce Co., Ltd..

G. The ending balance of shares includes 1,397,549 shares acquired through share exchange due to the merger between Yuanshi Digital Technology Corporation (former Hiiir Inc.) and Far Eastern Electronic Commerce Co., Ltd..

H. Associates.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 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 Tech Co., Ltd.	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 Co., Ltd.	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 NINE MONTHS ENDED SEPTEMBER 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 Co., Ltd.	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 Tech Co., Ltd.	Fellow subsidiary	For New Century InfoComm Tech Co., Ltd. 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 NINE MONTHS ENDED SEPTEMBER 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	\$ 5,358,900	17	Based on contract	\$ -	-	\$ -	-	\$ (391,880)	(10)	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,687,169)	(5)	Based on contract	-	-	-	-	581,028	9	
	Far Eastern Industries (Shanghai) Corporation	(Note A)	Sale	(1,171,375)	(3)	Based on contract	-	-	-	-	306,653	5	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(305,618)	(1)	Based on contract	-	-	-	-	53,501	1	
	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Sale	(267,000)	(1)	Based on contract	-	-	-	-	32,318	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Purchase	156,119	1	Based on contract	-	-	-	-	(9,257)	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Purchase	405,822	1	Based on contract	-	-	-	-	(63,224)	(2)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Sale	(106,239)	-	Based on contract	-	-	-	-	16,758	-	
	Everest Textile Corporation	(Note D)	Sale	(202,858)	(1)	Based on contract	-	-	-	-	15,043	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(272,627)	(1)	Based on contract	-	-	-	-	74,514	1	
	Oriental Union Chemical Corporation	(Note D)	Purchase	1,295,369	4	Based on contract	-	-	-	-	(192,761)	(5)	
	Far Eastern Fibertech Co., Ltd.	Everest Textile Corporation	(Note D)	Sale	(162,878)	(10)	Based on contract	-	-	-	-	29,856	15
Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	2,703,981	44	Based on contract	-	-	-	-	(563,133)	(35)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	1,004,674	16	Based on contract	-	-	-	-	(193,539)	(12)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(467,314)	(7)	Based on contract	-	-	-	-	117,874	15	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,427,616	40	Based on contract	-	-	-	-	(469,691)	(29)	
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,703,981)	(63)	Based on contract	-	-	-	-	563,133	55	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(301,533)	(7)	Based on contract	-	-	-	-	110,237	11	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	255,747	7	Based on contract	-	-	-	-	(43,894)	(7)	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	137,926	4	Based on contract	-	-	-	-	(21,390)	(4)	
Far Eastern Industries (Shanghai) Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	1,171,375	7	Based on contract	-	-	-	-	(306,653)	(8)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	3,835,804	22	Based on contract	-	-	(61,439)	(28)	(530,454)	(15)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	284,388	2	Based on contract	-	-	-	-	-	-	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(5,161,350)	(28)	Based on contract	-	-	-	-	385,578	19	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(619,798)	(3)	Based on contract	-	-	75,219	6	311,176	16	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(137,926)	(1)	Based on contract	-	-	-	-	21,390	1	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	131,567	1	Based on contract	-	-	-	-	(106,381)	(3)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(109,479)	(1)	Based on contract	-	-	-	-	-	-	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	950,574	48	Based on contract	-	-	(264,325)	(100)	(149,753)	(81)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(1,777,742)	(89)	Based on contract	-	-	-	-	263,757	87	
Far Eastern Polychem Industries Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	5,161,350	94	Based on contract	-	-	-	-	(385,578)	(90)	
	PET Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(605,741)	(11)	Based on contract	-	-	-	-	210,773	21	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	319,850	6	Based on contract	-	-	-	-	(34,969)	(8)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(222,257)	(4)	Based on contract	-	-	-	-	52,602	5	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(3,835,804)	(41)	Based on contract	-	-	61,439	4	530,454	78	
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Sale	(950,574)	(10)	Based on contract	-	-	264,325	16	149,753	22	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	\$ (5,358,900)	(47)	Based on contract	\$ -	-	\$ -	-	\$ 391,880	37	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(284,388)	(3)	Based on contract	-	-	-	-	-	-	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	Purchase	1,777,742	36	Based on contract	-	-	-	-	(263,757)	(39)	
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(2,378,244)	(42)	Based on contract	-	-	-	-	519,147	40	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	109,479	2	Based on contract	-	-	-	-	-	-	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	2,378,244	98	Based on contract	-	-	-	-	(519,147)	(98)	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	305,618	13	Based on contract	-	-	-	-	(53,501)	(27)	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,427,616)	(87)	Based on contract	-	-	-	-	469,691	50	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	467,314	20	Based on contract	-	-	-	-	(117,874)	(60)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	253,387	11	Based on contract	-	-	-	-	(1,183)	(1)	
Far Eastern New Apparel (Vietnam) Corporation	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(253,387)	(100)	Based on contract	-	-	-	-	1,183	2	
PET Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	605,741	69	Based on contract	-	-	-	-	(210,773)	(70)	
Wuhan Far Eastern New Material Corporation	Far Eastern Industries (Shanghai) Corporation	(Note C)	Purchase	619,798	56	Based on contract	-	-	(75,219)	(100)	(311,176)	(77)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	222,257	20	Based on contract	-	-	-	-	(52,602)	(13)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(319,850)	(26)	Based on contract	-	-	-	-	34,969	14	
	Far Eastern Industries (Shanghai) Corporation	(Note C)	Sale	(131,567)	(11)	Based on contract	-	-	-	-	106,381	44	
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	1,687,169	88	Based on contract	-	-	-	-	(581,028)	(83)	
Far Eastern Industries (Wuxi) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	267,000	13	Based on contract	-	-	-	-	(32,318)	(10)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(255,747)	(11)	Based on contract	-	-	-	-	43,894	14	
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,004,674)	(54)	Based on contract	-	-	-	-	193,539	44	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	301,533	19	Based on contract	-	-	-	-	(110,237)	(20)	
	Far Eastern New Century Corporation	(Note B)	Purchase	106,239	7	Based on contract	-	-	-	-	(16,758)	(3)	
Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(405,822)	(71)	Based on contract	-	-	-	-	63,224	72	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(156,119)	(20)	Based on contract	-	-	-	-	9,257	6	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of telecommunications services, marketing expenses and cost of sales	7,904,884	19	Based on contract	-	-	-	-	(767,894)	(5)	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(355,292)	(1)	Based on contract	-	-	-	-	1,416	-	
			Cost of telecommunications services	2,045,737	7	Based on contract	-	-	-	-	(693,053)	(4)	(Note E)
	O-music Co., Ltd.	(Note C)	Cost of telecommunications services	152,293	1	Based on contract	-	-	-	-	(34,915)	(1)	
	DataExpress Infotech Co., Ltd.	(Note C)	Operating revenue	(161,260)	-	Based on contract	-	-	-	-	14,923	-	
Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	(Note C)	Operating revenue	(138,621)	-	Based on contract	-	-	-	-	19,761	-		

(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	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	\$ (2,045,737)	(24)	Based on contract	\$ -	-	\$ -	-	\$ 693,053	47	(Note F)
			Cost of telecommunications services	355,292	6	Based on contract	-	-	-	-	(1,416)	-	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(7,904,884)	(64)	Based on contract	-	-	-	-	767,894	42	
O-music Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(152,293)	(98)	Based on contract	-	-	-	-	34,915	97	
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Purchase	161,260	8	Based on contract	-	-	-	-	(14,923)	(4)	
	Linkwell Tech. Co., Ltd.	(Note C)	Purchase	117,233	6	Based on contract	-	-	-	-	(10,028)	(3)	
	Home Master Technology Ltd.	(Note C)	Operating revenue	(172,225)	(7)	Based on contract	-	-	-	-	60,290	18	
Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Far EasTone Telecommunications Co., Ltd.	(Note C)	Purchase	138,621	12	Based on contract	-	-	-	-	(19,761)	(7)	
Linkwell Tech. Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note C)	Sale	(117,233)	(23)	Based on contract	-	-	-	-	10,028	43	
Home Master Technology Ltd.	DataExpress Infotech Co., Ltd.	(Note C)	Operating cost	172,225	41	Based on contract	-	-	-	-	(60,290)	(53)	

Note: A. From FENC to subsidiary.

B. From the subsidiary to FENC.

C. Between subsidiaries.

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

E. All interconnect revenues, costs and collection of international direct dial 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 NINE MONTHS ENDED SEPTEMBER 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) Ltd.	(Note B)	\$ 581,028	3.55	\$ -	-	\$ 112,658	
	Far Eastern Industries (Shanghai) Corporation	(Note B)	306,653	4.94	-	-	107,606	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	391,880	10.82	-	-	391,880	
Far Eastern Polychem Industries Ltd.	PET Far Eastern (M) Sdn. Bhd.	(Note D)	210,773	4.12	-	-	66,305	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note D)	117,874	7.45	-	-	47,500	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	469,691	6.88	-	-	207,012	
Far Eastern Industries (Shanghai) Corporation	Far Eastern Polychem Industries Ltd.	(Note D)	385,578	19.74	-	-	385,578	
	Wuhan Far Eastern New Material Ltd.	(Note D)	386,395	2.20	-	-	75,219	
Far Eastern Dyeing & Finishing (Suzhou) Corporation	Far Eastern Apparel (Holding) Ltd.	(Note D)	563,133	7.00	-	-	28,616	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note D)	110,237	4.35	-	-	20,700	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Corporation	(Note D)	591,893	4.49	-	-	591,893	
	Far Eastern Industries (Suzhou) Ltd.	(Note D)	414,078	2.98	-	-	414,078	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note D)	519,147	6.47	-	-	268,585	
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	263,757	4.11	-	-	172,737	
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	193,539	6.93	-	-	156,748	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Corporation	(Note D)	106,381	2.69	-	-	50,210	
Far Eastern Construction Co., Ltd.	Far Eastern Department Stores Ltd.	(Note E)	116,413	(Note G)	-	-	-	
Ding Ding Integrated Marketing Service Corporation	Far Eastern International Bank	(Note E)	141,517	(Note H)	-	-	137,986	
	Pacific SOGO Department Stores Co., Ltd.	(Note F)	122,439	(Note H)	-	-	122,439	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note D)	108,086	(Note I)	-	-	93,878	
	ARCOA Communication Co., Ltd.	(Note D)	153,157	9.95	-	-	123,739	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	7,283,022	(Note J)	-	-	334,744	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	767,894	11.52	-	-	767,894	

(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 subsidiary of consolidated company's investee which accounted for under the equity method.
- G. The turnover rate was unavailable due to the main component of receivables from related parties was rent equalization.
- H. The turnover rate was unavailable due to the receivables were points collections and payments on behalf of others.
- I. 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.
- J. 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 NINE MONTHS ENDED SEPTEMBER 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) Ltd.	1	Accounts receivable	\$ 581,028	Based on contract	-
		Worldwide Polychem (HK) Ltd.	1	Sales	1,687,169	Based on contract	1
		Far Eastern Apparel (Suzhou) Co., Ltd.	1	Sales	106,239	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Sales	305,618	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	1	Sales	267,000	Based on contract	-
		Far Eastern Industries (Shanghai) Corporation	1	Accounts receivable	306,653	Based on contract	-
		Far Eastern Industries (Shanghai) Corporation	1	Sales	1,171,375	Based on contract	1
		Far Eastern Polytex (Vietnam) Ltd..	1	Other receivables - disposal of equipment	571,686	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd..	1	Revenue from disposal of equipment	651,756	Based on contract	-
1	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	574,249	Based on contract	-
		Far Eastern Apparel (Suzhou) Co., Ltd.	3	Other receivables	90,780	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	650	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Other receivables	402,458	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Accounts receivable	117,874	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Sales	467,314	Based on contract	-
2	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	469,691	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	2,427,616	Based on contract	2
3	Far Eastern Investment (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	3	Other receivables	1,361,700	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Other receivables	1,775,207	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Other receivables	556,784	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Other receivables	226,950	Based on contract	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	1,246	Based on contract	-
		PET Far Eastern (Holding) Ltd.	3	Other receivables	27,306	Based on contract	-
		PET Far Eastern (Holding) Ltd.	3	Interest receivables	689	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	16,171	Based on contract	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	14,009	Based on contract	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	1,019,762	Based on contract	-
		PET Far Eastern (M) Sdn. Bhd.	3	Other receivables	174,749	Based on contract	-
		PET Far Eastern (M) Sdn. Bhd.	3	Interest receivables	55,302	Based on contract	-
		Sino Belgium (Holding) Corporation	3	Interest revenue	2,690	Based on contract	-
		Sino Belgium (Holding) Corporation	3	Other receivables	151,300	Based on contract	-

(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)
4	Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	2	Sales	\$ 156,119	Based on contract	-
5	Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	3	Sales	253,387	Based on contract	-
6	Far Eastern Polychem Industries Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	3	Interest revenue	5,116	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Other receivables	637,140	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Interest receivables	2,029	Based on contract	-
		PET Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	210,773	Based on contract	-
		PET Far Eastern (M) Sdn. Bhd.	3	Sales	605,741	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	222,257	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	7,750	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Other receivables	439,370	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest receivables	7,655	Based on contract	-
		Far Eastern Ishizuka Green Pet Corporation	3	Interest revenue	76	Based on contract	-
7	FEDP (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Interest revenue	1,791	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	145,726	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Interest receivables	719	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	1,646	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Other receivables	151,300	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest receivables	1,646	Based on contract	-
8	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables	514,420	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	5,120	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Other receivables	200,244	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest receivables	5,073	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Interest revenue	7,784	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Other receivables	482,406	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Interest receivables	2,727	Based on contract	-
9	PET Far Eastern (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	3	Interest revenue	1,280	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Other receivables	273,060	Based on contract	-
		Far Eastern New Century (China) Investment Co., Ltd.	3	Interest receivables	883	Based on contract	-
		Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	272,340	Based on contract	-
10	Waldorf Services B.V.	Far Eastern Investment (Holding) Ltd.	3	Interest revenue	1,854	Based on contract	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	1,787	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	2,529	Based on contract	-
11	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	3	Accounts receivable	519,147	Based on contract	-
		Oriental Textile (Holding) Ltd.	3	Sales	2,378,244	Based on contract	1
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest revenue	16,312	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	803,556	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest receivables	2,385	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	3	Interest revenue	1	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	3	Other receivables	3,404	Based on contract	-

(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 (Wuxi) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd.	3 3 3 3	Interest receivables Interest revenue Other receivables Interest receivables	\$ 1 20,326 1,201,095 2,933	Based on contract Based on contract Based on contract Based on contract	- - - -
12	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Shanghai) Corporation Far Eastern Industries (Shanghai) Corporation Far Eastern New Century (China) Investment Co., Ltd.	3 3 3 3 3 3	Accounts receivable Notes receivable Sales Accounts receivable Sales Interest revenue	149,753 264,325 950,574 530,454 3,835,804 42	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- - 1 - 2 -
13	Oriental Petrochemical (Taiwan) Corporation	Far Eastern Industries (Shanghai) Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation	3 2 2	Sales Accounts receivable Sales	284,388 391,880 5,358,900	Based on contract Based on contract Based on contract	- - 3
14	Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	2	Sales	405,822	Based on contract	-
15	Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Corporation Far Eastern Industries (Shanghai) Corporation Far Eastern New Century (China) Investment Co., Ltd. Far Eastern Polychem Industries Ltd.	3 3 3 3	Accounts receivable Sales Interest revenue Sales	106,381 131,567 146 319,850	Based on contract Based on contract Based on contract Based on contract	- - - -
16	YDT Technology International Corporation	Yuan Ding Co., Ltd.	3	Interest revenue	76	Based on contract	-
17	Ding Ding Integrated Marketing Service Corporation	Yuan Ding Integrated Information Service (Shanghai) Inc. Yuan Ding Integrated Information Service (Shanghai) Inc. Yuan Ding Integrated Information Service (Shanghai) Inc.	3 3 3	Other receivables Interest receivables Interest revenue	60,520 890 890	Based on contract Based on contract Based on contract	- - -
18	Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Wuxi) Ltd. Far Eastern Industries (Wuxi) Ltd. Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3 3 3 3 3 3	Interest revenue Interest revenue Other receivables Accounts receivable Sales Interest revenue Other receivables Interest receivables	3,443 6,831 295,815 193,539 1,004,674 18,271 790,891 2,292	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- - - - 1 - - -
19	Far Eastern New Century (China) Investment Corporation	Oriental Industries (Suzhou) Ltd. Shanghai Far Eastern Petrochemical Logistic Corporation Shanghai Far Eastern Petrochemical Logistic Corporation Wuhan Far Eastern New Material Ltd. Wuhan Far Eastern New Material Ltd. Oriental Petrochemical (Shanghai) Corporation Oriental Petrochemical (Shanghai) Corporation Far Eastern Industries (Shanghai) Corporation Far Eastern Industries (Shanghai) Corporation	3 3 3 3 3 3 3 3 3	Interest revenue Other receivables Interest revenue Interest revenue Other receivables Interest revenue Other receivables Interest revenue Other receivables	25 25,162 194 100 13,230 574 497,779 14,303 1,427,749	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- - - - - - - - -

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note C)
20	Far Eastern Industries (Shanghai) Corporation	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	\$ 137,926	Based on contract	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	24,246	Based on contract	-
		Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	1,592,850	Based on contract	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest receivables	26,038	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	311,176	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	619,798	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Accounts receivable	385,578	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Sales	5,161,350	Based on contract	3
		Oriental Industries (Suzhou) Ltd.	3	Sales	109,479	Based on contract	-
21	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest revenue	3,567	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	227,550	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest receivables	3,830	Based on contract	-
22	Far Eastern Industries (Wuxi) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	255,747	Based on contract	-
		Far Eastern Apparel (Suzhou) Co., Ltd.	3	Interest receivables	695	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	12,234	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	445	Based on contract	-
23	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	263,757	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	1,777,742	Based on contract	1
24	Far Eastern Dyeing & Finishing (Suzhou) Corporation	Oriental Industries (Suzhou) Ltd.	3	Interest revenue	21,116	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	1,806,661	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	4,054	Based on contract	-
		Far Eastern Apparel (Suzhou) Co., Ltd.	3	Accounts receivable	110,237	Based on contract	-
		Far Eastern Apparel (Suzhou) Co., Ltd.	3	Sales	301,533	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	563,133	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	2,703,981	Based on contract	2
		Far Eastern Industries (Suzhou) Ltd.	3	Interest revenue	2,376	Based on contract	-
25	Yuan Ding Co., Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	3	Interest revenue	1,015	Based on contract	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	3	Other receivables	90,780	Based on contract	-
		Ding Ding Hotel Co., Ltd.	3	Rent revenue	290,409	Based on contract	-
		Ding Ding Hotel Co., Ltd.	3	Other receivables	500,000	Based on contract	-
		Ding Ding Hotel Co., Ltd.	3	Interest revenue	2,818	Based on contract	-
26	Yuan Ding Investment Co., Ltd.	Kai Yuan International Investment Co., Ltd.	3	Interest revenue	4,760	Based on contract	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	327,000	Based on contract	-
		An Ho Garment Co., Ltd.	3	Interest revenue	4,139	Based on contract	-
		An Ho Garment Co., Ltd.	3	Other receivables	264,000	Based on contract	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	297	Based on contract	-
27	FET Consulting Engineers Co., Ltd.	Yuan Ding Co., Ltd.	3	Interest revenue	1,431	Based on contract	-
		Yuan Ding Co., Ltd.	3	Other receivables	180,000	Based on contract	-

(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	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	3	Other receivables	\$ 106,670	Based on contract	-
		New Century InfoComm Tech Co., Ltd.	3	Telecommunications service revenue	353,501	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Accounts receivable	151,348	Based on contract	-
		Q-ware Communications Corporation	3	Other receivables	134,772	Based on contract	-
		DataExpress Infotech Co., Ltd.	3	Sales	160,787	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Sales	135,150	Based on contract	-
29	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Other receivables	7,228,260	Based on contract	1
		Far EasTone Telecommunications Co., Ltd.	3	Telecommunications service revenue	2,045,737	Based on contract	1
30	ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Accounts receivable	724,777	Based on contract	-
		Far EasTone Telecommunications Co., Ltd.	3	Sales	7,483,604	Based on contract	5
		Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	378,365	Based on contract	-
31	DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	3	Sales	172,225	Based on contract	-
32	O-music Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Telecommunications service revenue	152,393	Based on contract	-
33	Linkwell Tech. Co., Ltd.	DataExpress Infotech Co., Ltd.	3	Telecommunications service revenue	117,233	Based on contract	-

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 NINE MONTHS ENDED SEPTEMBER 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 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	\$ 16,232,010	\$ 3,757,791	\$ 509,284	Investment gain or loss recognized under the treasury stock method (Note A)
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,598,873	737,926	113,208	Including the adjustments of the transactions between subsidiaries \$(12,682)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,302,007	1,461,326	119,692	Including the adjustments of the transactions between subsidiaries \$(14,312)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	134	0.03	1,520	130,176	39	(Note A)
	Oriental Securities Corporation	Taiwan	Broker	159,823	159,823	140,278	19.65	1,929,088	70,831	13,918	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note F)	Taiwan	Investment	810,000	810,000	135,000	16.83	1,807,452	(12,301)	(2,070)	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	39,561,099	4,763,175	4,735,510	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$914 (Notes B and H)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and selling	14,931,733	14,931,733	667,242	100.00	101,741,280	1,130,157	1,150,583	Including the adjustments of the transactions between subsidiaries \$20,426 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	8,384,209	8,384,209	135	100.00	7,748,480	(38,260)	(38,260)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	6,968,334	66,034	48,232	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	8,027,085	392,832	400,261	Including the adjustments of the transactions between subsidiaries \$7,429 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	302,843	100.00	5,054,951	596,075	596,075	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	8,814,180	58,607	58,607	(Notes B and J)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	5,811,250	333	90.54	4,403,011	59,421	61,095	Including discounted amortization\$7,295 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	12,431,130	10,919,967	1,334,427	75.56	8,057,284	(808,536)	(615,826)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(4,896) (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	8,094,235	322,015	209,664	(Notes B and J)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,041,754	(52,899)	(14,022)	Including the adjustments of the transactions between subsidiaries \$5,619 (Notes B, I and J)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	66,346	100.00	1,932,622	213,995	214,072	Including the adjustments of the transactions between subsidiaries \$77 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,710,628	425,288	425,347	Including the adjustments of the transactions between subsidiaries \$59 (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	135,939	(78,869)	(39,774)	(Note B)
Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,088	9,088	3,999	99.96	241,332	51,757	51,741	(Notes B and J)	
Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	393,651	393,651	19,772	19.00	(79,760)	(294,739)	(56,001)	(Note B)	
Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,521	73	73	(Note B)	
Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	805,598	-	83,245	2.62	811,875	259,347	6,795	(Note A)	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	587,269	542,452	21,000	0.62	641,077	3,757,791	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,277,307	1,306,557	70,818	8.00	1,311,486	1,461,326	-	(Note A)
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	450,100	430,454	22,263	1.57	448,071	737,926	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	123,624	25.23	1,118,120	130,176	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,022,177	8,607,272	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,572,101	66,034	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	48,692	41.86	1,630,728	109,080	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes	
				September 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value				
Far Eastern Investment (Holding) Corporation	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment	\$ 2,179,442	\$ 2,179,442	111	100.00	\$ 3,440,518	\$ 455,147	\$ -	(Note B)	
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textile, garments, and clothing	287,984	287,984	24,736	100.00	122,261	(78,080)	-	(Note B)	
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	123,312	20,737	-	(Note B)	
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,684	45.50	62,083	1,384	-	(Note A)	
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	386,256	9,422	-	(Note A)	
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,166,977	128,779	-	(Note B)	
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing and wholesale and waste recycling and processing	338,188	338,188	34,242	70.00	345,666	36,897	-	(Note B)	
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,779,891	1,161,809	-	(Note A)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	317,038	374,768	-	(Note A)	
	Oriental Securities Corporation	Taiwan	Broker	255,424	255,424	185,247	25.96	2,654,067	70,831	-	(Note A)	
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,078,053	(52,899)	-	(Notes B and J)	
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	927,949	67,949	-	(Note A)	
	Oriental Textile (Holding) Ltd.	Bermuda	Investment	7,142,602	7,142,602	110	100.00	8,073,968	260,282	-	(Note B)	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	Taiwan	Investment	796,491	796,491	119,653	14.92	1,515,701	(12,301)	-	(Notes A and E)	
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	287,516	240,466	-	(Note A)	
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	519,599	415,679	91,766	5.20	564,440	(808,536)	-	(Note B)	
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	1,095,981	-	113,251	3.56	1,104,510	259,347	-	(Note A)	
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	21,512	10,572	-	(Note B)	
	Magna View Sdn. Bhd.	FETG Investment Antilles N.V.	Antillem	Investment	US\$ 6	US\$ 6	6	100.00	463,959	(75,617)	-	(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. Com2B	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	204,809	9,368	-	(Notes B and C)
		Far Eastern Apparel (Vietnam) Ltd.	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	12,510	-	-	(Note A)
		Worldwide Polychem (HK) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	678,223	199,449	-	(Notes B and D)
		Opas Fund Segregated Portfolio Company	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	69,289	(36,004)	-	(Note B)
		Far Eastern Polytex (Vietnam) Ltd.	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,605	-	-	(Notes A and D)
		Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Chemical fiber and textile production	US\$ 100,000	US\$ 50,000	(Note D)	100.00	2,825,826	(147,967)	-	(Notes B and D)
		Malaysia Garment Manufactures Pte. Ltd.	Vietnam	Garment production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	1,332	(103,597)	-	(Notes B and D)
		Malaysia Garment Manufactures Pte. Ltd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	203,236	4,684	-	(Note B)
		Far Eastern International Garments	Singapore	Garment production and Investment	US\$ 15,476	US\$ -	30	37.92	480,583	5,243	-	(Note B)
		Cemtex Apparel Inc.	Philippines	Garment production	US\$ 1	US\$ -	59	41.00	(12,465)	-	-	(Note A)
			Philippines	Clothing O.E.M.	US\$ 1	US\$ -	90	50.00	(11,566)	-	-	(Note A)
Ding Yuan International Investment Corporation	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	204,809	9,368	-	(Notes B and C)	
Kai Yuan International Investment Corporation	Asia Cement Corporation	Taiwan	Cement production	375,512	375,512	13,222	0.39	442,375	3,757,791	-	(Note A)	
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	105,561	96,904	5,603	0.40	115,042	737,926	-	(Note A)	
	Everest Textile Corporation	Taiwan	Chemical fiber production	40,372	40,372	1,137	0.23	9,051	130,176	-	(Note A)	
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	676,265	684,551	27,365	3.09	674,885	1,461,326	-	(Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	40,457	8,607,272	-	(Note B)	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	Taiwan	Investment	90,000	90,000	18,000	2.24	222,656	(12,301)	-	(Notes A and E)	
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	50	50	1	0.03	64	51,757	-	(Note B)	
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	12,844	13.20	328,230	98,430	-	(Note A)	
Far Eastern Polychem Industries Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	814,399	-	84,155	2.64	820,723	259,347	-	(Note A)	
	Asia Cement Corporation	Taiwan	Cement production	483,448	483,448	20,207	0.60	665,572	3,757,791	-	(Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,099,268	8,607,272	-	(Note B)	
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	746,596	801,854	32,273	3.64	675,372	1,461,326	-	(Note A)	
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.46	556,104	737,926	-	(Note A)	
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	465,207	(12,781)	-	(Note A)	
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	928,988	67,949	-	(Note A)	
Far Eastern Construction Co., Ltd.	Pacific Liu Tong Investment Co., Ltd. (Note F)	Taiwan	Investment	90,000	90,000	18,000	2.24	222,857	(12,301)	-	(Notes A and E)	
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	463,771	59,421	-	(Note B)	
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	133,621	(78,869)	-	(Note B)	
Kai Yuan International Investment Co., Ltd.	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	631,136	(15,232)	-	(Note B)	
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	988,714	-	102,167	3.21	996,405	259,347	-	(Note A)	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	534,574	3,757,791	-	(Note A)	
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	1,978,259	10,572	-	(Note B)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes	
				September 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value				
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 16,246	\$ 16,246	469	0.01	\$ 13,231	\$ 3,757,791	\$ -	(Note A)	
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	8	0.01	104	98,430	-	(Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	5,776	8,607,272	-	(Note B)	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	6,225	12,673	-	(Note B)	
FETG Investment Antilles N.V.	Waldorf Services B.V.	The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	481,955	(75,362)	-	(Note B)	
Waldorf Services B.V.	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	-	SGD 3,000	-	-	-	-	-	-	
	Far Eastern International Garments	Philippines	Garment production	-	US\$ 290	-	-	-	-	-	-	
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	-	PESO 9,000	-	-	-	-	-	-	
Malaysia Garment Manufactures Pte. Corporation	PT Malaysia Garment Bintan	Malaysia	Garment production	MYR -	MYR -	(Note D)	99.00	(43)	-	-	(Notes B and D)	
	Filsyn Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,021,535	8,607,272	-	(Note B)	
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	230,413	3,757,791	-	(Note A)	
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	264,424	1,461,326	-	(Note A)	
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,005	737,926	-	(Note A)	
	Oriental Securities Corporation	Taiwan	Broker	113,076	113,076	7,688	1.08	103,961	70,831	-	(Note A)	
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	15,247	15.66	291,253	98,430	-	(Note A)	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	Taiwan	Investment	67,285	67,285	9,681	1.21	125,022	(12,301)	-	(Notes A and E)	
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	163,053	4,763,175	-	(Note B)	
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	202,798	-	20,956	0.66	204,379	259,347	-	(Note A)	
	Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	12,962	4,106	-	(Note B)
Far Eastern International Bank		Taiwan	Deposit, loan and guarantee service	42,973	-	4,441	0.14	43,309	259,347	-	(Note A)	
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	17,649	8,607,272	-	(Note B)	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,676,870	8,607,272	-	(Note B)	
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.80	1,210,183	737,926	-	(Note A)	
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,697,335	1,461,326	-	(Note A)	
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,579	0.85	1,043,330	3,757,791	-	(Note A)	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	Taiwan	Investment	90,000	90,000	18,000	2.24	221,659	(12,301)	-	(Notes A and E)	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	787,104	787,104	35,934	11.98	360,940	90,949	-	(Note B)	
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	20	20	1	-	25	1,161,809	-	(Note A)	
	Sino Belgium (Holding) Corporation	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(394,111)	(108,505)	-	(Note B)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	33	374,768	-	(Note A)	
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	164,757	5,243	-	(Note B)	
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	987,526	-	101,963	3.20	995,192	259,347	-	(Note A)	
	Yuan Ding Co., Ltd.	YDT Technology International Corporation	Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	243,707	(38,933)	-	(Note B)
		Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	41,633	60.00	191,675	(18,864)	-	(Note B)
Far Eastern Technical Consultants Co., Ltd.		Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	61,729	12,673	-	(Note B)	
YDC (Virgin Islands) Ltd.		British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	8,287	(420)	-	(Note B)	
Ding Ding Hotel Co., Ltd.		Taiwan	Hotel	645,021	645,021	64,502	61.99	(260,392)	(294,739)	-	(Note B)	
Far Eastern Electronic Commerce Co., Ltd.		Taiwan	Information software, department stores, convenience stores and nonstore retailing	-	239,130	-	-	-	-	-	(Note L)	
FET Consulting Engineers Co., Ltd.		Taiwan	Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business	822,701	822,701	85,000	100.00	461,149	(14,297)	-	(Note B)	
Asia Cement Corporation		Taiwan	Cement production	136,037	136,037	5,329	0.16	190,209	3,757,791	-	(Note A)	
Far EasTone Telecommunications Co., Ltd.		Taiwan	Telecommunications	100,412	100,412	4,164	0.13	107,100	8,607,272	-	(Note B)	
Yu Yuan Investment Co., Ltd.		Taiwan	Investment	411,187	411,187	129,637	25.02	1,077,876	240,466	-	(Note A)	
Yue Ming Corporation		Taiwan	Trading	787	787	103	1.00	560	1,384	-	(Note A)	
Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,523	2.59	47,800	98,430	-	(Note A)		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2017			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 30, 2017	December 31, 2016	Shares (Note F)	Percentage of Ownership	Carrying Value			
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	\$ 100,000	\$ 100,000	10,650	5.00	\$ 134,917	\$ 103,067	\$ -	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	977,650	977,650	44,796	14.93	444,524	90,949	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value card	400,000	300,000	24,955	20.00	221,928	(179,752)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	1,488	-	4,995	4.79	(447)	(247,989)	-	(Notes B and L)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	76,665	-	7,922	0.25	77,264	259,347	-	(Note A)
Ding Ding Integrated Marketing Service Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Information software, department stores, convenience stores and nonstore retailing	-	745	-	-	-	-	-	(Note L)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value card	300,200	225,150	18,729	15.01	166,553	(179,752)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	50	-	17	0.02	232	(247,989)	-	(Notes B and L)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	(34,317)	(30,860)	-	(Notes B and D)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	(40,075)	(30,860)	-	(Notes B and D)
YDT Technology International Corporation	Everest Textile Corporation	Taiwan	Chemical fiber production	10,161	10,161	120	0.02	1,159	130,176	-	(Note A)
	Far Eastern Department Stores Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	93,119	737,926	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,154	3,757,791	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	38,533	(420)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee service	26,960	-	2,786	0.09	27,175	259,347	-	(Note A)
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd.	Taiwan	Dispatched labor, procuring equipments, and sales agent services	200,000	-	20,000	100.00	188,691	(11,309)	-	(Note B)
Far EasTone Telecommunications Corporation	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,402,434	1,330,863	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	1,266,243	90,342	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,440,457	2,440,457	78,896	99.99	862,058	57,402	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	886,169	537,260	90014	86.41	(9,233)	(247,989)	-	(Notes B and L)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	30,989	9,902	-	(Notes B and K)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	(49,331)	275	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	8,783	1,274	-	(Note B)
	Q-ware Communications Corporation	Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(81,617)	(5,893)	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	2,542,396	2,542,396	118,251	39.42	765,641	90,949	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value card	450,000	450,000	37,433	30.00	332,886	(179,752)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	10,408	15.00	47,271	(18,864)	-	(Note B)
	Alliance Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	60,000	60,000	6,000	14.40	27,593	(40,780)	-	(Note A)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Information software, department stores, convenience stores and nonstore retailing	-	80,893	0	-	-	-	-	(Note L)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	164,103	10,414	-	(Note B)
New Century InfoComm Tech Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Information software, department stores, convenience stores and nonstore retailing	-	28,922	-	-	-	-	-	(Note L)
	New Diligent Co., Ltd.	Taiwan	Investment	1,060,000	1,060,000	54,000	100.00	141,130	28,291	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	110,205	6,852	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	132,406	4,320	100.00	14,557	(16,643)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	3,469	5.00	15,757	(18,864)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	20,000	-	2,500	2.40	(225)	(247,989)	-	(Notes B and L)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunications services	125	125	30	100.00	219	71	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	79,810	27,430	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	-	-	100.00	2,571	(480)	-	(Note B)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Sale of communications products	10,000	10,000	-	100.00	37,901	(1,700)	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Sale of communications products	10,000	10,000	-	100.00	(6,940)	1,476	-	(Note B)

(Continued)

- 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 Co., Ltd..
 - 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. Adjustment in investee’s investment properties measured by market value method.
 - K. The ending balance of the investment is zero in 2016 because the amount of reduction in capital were over the original investing value.
 - L. Hiiir Corporation and Far Eastern Electronic Commerce Co., Ltd. were merged on August 1, 2017. Hiiir was the surviving company while Far Eastern Electronic Commerce Co., Ltd. was dissolved. The surviving company was renamed as Yuanshi Digital Technology Corporation.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of September 30, 2017 (Note C)	Accumulated Repatriation of Investment Income as of September 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.	\$ 8,557,697	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 159,214	100.00	\$ 159,214	\$ 8,579,927	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories.	931,031	2	1,010,901	-	-	1,010,901	93,159	100.00	93,159	1,501,807	233,172	Notes F and G
Far Eastern Industries (Wuxi) Ltd.	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.	2,191,173	2	2,018,430	-	-	2,018,430	44,856	100.00	44,856	3,022,164	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products.	6,835,008	2	2,976,148	-	-	2,976,148	(789,458)	61.35	(484,332)	2,344,252	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,680,562	2	1,342,854	-	-	1,342,854	307,453	100.00	307,453	2,789,919	92,719	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Production and sales of fiber and non-fiber polyester products	1,794,776	2	1,765,319	-	-	1,765,319	(62,568)	100.00	(62,568)	53,653	-	Note K
Wuhan Far Eastern New Material Ltd.	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	778,438	2	724,110	-	-	724,110	9,782	100.00	9,782	956,265	-	
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	4,982,647	2	4,957,248	-	-	4,957,248	271,389	100.00	271,389	5,732,570	-	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	2,824,722	2	2,795,325	-	-	2,795,325	(107,746)	100.00	(107,746)	1,828,131	-	
Sino Belgium Beer (Suzhou) Ltd.	Brewery	1,734,651	2	1,763,952	-	-	1,763,952	(103,720)	100.00	(103,720)	(290,689)	-	Note L
Martens Beers (Shanghai) Ltd.	Brewery	356,827	2	231,475	-	-	231,475	(9,818)	100.00	(9,818)	5,030	-	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 September 30, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of September 30, 2017 (Note C)	Accumulated Repatriation of Investment Income as of September 30, 2017	Note
					Outflow	Inflow							
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	\$ 6,614,201	2	\$ 4,181,323	\$ -	\$ -	\$ 4,181,323	\$ 15,497	60.00	\$ 9,298	\$ 4,003,625	\$ -	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,405,815	2	1,436,190	-	-	1,436,190	827	100.00	827	1,421,894	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,714,119	2	1,962,908	-	-	1,962,908	894,796	50.00	447,398	1,947,229	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	57,843	3	-	-	-	-	43	100.00	43	61,567	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	86,469	3	-	-	-	-	5,618	100.00	5,618	132,956	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,551	3	-	-	-	-	2,025	100.00	2,025	51,612	-	
Yuan Ding Enterprise (Shanghai) Limited	Chemical products, machinery and equipment lubricants wholesale, commission agents and foreign trade	1,165,056	3	-	-	-	-	(67,244)	100.00	(67,244)	737,229	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,872,619	2	1,020,489	-	-	1,020,489	177,852	50.00	88,926	1,045,612	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	685,600	2	598,270	-	-	598,270	(30,998)	100.00	(30,998)	(346)	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	29,760	2	24,220	-	-	24,220	(247)	100.00	(247)	45,653	-	Note N
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer system	93,806	2	93,806	-	-	93,806	(8,303)	100.00	(8,303)	2,530	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	347,790	2	311,678	-	-	311,678	31,075	90.52	28,129	100,577	-	Note Q
Far Eastern Tech-Info Ltd. (Shanghai)	Computer software, data processing and provision of network information service	181,560	2	198,526	-	-	198,526	681	100.00	681	99,207	-	Note O
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	-	1	34,103	-	-	34,103	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of September 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	\$ 23,383,775	\$ -

(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 Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Corporation, YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. 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) Ltd., 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 September 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 Co., Ltd..
- E. As of September 30, 2017, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd..
- F. As of September 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 Co., Ltd..
- G. As of September 30, 2017, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd..
- H. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd..
- I. As of September 30, 2017, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. which remitted through an FENC subsidiary, Oriental Textile (Holding) Ltd..
- J. As of September 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) Ltd. and Far Eastern Polytex (Holding) Ltd..
- K. As of September 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 Co., Ltd. and Yuan Tong Investment Co., Ltd..
- L. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, Yuan Tong Investment Co., Ltd..
- M. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by FENC subsidiaries, YDT Technology International Corporation, FET Consulting Engineers Co., Ltd. and Ding Ding Integrated Marketing Services Corporation.
- N. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, YDT Technology International Corporation.
- O. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, Far EasTone Telecommunications Co., Ltd..
- P. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, New Century InfoComm Tech Corporation.
- Q. As of September 30, 2017, the accumulated outflow of investment from Taiwan was remitted by a FENC subsidiary, New Diligent Co., Ltd..
- 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 September 30, 2017, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd..
- T. Investment amounts authorized by the Investment Commission of the MOEA include US\$771,755 thousand, and the original investment RMB 6,695 thousand from Far Eastern Polytex (Holding) Ltd. 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 NINE MONTHS ENDED SEPTEMBER 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 Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198 (Note E)				
		Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500		
Far Eastern Apparel (Suzhou) Co., Ltd.	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Industries (Wuxi) Ltd.	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	1,228				\$ 1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	6,592				6,592

(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) Ltd.	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	\$ 49,500	\$ 49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936				
				(Note F)					
					41,171	41,171			
					27,000	27,000			
					20,000	20,000			
					30,000	30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDP (Holding) Ltd.	1,569			\$ 1,569	
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	FEDP (Holding) Ltd.	4,800	4,800			
					754				
					(Note G)				
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
Sino Belgium Beer (Suzhou) Ltd.	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Corporation	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Corporation	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Corporation	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Corporation	10,000	10,000			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd. Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Corporation Bockhold N.V. Martens HK Corporation. Sino Belgium (Holding) Corporation Sino Belgium (Holding) Corporation Sino Belgium (Holding) Corporation Sino Belgium (Holding) Corporation	\$ 3,800	\$ 3,800			\$ 4,304
		2010.07.29	No. 09900284200		4,304				
	2014.04.24	No. 10300091010 (Note L)	1,500						
	2013.11.28	No. 10200451570 (Note N)	1,100						
	2014.12.19	No. 10300249370 (Note O)	1,000						
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10300210860 (Note M)	PET Far Eastern (Holding) Ltd.	66,000	66,000			
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	1,000	1,000			
		2014.01.28	No. 10500282440 (Note R)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	82,340	82,340			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Ltd.	33,500	33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Corporation FET Consulting Engineers Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
		2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
		2015.08.11	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Corporation	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
		2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			
Digital United Information Technology (Shanghai) Ltd.	New Diligent Co., Ltd. New Century InfoComm Tech Co., Ltd.	2014.01.29	No. 10300022990	Far East New Diligent Company Ltd.	3,500	3,500			3,100
		2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				
New Diligence Corporation (Shanghai)	New Century InfoComm Tech Co., Ltd. New Diligent Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
		2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note P)	1,127	1,127			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far East New Diligent Company Ltd.	4,000	4,000			

Notes: A. Far Eastern New Century (China) Investment Co., Ltd. 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.

(Continued)

- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Corporation increased.
- F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Corporation was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of September 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 Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd..
- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd..
- 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) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd..
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd..
- 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) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd..
- 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 Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. As of September 30, 2017, FENC paid US\$38,294 thousand in this indirect investment.

(Concluded)