

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2014 and 2013 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2014 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 “Consolidated and Separate Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

FAR EASTERN NEW CENTURY CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 19, 2015

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2014, December 31, 2013 and January 1, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Far Eastern New Century Corporation and its subsidiaries as of December 31, 2014, December 31, 2013 and January 1, 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

As disclosed in Note 3 to the consolidated financial statements, Far Eastern New Century Corporation and its subsidiaries changed their accounting policy for investment properties effective January 1, 2014 and subsequently measured investment properties using the fair value model. This accounting policy was retrospectively applied; thus, the consolidated balance sheet as of December 31, 2013 and the related consolidated financial statements for the year then ended have been restated

We have also audited the financial statements of the parent company, Far Eastern New Century Corporation, as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified report.

March 19, 2015

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2014		December 31, 2013 (Restated)		January 1, 2013 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 25,985,419	5	\$ 26,645,574	6	\$ 30,645,166	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,124,116	-	1,191,688	-	1,058,519	-
Available-for-sale financial assets - current (Notes 4, 8 and 36)	929,101	-	989,348	-	2,272,149	1
Held-to-maturity financial assets - current (Notes 4 and 9)	-	-	99,962	-	100,000	-
Derivative financial assets for hedging - current (Notes 4 and 10)	-	-	4,442	-	21,962	-
Financial assets carried at cost - current (Notes 4 and 11)	-	-	42,587	-	-	-
Bond investments with no active market (Notes 4, 6 and 12)	4,114,651	1	2,606,689	1	3,145,035	1
Notes and accounts receivable, net (Notes 4, 13 and 35)	27,720,022	6	27,741,701	6	28,623,592	7
Amounts due from customers for construction contracts (Notes 4 and 15)	2,286,911	1	1,473,786	-	1,551,686	-
Other receivables	2,237,665	1	1,641,758	-	1,837,097	1
Other receivables from affiliates (Note 35)	1,265,765	-	1,258,834	-	1,283,844	-
Current tax assets (Notes 4, 5 and 29)	68,920	-	48,216	-	114,392	-
Inventories (Notes 4, 14 and 36)	22,005,555	4	24,184,972	5	21,617,120	5
Prepayments	4,414,732	1	3,799,470	1	2,817,079	1
Other financial assets - current (Note 36)	3,661,203	1	3,946,576	1	2,874,067	1
Guarantee deposits - current	33,954	-	52,292	-	48,207	-
Other current assets	<u>2,227,072</u>	<u>-</u>	<u>1,934,219</u>	<u>1</u>	<u>1,269,243</u>	<u>-</u>
Total current assets	<u>98,075,086</u>	<u>20</u>	<u>97,662,114</u>	<u>21</u>	<u>99,279,158</u>	<u>24</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets - non-current (Notes 4, 8 and 36)	4,718,618	1	5,257,220	1	4,489,491	1
Held-to-maturity financial assets - non-current (Notes 4 and 9)	-	-	-	-	99,871	-
Financial assets carried at cost - non-current (Notes 4 and 11)	1,071,152	-	926,908	-	1,130,424	-
Bond investment with no active market - non-current (Notes 4, 6 and 12)	182,583	-	-	-	256,508	-
Investments accounted for using the equity method (Notes 4, 16 and 36)	61,839,479	12	55,870,243	12	54,076,870	13
Property, plant and equipment (Notes 4, 5, 17 and 36)	139,055,972	28	124,767,713	26	116,637,790	28
Investment properties, net (Notes 4, 17, 18 and 36)	119,663,209	24	113,458,525	24	108,008,458	26
Concession (Notes 20 and 36)	37,314,277	8	37,734,135	8	5,090,449	1
Goodwill (Notes 4 and 19)	11,930,443	2	11,928,782	2	11,980,944	3
Other intangible assets (Notes 4 and 20)	3,772,439	1	4,184,122	1	3,818,998	1
Deferred tax assets (Notes 4, 5 and 29)	2,737,657	1	2,812,572	1	1,834,329	-
Prepayment for equipment (Note 17)	4,914,856	1	6,103,204	1	2,881,210	1
Guarantee deposits	708,974	-	576,314	-	582,788	-
Other financial assets - non-current (Note 36)	3,044,303	1	4,071,707	1	7,543,319	2
Long-term prepayments for lease	7,164,761	1	7,406,266	2	2,315,715	-
Other non-current assets	<u>410,481</u>	<u>-</u>	<u>239,647</u>	<u>-</u>	<u>314,901</u>	<u>-</u>
Total non-current assets	<u>398,529,204</u>	<u>80</u>	<u>375,337,358</u>	<u>79</u>	<u>321,062,065</u>	<u>76</u>
TOTAL	<u>\$ 496,604,290</u>	<u>100</u>	<u>\$ 472,999,472</u>	<u>100</u>	<u>\$ 420,341,223</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 35)	\$ 27,638,660	6	\$ 28,053,848	6	\$ 25,807,392	6
Short-term bills payable (Note 21)	4,662,532	1	5,117,694	1	6,286,740	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	807	-	590	-	619	-
Derivative financial liabilities for hedging - current (Notes 4 and 10)	14,950	-	-	-	-	-
Notes and accounts payable (Note 4)	13,502,368	3	17,452,151	4	19,253,330	5
Notes and accounts payable to affiliates (Notes 4 and 35)	513,625	-	261,571	-	292,283	-
Amounts due to customers for construction contracts (Notes 4 and 15)	110,594	-	412,498	-	160,779	-
Payables to suppliers of machinery and equipment	3,202,004	1	3,133,810	1	4,012,183	1
Other payable	14,180,989	3	12,595,337	3	11,243,873	3
Other payable to affiliates (Note 35)	73,289	-	75,977	-	43,119	-
Current tax liabilities (Notes 4, 5 and 29)	3,368,813	1	3,115,500	1	2,688,208	1
Provisions - current (Notes 4 and 22)	240,197	-	193,328	-	160,425	-
Guarantee deposits received - current (Note 35)	314,097	-	334,939	-	401,798	-
Receipts in advance	1,214,639	-	1,199,481	-	1,107,451	-
Unearned revenue	2,617,900	-	2,667,808	-	2,643,111	1
Current portion of long-term liabilities (Note 23)	14,127,895	3	8,845,696	2	3,991,578	1
Other current liabilities	<u>2,293,289</u>	<u>-</u>	<u>2,317,709</u>	<u>-</u>	<u>1,807,603</u>	<u>-</u>
Total current liabilities	<u>88,076,648</u>	<u>18</u>	<u>85,777,937</u>	<u>18</u>	<u>79,900,492</u>	<u>19</u>
NON-CURRENT LIABILITIES						
Derivative financial liabilities for hedging - non-current (Notes 4 and 10)	535,837	-	421,280	-	287,522	-
Bonds payable (Note 23)	60,712,019	12	65,638,787	14	41,726,021	10
Long-term borrowings (Note 23)	63,999,210	13	43,622,704	9	32,232,012	8
Provisions - non-current (Notes 4 and 22)	763,223	-	705,863	-	654,791	-
Deferred tax liabilities (Notes 4, 5 and 29)	15,110,447	3	13,329,928	3	12,429,643	3
Accrued pension liabilities (Note 25)	2,814,439	1	2,781,776	1	3,392,655	1
Guarantee deposits received - non-current (Note 35)	715,764	-	645,013	-	739,923	-
Deferred credit - gains on related-party transactions (Note 35)	149,629	-	150,185	-	150,738	-
Other non-current liabilities	<u>408,320</u>	<u>-</u>	<u>476,788</u>	<u>-</u>	<u>509,628</u>	<u>-</u>
Total non-current liabilities	<u>145,208,888</u>	<u>29</u>	<u>127,772,324</u>	<u>27</u>	<u>92,122,933</u>	<u>22</u>
Total liabilities	<u>233,285,536</u>	<u>47</u>	<u>213,550,261</u>	<u>45</u>	<u>172,023,425</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Capital stock						
Common stock	<u>52,479,168</u>	<u>11</u>	<u>51,450,165</u>	<u>11</u>	<u>50,441,338</u>	<u>12</u>
Capital surplus	<u>3,666,948</u>	<u>1</u>	<u>4,681,042</u>	<u>1</u>	<u>4,744,045</u>	<u>1</u>
Retained earnings						
Legal reserve	13,408,217	3	12,687,509	3	11,820,720	3
Special reserve	105,911,942	21	25,449,697	5	25,472,425	6
Unappropriated earnings	<u>17,218,149</u>	<u>3</u>	<u>94,418,185</u>	<u>20</u>	<u>89,555,174</u>	<u>21</u>
Total retained earnings	<u>136,538,308</u>	<u>27</u>	<u>132,555,391</u>	<u>28</u>	<u>126,848,319</u>	<u>30</u>
Other equity	<u>6,841,068</u>	<u>1</u>	<u>4,653,726</u>	<u>1</u>	<u>2,430,425</u>	<u>1</u>
Treasury stocks	<u>(25,063)</u>	<u>-</u>	<u>(25,063)</u>	<u>-</u>	<u>(25,063)</u>	<u>-</u>
Total equity attributable to owners of the company	199,500,429	40	193,315,261	41	184,439,064	44
NON-CONTROLLING INTERESTS (Note 26)	<u>63,818,325</u>	<u>13</u>	<u>66,133,950</u>	<u>14</u>	<u>63,878,734</u>	<u>15</u>
Total equity	<u>263,318,754</u>	<u>53</u>	<u>259,449,211</u>	<u>55</u>	<u>248,317,798</u>	<u>59</u>
TOTAL	<u>\$ 496,604,290</u>	<u>100</u>	<u>\$ 472,999,472</u>	<u>100</u>	<u>\$ 420,341,223</u>	<u>100</u>

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 10 and 35)				
Net sales	\$ 151,349,613	64	\$ 155,953,627	65
Telecommunications service income	69,804,586	30	68,147,021	29
Gain on disposal of investments, net	55,666	-	530,650	-
Construction income	5,127,369	2	6,046,806	3
Other operating revenue	9,169,405	4	8,162,553	3
Total operating revenues	235,506,639	100	238,840,657	100
OPERATING COSTS (Notes 4, 14, 28 and 35)				
Cost of sales	151,282,920	64	155,962,513	65
Cost of telecommunications services	26,243,122	11	27,151,232	11
Construction cost	4,836,912	2	5,745,691	2
Other operating cost	5,281,188	3	3,377,950	2
Total operating costs	187,644,142	80	192,237,386	80
GROSS PROFIT	47,862,497	20	46,603,271	20
REALIZED CONSTRUCTION INCOME	556	-	555	-
OPERATING EXPENSES (Notes 4, 28 and 35)				
Selling and marketing	23,855,359	10	22,052,202	9
General and administrative	11,395,335	5	10,443,911	5
Research and development	739,094	-	675,902	-
Total operating expenses	35,989,788	15	33,172,015	14
OPERATING INCOME	11,873,265	5	13,431,811	6
NONOPERATING INCOME AND EXPENSES				
Share of the profit of associates (Note 16)	4,293,787	2	4,984,423	2
Interest income	482,434	-	448,607	-
Other income - other	1,276,780	-	1,184,876	1
Exchange gain, net	632,174	-	310,965	-
Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	282,168	-	402,456	-
Gain on change in fair value of investment properties	6,222,659	3	6,424,024	3
Interest expense (Note 28)	(1,934,871)	(1)	(1,432,622)	(1)
Other expenses	(490,939)	-	(304,062)	-
Loss on disposal of property, plant and equipment, net (Note 17)	(879,765)	-	(1,356,800)	(1)

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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)

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
Loss on disposal of intangible properties, net (Note 20)	\$ (6,478)	-	\$ (1,912)	-
Impairment loss on assets	<u>(153,155)</u>	-	<u>(214,451)</u>	-
Total nonoperating income	<u>9,724,794</u>	<u>4</u>	<u>10,445,504</u>	<u>4</u>
INCOME BEFORE INCOME TAX	21,598,059	9	23,877,315	10
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(4,409,757)</u>	<u>(2)</u>	<u>(2,935,346)</u>	<u>(1)</u>
NET INCOME	<u>17,188,302</u>	<u>7</u>	<u>20,941,969</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME, NET				
Exchange differences on translating foreign operations	2,159,034	1	2,486,063	1
Unrealized (loss) gain on available-for-sale financial assets	(535,233)	-	515,409	-
Cash flow hedges	(154,945)	-	(132,503)	-
Revaluation gains	-	-	10,572	-
Actuarial (loss) gain arising from defined benefit plans	(318,338)	-	128,401	-
Share of the other comprehensive income (loss) of associates and joint venture	1,032,767	-	(643,843)	-
Income tax gain (loss) relating to components of other comprehensive income	<u>53,973</u>	<u>-</u>	<u>(21,837)</u>	<u>-</u>
Total other comprehensive income	<u>2,237,258</u>	<u>1</u>	<u>2,342,262</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 19,425,560</u>	<u>8</u>	<u>\$ 23,284,231</u>	<u>10</u>
NET INCOME ATTRIBUTABLE TO:				
Owner of the Company	\$ 11,033,421	5	\$ 13,215,754	6
Non-controlling interests	<u>6,154,881</u>	<u>2</u>	<u>7,726,215</u>	<u>3</u>
	<u>\$ 17,188,302</u>	<u>7</u>	<u>\$ 20,941,969</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	\$ 12,889,364	5	\$ 15,568,654	7
Non-controlling interests	<u>6,536,196</u>	<u>3</u>	<u>7,715,577</u>	<u>3</u>
	<u>\$ 19,425,560</u>	<u>8</u>	<u>\$ 23,284,231</u>	<u>10</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	<u>\$ 2.25</u>		<u>\$ 2.69</u>	
Diluted	<u>\$ 2.24</u>		<u>\$ 2.69</u>	

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company												Total Equity
	Common Stock (Note 26)	Capital Surplus (Notes 4 and 26)	Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Note 26)	Other Equity					Non-controlling Interests (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 Hedges (Notes 4 and 26)	Unrealized Revaluation Investments (Note 26)	Treasury Shares (Note 26)		Total	
BALANCE AT JANUARY 1, 2013	\$ 50,441,338	\$ 4,744,045	\$ 11,820,720	\$ 25,471,594	\$ 15,100,772	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$ -	\$ (25,063)	\$ 109,983,831	\$ 61,243,995	\$ 171,227,826
Effect of retrospective restatement of financial statements	-	-	-	831	74,454,402	-	-	-	-	-	74,455,233	2,634,739	77,089,972
AS BALANCE AT JANUARY 1, 2013, AS RESTATED	50,441,338	4,744,045	11,820,720	25,472,425	89,555,174	(2,534,967)	5,038,679	(73,287)	-	(25,063)	184,439,064	63,878,734	248,317,798
Appropriation of the 2012 earnings													
Legal reserve	-	-	866,789	-	(866,789)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,557,374)	-	-	-	-	-	(6,557,374)	-	(6,557,374)
Stock dividends - NT\$0.2 per share	1,008,827	-	-	-	(1,008,827)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,716,375)	(7,716,375)
Net income for the year ended December 31, 2013	-	-	-	-	13,215,754	-	-	-	-	-	13,215,754	7,726,215	20,941,969
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	129,599	2,826,163	(565,947)	(45,076)	8,161	-	2,352,900	(10,638)	2,342,262
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	13,345,353	2,826,163	(565,947)	(45,076)	8,161	-	15,568,654	7,715,577	23,284,231
Change in equity in associates	-	-	-	-	(67,027)	-	-	-	-	-	(67,027)	-	(67,027)
Disposal of investment in associates	-	404	-	(9,952)	8,532	-	-	-	-	-	(1,016)	(28)	(1,044)
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	2,186,778	2,186,778
Change in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	-	955	-	955
Partial acquisition of interests in subsidiaries	-	(64,362)	-	-	(3,633)	-	-	-	-	-	(67,995)	69,264	1,269
Reversal of special reserve	-	-	-	(12,776)	12,776	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2013	51,450,165	4,681,042	12,687,509	25,449,697	94,418,185	291,196	4,472,732	(118,363)	8,161	(25,063)	193,315,261	66,133,950	259,449,211
Special reserve provided under Rule No. 1030006415 issued by the FSC	-	-	-	80,462,245	(80,462,245)	-	-	-	-	-	-	-	-
Appropriation of the 2013 earnings													
Legal reserve	-	-	720,708	-	(720,708)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,688,522)	-	-	-	-	-	(6,688,522)	-	(6,688,522)
Stock dividends distributed from capital surplus - NT\$0.2 per share	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,960,785)	(7,960,785)
Net income for the year ended December 31, 2014	-	-	-	-	11,033,421	-	-	-	-	-	11,033,421	6,154,881	17,188,302
Other comprehensive income for the year ended December 31, 2014	-	-	-	-	(331,399)	2,580,664	(843,080)	(54,688)	504,446	-	1,855,943	381,315	2,237,258
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	10,702,022	2,580,664	(843,080)	(54,688)	504,446	-	12,889,364	6,536,196	19,425,560
Change in equity in associates	-	14,724	-	-	(3,141)	-	-	-	-	-	11,583	110	11,693
Disposal of investment in associates	-	-	-	-	(4,705)	-	-	-	-	-	(4,705)	1,850	(2,855)
Partial acquisition (disposal) of interests in subsidiaries	-	(789)	-	-	(22,737)	-	-	-	-	-	(23,526)	56,063	32,537
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(949,059)	(949,059)
Change in capital surplus from dividends distributed to subsidiaries	-	974	-	-	-	-	-	-	-	-	974	-	974
BALANCE AT DECEMBER 31, 2014	\$ 52,479,168	\$ 3,666,948	\$ 13,408,217	\$ 105,911,942	\$ 17,218,149	\$ 2,871,860	\$ 3,629,652	\$ (173,051)	\$ 512,607	\$ (25,063)	\$ 199,500,429	\$ 63,818,325	\$ 263,318,754

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 21,598,059	\$ 23,877,315
Adjustments for:		
Depreciation	13,821,978	14,083,284
Amortization	3,086,032	2,440,269
Allowance for doubtful accounts	283,862	182,216
Interest expenses	1,934,871	1,432,622
Interest income	(482,434)	(448,607)
Dividend revenue	(687,663)	(219,921)
Loss on disposal of property, plant and equipment, net	879,765	1,356,800
Loss on disposal of intangible assets, net	6,478	1,912
Share of the profit of associates	(4,293,787)	(4,984,423)
Gain on disposal of investments, net	(57,742)	(538,642)
Impairment loss on assets	153,155	214,451
Unrealized loss on transaction with associates	(556)	(555)
Net loss (gain) on unrealized foreign currency exchange	1,025	(87,999)
Gain on change in fair value of investment properties	(6,222,659)	(6,424,024)
Deferred (gain) loss on derivative assets for hedging	(20,996)	18,802
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	67,572	(133,169)
Notes and accounts receivable	(264,644)	695,358
Amounts due from customers for construction contracts	(813,125)	77,900
Other receivables	(865,592)	624,521
Other receivables from affiliates	12,069	(31,630)
Inventories	2,179,417	(2,567,852)
Prepayments	(1,028,244)	(974,120)
Other current assets	(880,341)	(664,976)
Financial liabilities at fair value through profit or loss	217	(29)
Notes and accounts payable	(3,656,601)	(1,801,179)
Notes and accounts payable to affiliates	252,054	(30,712)
Amounts due to customers for construction contracts	(301,904)	251,719
Other payables	1,696,316	1,274,408
Other payables to affiliates	(2,688)	32,858
Provisions	104,229	83,975
Receipts in advance	15,158	92,030
Other current liabilities	(24,420)	510,106
Accrued pension liabilities	(231,702)	(498,747)
Unearned revenue	(49,908)	24,697
Cash generated from operations	26,207,251	27,868,658
Interest received	472,415	461,392
Dividend received	4,601,081	2,368,646
Interest paid	(1,888,711)	(1,398,487)
Income tax paid	(2,321,714)	(2,525,131)
Net cash generated from operating activities	<u>27,070,322</u>	<u>26,775,078</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	\$ (127,922)	\$ (893,414)
Proceeds of the disposal of available-for-sale financial assets	330,734	2,501,734
Purchase of debt investments with no active market	(1,722,570)	-
Proceeds of redemption of debt investments with no active market	31,000	-
Decrease in bond investments with no active market	-	805,353
Proceeds of redemption of held-to-maturity financial assets at maturity	100,000	100,000
Acquisition of financial assets carried at cost	-	(100,012)
Proceeds of the disposal of financial assets carried at cost	8,348	117,256
Proceeds of capital reduction of financial assets carried at cost	-	33,693
Acquisition of investments accounted for using the equity-method	(2,949,573)	(568,919)
Proceeds of the disposal of investments accounted for using the equity-method	37,395	854,693
Net cash outflow on acquisition of subsidiaries	-	(42,758)
Net cash outflow on the loss of control over subsidiaries	(857,294)	-
Acquisition of property, plant, equipment and prepayment for equipment	(28,367,682)	(24,988,218)
Proceeds of the disposal of property, plant and equipment	189,798	106,151
(Increase) decrease in guarantee deposits	(114,850)	2,389
(Increase) decrease in other receivable from affiliates	(19,000)	56,640
Acquisition of intangible assets	(909,863)	(1,532,655)
Proceeds of the disposal of intangible assets	1,067	-
Acquisition of investment properties	(11,803)	(1,550)
Increase in long-term prepayments for lease	(145,448)	(4,993,200)
Increase in concession	(1,018,143)	(33,756,959)
Decrease in other financial assets	1,312,777	2,399,103
(Increase) decrease in other non-current assets	(242,347)	60,240
Net cash used in investing activities	(34,475,376)	(59,840,433)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(415,188)	2,246,456
Decrease in short-term bills payables	(455,000)	(1,169,000)
Proceeds of the issue of bonds	8,400,000	32,776,500
Repayments of bonds payable	(8,750,000)	(2,980,000)
Proceeds of long-term borrowings	200,844,269	151,627,266
Repayment of long-term borrowings	(179,786,649)	(141,160,125)
Increase (decrease) in guarantee deposits received	49,909	(161,769)
Decrease in other non-current liabilities	(68,468)	(32,840)
Dividends paid	(14,657,589)	(14,264,363)
Increase in non-controlling interest	853,126	2,188,047
Net cash generated from financing activities	6,014,410	29,070,172
EFFECTS OF EXCHANGE RATE CHANGES	730,489	(4,409)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (660,155)	\$ (3,999,592)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>26,645,574</u>	<u>30,645,166</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 25,985,419</u>	<u>\$ 26,645,574</u>

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 19, 2015.

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

a. Initial application of new accounting policies

The management of the Company and entities controlled by the Company (collectively, the “Group”) considered that the fair value model can provide reliable and more relevant information. Therefore, on March 19 2014, the Company’s board of directors resolved to change the Group’s accounting policy for investment properties effective January 1, 2014. Under the new accounting policy, investment properties are subsequently measured using the fair value model, and a special reserve should be appropriated in accordance with Rule No. 1030006415 issued by the Financial Supervisory Commission (FSC).

The impact in the current year is set out below:

	December 31, 2014
	Investment Properties under the Fair Value Model
Impact on Assets, Liabilities and Equity	
Increase in investment properties	\$ 84,570,009
Increase in property, plant and equipment	303,386
Increase in investments accounted for using equity method	<u>8,906,012</u>
Increase in assets	<u>\$ 93,779,407</u>
Increase in deferred tax liabilities	<u>\$ 4,453,835</u>
Increase in unappropriated earnings	\$ 4,931,237
Increase in special reserve	80,464,691
Increase in other equity	540,034
Increase in non-controlling interests	<u>3,389,610</u>
Increase in equity	<u>\$ 89,325,572</u>
	For the Year Ended December 31, 2014
	Investment Properties under the Fair Value Model
Impact on Total Comprehensive Income	
Decrease in operating cost	\$ 144,639
Decrease in operating expenses	4,635
Increase in adjusting gain on investment properties under fair value model	6,222,659
Increase in share of the profit of associates and joint venture	212,249
Increase in other expenses	28,353
Decrease in income tax expense	<u>(1,578,371)</u>
Increase in net profit for the year	<u>5,034,164</u>
Increase in exchange differences on translating foreign operations	<u>15,969</u>
Increase in share of the other comprehensive income if associates and joint venture	<u>506,887</u>
Increase in other comprehensive income	<u>522,856</u>
Increase in total comprehensive income for the year	<u>\$ 5,557,020</u>
Increase in net profit attributable to:	
Owners of the Company	\$ 4,932,022
Non-controlling interests	<u>102,142</u>
	<u>\$ 5,034,164</u>

(Continued)

	For the Year Ended December 31, 2014
Impact on Total Comprehensive Income	Investment Properties under the Fair Value Model
Increase in total comprehensive income attributable to:	
Owners of the Company	\$ 5,452,431
Non-controlling interests	<u>104,589</u>
	<u>\$ 5,557,020</u>
Impact on earnings per share	
Increase in basic earnings per share	<u>\$1.01</u>
Increase in diluted earnings per share	<u>\$1.00</u>
	(Concluded)

The impact in the prior year is set out below:

Impact on Assets, Liabilities and Equity	As Originally Stated	Investment Properties under the Fair Value Model	Restated
<u>December 31, 2013</u>			
Investment properties	\$ 35,307,315	\$ 78,151,210	\$ 113,458,525
Property, plant and equipment	124,461,783	305,930	124,767,713
Investments accounted for using the equity method	<u>47,683,367</u>	<u>8,186,876</u>	<u>55,870,243</u>
Total effect on assets	<u>\$ 207,45,465</u>	<u>\$ 86,644,016</u>	<u>\$ 294,096,481</u>
Deferred tax liabilities	<u>\$ 10,454,464</u>	<u>\$ 2,875,464</u>	<u>\$ 13,329,928</u>
Total effect on liabilities	<u>\$ 10,454,464</u>	<u>\$ 2,875,464</u>	<u>\$ 13,329,928</u>
Unappropriated earnings	\$ 13,955,940	\$ 80,462,245	\$ 94,418,185
Special reserve	25,448,036	1,661	25,449,697
Other equity	4,634,101	19,625	4,653,726
Non-controlling interests	<u>62,848,929</u>	<u>3,285,021</u>	<u>66,133,950</u>
Total effect on equity	<u>\$ 106,887,006</u>	<u>\$ 83,768,552</u>	<u>\$ 190,655,558</u>
<u>January 1, 2013</u>			
Investment properties	\$ 36,155,930	\$ 71,852,528	\$ 108,008,458
Investments accounted for using the equity method	<u>46,677,090</u>	<u>7,399,780</u>	<u>54,076,870</u>
Total effect on assets	<u>\$ 82,833,020</u>	<u>\$ 79,252,308</u>	<u>\$ 162,085,328</u>
			(Continued)

Impact on Assets, Liabilities and Equity	As Originally Stated	Investment Properties under the Fair Value Model	Restated
Deferred tax liabilities	\$ 10,267,307	\$ 2,162,336	\$ 12,429,643
Total effect on liabilities	\$ 10,267,307	\$ 2,162,336	\$ 12,429,643
Unappropriated earnings	\$ 15,100,772	\$ 74,454,402	\$ 89,555,174
Special reserve	25,471,594	831	25,472,425
Non-controlling interests	61,243,995	2,634,739	63,878,734
Total effect on equity	\$ 101,816,361	\$ 77,089,972	\$ 178,906,333 (Concluded)

For the Year Ended December 31, 2013

Impact on Total Comprehensive Income	As Originally Stated	Investment Properties under the Fair Value Model	Restated
Operating cost	<u>\$ (192,356,740)</u>	<u>\$ 119,354</u>	<u>\$ (192,237,386)</u>
Operating expenses	<u>\$ (33,176,523)</u>	<u>\$ 4,508</u>	<u>\$ (33,172,015)</u>
Adjusting gain on change in fair value of investment properties	<u>\$ -</u>	<u>\$ 6,424,024</u>	<u>\$ 6,424,024</u>
Share of the other comprehensive income of associates and joint venture	<u>\$ 4,197,698</u>	<u>\$ 786,725</u>	<u>\$ 4,984,423</u>
Other expenses	<u>\$ (338,228)</u>	<u>\$ 34,166</u>	<u>\$ (304,062)</u>
Loss on disposal of investment properties	<u>\$ (518)</u>	<u>\$ 518</u>	<u>\$ -</u>
Income tax expense	<u>\$ (2,223,481)</u>	<u>\$ (711,865)</u>	<u>\$ (2,935,346)</u>
Net profit	<u>\$ 14,284,539</u>	<u>\$ 6,657,430</u>	<u>\$ 20,941,969</u>
Exchange differences on translating foreign operations	<u>\$ 2,474,593</u>	<u>\$ 11,470</u>	<u>\$ 2,486,063</u>
Gain on revaluation	<u>\$ -</u>	<u>\$ 10,572</u>	<u>\$ 10,572</u>
Share of other comprehensive income (loss) of associates and joint venture	<u>\$ (644,214)</u>	<u>\$ 371</u>	<u>\$ (643,843)</u>
Income tax (loss) gain relating to components of other comprehensive income	<u>\$ (20,574)</u>	<u>\$ (1,263)</u>	<u>\$ (21,837)</u>
Total other comprehensive income	<u>\$ 2,321,112</u>	<u>\$ 21,150</u>	<u>\$ 2,342,262</u>
Total comprehensive income for the period	<u>\$ 16,605,651</u>	<u>\$ 6,678,580</u>	<u>\$ 23,284,231</u>
Impact on net profit attributable to:			
Owners of the Company	\$ 7,207,081	\$ 6,008,673	\$ 13,215,754
Non-controlling interests	7,077,458	648,757	7,726,215
	<u>\$ 14,284,539</u>	<u>\$ 6,657,430</u>	<u>\$ 20,941,969</u>
Impact on total comprehensive income attributable to:			
Owners of the Company	\$ 9,540,356	\$ 6,028,298	\$ 15,568,654
Non-controlling interests	7,065,295	650,282	7,715,577
	<u>\$ 16,605,651</u>	<u>\$ 6,678,580</u>	<u>\$ 23,284,231</u> (Continued)

Impact on Total Comprehensive Income	For the Year Ended December 31, 2013		
	As Originally Stated	Investment Properties under the Fair Value Model	Restated
Impact on earnings per share			
Basic	<u>\$1.47</u>	<u>\$1.22</u>	<u>\$2.69</u>
Diluted	<u>\$1.46</u>	<u>\$1.23</u>	<u>\$2.69</u>
			(Concluded)

- b. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC not yet effective

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 “Embedded Derivatives”	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters”	July 1, 2010
Amendment to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”	July 1, 2011
Amendment to IFRS 1 “Government Loans”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Transfer of Financial Assets”	July 1, 2011
IFRS 10 “Consolidated Financial Statements”	January 1, 2013
IFRS 11 “Joint Arrangements”	January 1, 2013
IFRS 12 “Disclosure of Interests in Other Entities”	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 “Investment Entities”	January 1, 2014
IFRS 13 “Fair Value Measurement”	January 1, 2013
Amendment to IAS 1 “Presentation of Other Comprehensive Income”	July 1, 2012
Amendment to IAS 12 “Deferred Tax: Recovery of Underlying Assets”	January 1, 2012

(Continued)

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
IAS 19 (Revised 2011) “Employee Benefits”	January 1, 2013
IAS 27 (Revised 2011) “Separate Financial Statements”	January 1, 2013
IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures”	January 1, 2013
Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”	January 1, 2014
IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine”	January 1, 2013
	(Concluded)

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

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers has not had any material impact on the Group’s accounting policies:

1) IFRS 10 “Financial statements”

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

2) IFRS 11 “Joint Arrangements”

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

3) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

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

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

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

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

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

6) IFRS 13 “Fair Value Measurement”

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

7) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

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

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

8) Revision to IAS 19 “Employee Benefits”

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

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

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

The anticipated impact of the initial application of the revised IAS 19 is detailed as follows:

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>Impact on assets, liabilities and equity</u>			
<u>December 31, 2014</u>			
Accrued pension liabilities	\$ 2,814,439	\$ (165,557)	\$ 2,648,882
Unappropriated Earnings	\$ 17,218,149	\$ 165,557	\$ 17,383,706
<u>January 1, 2014</u>			
Accrued pension liabilities	\$ 2,781,776	\$ (188,006)	\$ 2,593,770
Unappropriated Earnings	\$ 94,418,185	\$ 188,006	\$ 94,606,191
<u>Impact on total comprehensive income for the year ended December 31, 2014</u>			
Operating cost	\$ (187,644,142)	\$ (130,404)	\$ (187,774,546)
Operating expenses	\$ (35,989,788)	\$ (49,926)	\$ (36,039,714)
Net profit for the year	\$ 17,188,302	\$ (180,330)	\$ 17,007,972
Actuarial loss arising from defined plans	\$ (318,338)	\$ 157,881	\$ (160,457)
Other comprehensive income	\$ 2,237,258	\$ 157,881	\$ 2,395,139
Total comprehensive income for the year	\$ 19,425,560	\$ (22,449)	\$ 19,403,111

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

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

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

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

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

11) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

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

12) Annual Improvements to IFRSs: 2009-2011 Cycle

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

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

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

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

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

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

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

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial

liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

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

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the financial statements were authorized for issue, the FSC has not announced their effective dates.

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above new, revised or amended standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

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

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Except for the following, the initial application of the above new standards and interpretations has not had any material impact on the Group's accounting policies:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

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

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

2) Amendment to IAS 19: Amendment in 2013

The amended IAS 19 states that if contributions from employees or third parties are not linked to service, these contributions affect the remeasurement of the net defined benefit liability (asset). If the contributions are linked solely to service, the employees' service rendered in that period in which they are paid, these contributions may be recognized as a reduction of service cost in the same period. If the contributions depend on the number of years of service, an entity is required to attribute these contributions to service periods as a reduction of service cost.

3) Amendments to IAS 36, "Recoverable Amount Disclosures for Non-Financial Assets"

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

4) IFRIC 21 "Levies"

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

5) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

6) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

7) Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3. Accordingly, a joint operator that is an acquirer of such an interest has to measure most identifiable assets and liabilities at fair value; recognize expense acquisition-related costs (other than debt or equity issuance costs); recognize deferred taxes and perform impairment tests for the cash generating units to which goodwill has been allocated. In addition, the acquirer of an interest in a joint operation has to disclose information required relevant for business combinations.

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

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

8) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

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

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

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

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

9) IFRS 15, “Revenue from Contracts with Customers”

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

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

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

When IFRS 15 is effective, the Group 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.

10) IAS 16 and IAS 41 “Agriculture: Bearer Plants”

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

11) 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.

12) Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

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

13) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

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

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

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

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

2) Subsidiaries included in consolidated financial statements

Refer to Schedule A for the details of the investment relationship and percentage ownership between the Company and its subsidiaries as of December 31, 2014.

Intercompany relationships and percentages of ownership are shown as follows:

Investor	Investee	Main Business	% of Ownership		
			December 31, 2014	December 31, 2013	January 1, 2013
Far Eastern New Century Corporation	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29	38.25
	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70	99.70
	Far Eastern Resources Development Co.	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) Co., Ltd.	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 Company Ltd.	Real estate construction and selling	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.	Investment	100.00	100.00	100.00
	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00	100.00
	Fu Kwok Garment Manufacturing Co., Ltd.	Garment production	99.99	99.99	99.99
	Far Eastern Textile Ltd.	Chemical fiber 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.	Other financing and supporting services	65.01	68.43	-
Yuan Ding Investment Co., Ltd.	Oriental Textile (Holding) Ltd. (OTTI)	Investment	100.00	100.00	100.00
	Far Eastern Apparel (Holding) Ltd. (FEAH)	Sale of textile, garments, and clothing	100.00	100.00	100.00
	Far Eastern Fibertech Co., Ltd.	Nylon production	100.00	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership		
			December 31, 2014	December 31, 2013	January 1, 2013
Far Eastern Investment (Holding) Ltd. (FEIH)	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00	100.00
	Oriental Resources Development Ltd.	Waste recycling and processing	70.00	70.00	70.00
	Yuan Faun Ltd.	PET bottle production and selling	100.00	100.00	100.00
	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00
	PET Far Eastern (M) Sdn. Bhd.	Bottle production	50.00	50.00	50.00
Far Eastern Polychem Industries Ltd. (FEPI)	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	Worldwide Polychem (HK) Ltd. (WWPI)	Petrochemical, PET and apparel productions foreign trade	100.00	100.00	100.00
	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00	100.00
Far Eastern Construction Co., Ltd.	Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	100.00	100.00	100.00
	Far Eastern Ishizuka Green Pet Corporation (FIGP)	PET production and sale	80.00	80.00	-
Far Eastern Apparel (Holding) Ltd. (FEAH)	Far Eastern General Contractor Co., Ltd.	Construction	99.95	99.95	99.95
Far Eastern Apparel Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Dyeing and finishing	100.00	100.00	100.00
FETG Investment Antilles N.V.	Ming Ding Co. (Note 2)	Underwear selling	-	-	44.80
Yuan Faun Ltd.	Waldorf Services B.V.	Investment	100.00	100.00	100.00
Yuan Tong Investment Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	Personnel recruitment	55.19	55.56	55.56
Far Eastern Apparel (Suzhou) Ltd.	Sino Belgium (Holding) Ltd.	Investment	93.55	92.56	91.39
PET Far Eastern (Holding) Ltd. (PETH)	An Ho Garment (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	Suqian Far Eastern Apparel Co., Ltd. (Note 3)	Garment production and accessories	-	100.00	100.00
Oriental Textile (Holding) Ltd. (OTTI)	Oriental Petrochemical (Shanghai) Corp.	PTA production and sale	61.35	61.35	61.35
	Far Eastern Union Petrochemical (Yangzhou) Corporation (Note 4)	MEG and its by-product sale	-	50.00	50.00
FEDP (Holding) Ltd. (FEDP)	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	Textile production	100.00	100.00	100.00
	Far Eastern Industries (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
Far Eastern New Century (China) Investment Ltd.	Wuhan Far Eastern New Material Ltd.	Garment production and sale	100.00	100.00	100.00
	Far Eastern Apparel (Suzhou) 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 Ltd.	Investment	100.00	100.00	100.00
Sino Belgium (Holding) Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	100.00	100.00	100.00
	Yuan Ding enterprise Ltd.		100.00	100.00	-
	Sino Belgium (Suzhou) Ltd.	Brewer	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corp.	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00	100.00
	Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	100.00	100.00	100.00
Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	Hotel	80.99	80.99	80.98
	YDT Technology International Co., Ltd.	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.	Investment	100.00	100.00	100.00
FET Consulting Engineers Co., Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00	80.00
	Far Eastern Electronic Commerce Co., Ltd.	Electronic information providing services	73.42	73.42	69.15
	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDT Technology International Co., Ltd.	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

(Continued)

Investor	Investee	Main Business	% of Ownership		
			December 31, 2014	December 31, 2013	January 1, 2013
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00	100.00
	ARCOA Communication Co., Ltd.	Type II telecommunications services, sale of communications products and office equipment	61.63	61.07	61.07
	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99	99.97
	Yuan Cing Co., Ltd.	Call center services	99.99	99.99	99.99
	E. World (Holdings) Ltd.	Investment	85.92	85.92	85.92
	Far EasTron Holding Ltd.	Investment	100.00	100.00	100.00
	Far EasTern Info Service Holding Ltd.	Investment	100.00	100.00	100.00
	O-music Co., Ltd.	Electronic information providing services	50.00	50.00	50.00
	Q-Ware Communication Co., Ltd.	Type II telecommunications services	81.46	81.46	81.46
	Hiiir Co., Ltd. (formerly Yuan Shi Co., Ltd.)	Electronic information providing services	89.54	80.00	-
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00	70.00
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Investment	100.00	100.00	100.00
	Information Security Service Digital United Co., Ltd.	Security and monitoring service via Internet	100.00	100.00	100.00
Digital United (Cayman) Ltd.	Digital United (Cayman) Ltd.	Investment	100.00	100.00	100.00
	Simple InfoComm Co., Ltd.	Type II telecommunications	100.00	100.00	100.00
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Design and research of computer system	100.00	100.00	100.00
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00
	Far Eastern New Diligent Co., Ltd.	Electronic toll collection service	100.00	100.00	100.00
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	-	100.00	100.00
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Sale of communications products	100.00	100.00	100.00
	Home Master Technology Co., Ltd.	Sale of communications products	99.99	99.99	99.99
	Jing Yuan Technology Co., Ltd. (Note 5)	Data Processing services	-	100.00	100.00
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	Software development, equipment maintenance and consulting	-	-	55.00
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	Software development, equipment maintenance and consulting	79.04	79.04	-
	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	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 director's of Far EasTone were served by the Company and its subsidiaries. Thus, Far EasTone were included in a subsidiaries in the consolidated financial statement.

Note 2: A subsidiary started its liquidation on December 2012, and returned the shares on June 2013.

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

Note 4: The Company and its subsidiaries lost control over the subsidiaries by re-electing the board of directors.

Note 5: A subsidiary was liquidated as of January 28, 2014.

e. Business combinations

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

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

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including those of the subsidiaries, companies in other countries as well as currencies different from the ones used by the Group) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

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

g. Inventories

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

h. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. An significant influence is the right to involve the decision-making process in financial and operating policies of an associate rather than control or joint control that policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and is adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

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

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

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

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

The Group remeasured the retained carrying amount of the associate at fair value from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

The share of profit or loss of the Group's associates is recognized using the treasury stock method if there are reciprocal holdings between the Group and its associates.

The Group discontinues the use of the equity method from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

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

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

Depreciation expense is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as that for owned assets. Assets are depreciated over the shorter of the lease term and their useful lives using the straight-line method.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Investment properties

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

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

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

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

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

Any gain or loss arising on derecognition of an investment property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

k. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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

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

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

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

m. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at fair value through profit or loss

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

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

ii. Held-to-maturity investments

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

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

iii. Available-for-sale financial assets

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

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

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

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

iv. Loans and receivables

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

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

b) Impairment of financial assets

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

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

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

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

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

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

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

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method at the end of subsequent reporting periods.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

To manage its exposure to interest rate and foreign exchange rate risks, the Group uses a variety of derivative financial instruments, including cotton futures contracts, foreign exchange swap contracts, combined foreign exchange options, cross currency interest rate swap contract and interest rate swap contracts.

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

o. Hedge accounting

The Group designates certain hedging instruments (including derivative) as cash flow hedges.

Cash flow hedges

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

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

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

p. Provisions

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

1) Decommissioning, restoration and similar liabilities

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

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

2) Warranties

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

3) Onerous contracts

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

q. Revenue recognition

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

1) Sale of goods

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

- a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

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

2) Rendering of services

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

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

- a) Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- b) Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold; and
- c) Revenue from time and material contracts is recognized at the contractual rates as labor hours and direct expenses are incurred.

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

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

3) Handling service revenue

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

4) Dividend and interest income

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

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

r. Construction contracts

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

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

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

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

s. Leasing

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

1) The Group as a lessor

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

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred.

2) The Group as a lessee

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

Minimum lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

t. Borrowing costs

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

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

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

u. Retirement benefit costs

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

v. Taxation

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

1) Current tax

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

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

2) Deferred tax

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

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

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

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

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Impairment of Tangible and Intangible Assets Other Than Goodwill

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

Impairment of Goodwill

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

Write-down of Inventory

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

Income Taxes

As of December 31, 2014, December 31, 2013 and January 1, 2013, the realizability of the deferred tax asset (liability) mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

Estimated Impairment of Notes and Accounts Receivable

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

Useful lives of Property, Plant and Equipment

As described in Note 4(i), the Group reviews the estimated useful lives of property, plant and equipment (PPE) at each balance sheet date.

Impairment of Investment in the Associate

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

Defined Benefit Plan

The pension cost and accrued pension liabilities recognized under a defined benefit plan are determined by actuarial valuations through the projected unit credit method. Under this method, the actuarial assumptions for pension plans are based on the estimation of appropriate discount rates for the plan obligation, employee turnover rates, and long-term average rates of salary increases. The expenses and liabilities recognized under the estimation of the defined benefit plan may be affected significantly by changes in the market and the economy.

Estimation of Gain and Loss on Construction Contracts

Contract revenues and costs of long-term construction contracts are recognized by the percentage-of-completion method. Under this method, the stage of completion of each contract is measured as a ratio of cumulative actual construction costs to total estimated contract costs. However, where reasonably reliable estimates cannot be made, the percentage-of-completion method may not be used. If contract-related situations such as structural changes, demand for indemnity and the giving of bonus commission occur during the contract period, contract revenues are recognized only to the extent that the amount of the construction contract can be estimated reliably or to the extent that a recoverable contract cost has been incurred.

The Group's estimation of total contract costs is based on the nature of construction, amounts of the components of construction costs, length of the construction periods, and construction techniques as projected by the management team of the Group.

6. CASH AND CASH EQUIVALENTS

	December 31, 2014	December 31, 2013	January 1, 2013
Cash			
Cash on hand and petty cash	\$ 36,872	\$ 35,288	\$ 42,237
Demand and checking accounts	<u>16,414,588</u>	<u>14,382,802</u>	<u>11,071,486</u>
	<u>16,451,460</u>	<u>14,418,090</u>	<u>11,113,723</u>
Cash equivalents			
Time deposits with original maturities of less than three months	6,308,925	6,162,786	15,673,463
Commercial paper purchased under resell agreements	2,627,403	5,788,905	1,978,629
Corporate bonds purchased under resell agreements	<u>429,774</u>	<u>150,000</u>	<u>1,789,141</u>
	<u>9,366,102</u>	<u>12,101,691</u>	<u>9,441,233</u>
Management discretionary accounts			
Demand accounts	<u>167,857</u>	<u>125,793</u>	<u>90,210</u>
	<u>\$ 25,985,419</u>	<u>\$ 26,645,574</u>	<u>\$ 30,645,166</u>

The Group's members individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to NT\$167,857 thousand, NT\$125,793 thousand and NT\$90,210 thousand as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

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

	December 31, 2014	December 31, 2013	January 1, 2013
Time deposits with original maturities of less than three months	0.10%-4.48%	0.01%-3.75%	0.35%-2.86%
Commercial paper purchased under resell agreements	0.46%-0.7%	0.62%-0.74%	0.68%-0.82%
Corporate bonds purchased under resell agreement	0.60%-10.71%	0.64%	0.70%-0.80%

Time deposits with original maturities of over three months amounted to NT\$4,077,160 thousand, NT\$2,339,682 thousand and NT\$3,145,035 thousand as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively, and were classified under bond investments with no active market (Note 12).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Financial assets held for trading</u>			
Beneficial certificates	\$ 630,567	\$ 565,240	\$ 642,699
Marketable equity securities	374,567	562,623	387,107
Guarantee deposits cotton futures contracts	41,450	26,010	25,345
Guarantee deposits - PTA futures contracts	12,451	-	-
Combined foreign exchange options	40,085	5,335	-
Forward exchange contracts	<u>24,996</u>	<u>32,480</u>	<u>3,368</u>
	<u>\$ 1,124,116</u>	<u>\$ 1,191,688</u>	<u>\$ 1,058,519</u>
Current	<u>\$ 1,124,116</u>	<u>\$ 1,191,688</u>	<u>\$ 1,058,519</u>
<u>Financial liabilities held for trading</u>			
Forward exchange contracts	\$ -	\$ 318	\$ 619
Combined foreign exchange options	807	-	-
Foreign exchange options	<u>-</u>	<u>272</u>	<u>-</u>
	<u>\$ 807</u>	<u>\$ 590</u>	<u>\$ 619</u>
Current	<u>\$ 807</u>	<u>\$ 590</u>	<u>\$ 619</u>

a. Cotton futures contracts

The Company entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices for the years ended December 31, 2014 and 2013. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding cotton future contracts as of December 31, 2014, December 31, 2013 and January 1, 2013.

b. PTA futures contracts

The Group entered into PTA futures contracts mainly to hedge against the adverse fluctuation to PTA prices in the six months ended June 30, 2014. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Group had no outstanding PTA futures contracts as of December 31, 2014 and 2013.

c. Forward exchange contracts

The Group entered into forward exchange contracts for the years ended December 31, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

As of December 31, 2014, December 31, 2013 and January 1, 2013, the Group had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2014</u>			
Sell	EUR/USD	2015.03.27-2015.05.28	EUR9,000/USD11,121
Buy	USD/JPY	2015.03.05-2015.04.28	USD5,000/JPY592,722
Buy	USD/NTD	2015.01.05-2015.03.27	USD39,200/NTD1,226,708
<u>December 31, 2013</u>			
Sell	EUR/USD	2014.01.06-2014.02.07	EUR6,708/USD5,000
Buy	USD/JPY	2014.01.27-2014.04.07	USD19,500/JPY1,968,307
Buy	USD/NTD	2014.01.02-2014.02.19	USD90,200/NTD2,680,900
Buy	USD/MYR	2014.01.15	USD2,000/MYR6,587
<u>January 1, 2013</u>			
Sell	EUR/USD	2013.01.30-2013.02.26	EUR4,000/USD5,235
Sell	USD/NTD	2013.01.28-2013.02.26	USD14,620/NTD424,992
Buy	USD/JPY	2013.01.30	USD4,000/JPY342,185
Buy	USD/NTD	2013.01.07-2013.03.08	USD40,913/NTD1,188,275

d. Option contracts

The Group sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the years ended December 31, 2014 and 2013.

The outstanding option contracts as of December 31, 2014, December 31, 2013 and January 1, 2013 were as follow:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2013</u>			
Sell call option	EUR/USD	2014.01.27	EUR2,000/USD2,790

e. Combined foreign exchange options

The Group entered into combined foreign exchange options for the years ended December 31, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. As of December 31, 2014 and 2013, the Group had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2014</u>			
Sell EUR call options	EUR/USD	2015.01.27-2015.03.27	EUR76,650/USD98,139
Buy EUR put options	EUR/USD	2015.01.27-2015.03.27	EUR25,550/USD32,713

(Continued)

	Currency	Maturity	Contract Amount (Thousands)
Sell EUR put options	EUR/USD	2015.01.02-2015.01.23	EUR800/USD999
Buy EUR call options	EUR/USD	2015.01.02-2015.01.23	EUR200/USD250
Sell USD put options	USD/JPY	2015.1.28-2015.4.1	USD91,500/JPY10,146,776
Buy USD call options	USD/JPY	2015.1.28-2015.4.1	USD30,500/JPY3,382,259
<u>December 31, 2013</u>			
Buy USD call options	USD/JPY	2013.01.2-2013.05.28	USD14,000/JPY1,385,356
Sell USD put options	USD/JPY	2013.01.2-2013.05.28	USD42,000/JPY4,156,068
Buy EUR call options	EUR/USD	2013.01.2-2013.03.27	EUR1,900/USD2,468
Sell EUR put options	EUR/USD	2013.01.2-2013.03.27	EUR7,600/USD9,872
(Concluded)			

As of January 1, 2012, the Group had no outstanding combined foreign exchange options.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Equity investments</u>			
Marketable equity securities	\$ 4,620,397	\$ 5,257,255	\$ 4,680,058
Open-end mutual funds - beneficial certificates	111,100	168,172	204,336
Oversea mutual funds - beneficial certificates	701,421	636,138	1,877,246
Oversea shares	<u>214,801</u>	<u>185,003</u>	<u>-</u>
Available-for-sale financial assets	<u>\$ 5,647,719</u>	<u>\$ 6,246,568</u>	<u>\$ 6,761,640</u>
Current	\$ 929,101	\$ 989,348	\$ 2,272,149
Non-current	<u>4,718,618</u>	<u>5,257,220</u>	<u>4,489,491</u>
	<u>\$ 5,647,719</u>	<u>\$ 6,246,568</u>	<u>\$ 6,761,640</u>

9. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Bond investments</u>			
Asia Cement Corp. (ACC)	<u>\$ -</u>	<u>\$ 99,962</u>	<u>\$ 199,871</u>
Current	\$ -	\$ 99,962	\$ 100,000
Non-current	<u>-</u>	<u>-</u>	<u>99,871</u>
	<u>\$ -</u>	<u>\$ 99,962</u>	<u>\$ 199,871</u>

In September 2009, an FENC subsidiary, Far EasTone, bought five-year corporate bonds of ACC for NT\$199,540 thousand (par value of NT\$200,000 thousand), with the effective interest rate of 2.004% and coupon interest rate of 1.95%. The interest is payable on September 22 annually. The Group had no outstanding held-to-maturity financial assets as of December 31, 2013.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31, 2014	December 31, 2013	January 1, 2013
Derivative financial assets under hedge <u>accounting</u>			
Cash flow hedges - cross currency interest rate swap	\$ -	\$ 115	\$ 4,650
Cash flow hedges - forward exchange contracts	<u>-</u>	<u>4,327</u>	<u>17,312</u>
	<u>\$ -</u>	<u>\$ 4,442</u>	<u>\$ 21,962</u>
Current	<u>\$ -</u>	<u>\$ 4,442</u>	<u>\$ 21,962</u>
Derivative financial liabilities under hedge <u>accounting</u>			
Cash flow hedges - cross currency interest rate swap	\$ 3,150	\$ -	\$ -
Cash flow hedges - forward exchange contracts	11,800	-	-
Cash flow hedges - interest rate swaps	<u>535,837</u>	<u>421,280</u>	<u>287,522</u>
	<u>\$ 550,787</u>	<u>\$ 421,280</u>	<u>\$ 287,522</u>
Current	\$ 14,950	\$ -	\$ -
Non-current	<u>535,837</u>	<u>421,280</u>	<u>287,522</u>
	<u>\$ 550,787</u>	<u>\$ 421,280</u>	<u>\$ 287,522</u>

Cash Flow Hedges

The Group's hedge strategy is to use cross currency interest rate swap and forward exchange contracts to hedge against adverse exchange risks on foreign currency assets.

The terms of the cross currency interest rate swap and forward exchange contracts were negotiated to match the terms of the respective designated hedged items. The outstanding cross currency interest rate swap and forward exchange contracts at the end of the reporting period were as follows:

December 31, 2014

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

December 31, 2013

	Currency	Maturity Date	Contract Amount (Thousands)
Cross currency interest rate swap	USD/NTD	2014.01.16	USD5,000
Forward exchange contracts	USD/NTD	2014.01.10-2014.01.27	USD17,500

January 1, 2013

	Currency	Maturity Date	Contract Amount (Thousands)
Cross currency interest rate swap	USD/NTD	2013.01.14	USD5,000
Forward exchange contracts	USD/NTD	2013.01.08-2013.05.07	USD68,000

The Group invested in overseas mutual funds and used cross currency interest rate swap and foreign exchange swaps (with terms of up to six months) to hedge against adverse cash flow fluctuations, and the foreign exchange agreements were designated as cash flow hedge. For the years ended December 31, 2014 and 2013, expected future trading exposures on foreign exchange swap contracts, amounting to loss \$40,394 thousand and \$79,752 thousand. The cash flows will be generated when the hedged target is sold, and the unrealized gain (loss) on this cash flow hedge will be reclassified from equity to profit or loss.

The gain on the hedged items that was reclassified from equity to profit in the consolidated comprehensive statements of income for the years ended December 31, 2014 and 2013 were as follows:

	<u>For the Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Net gain on sales of securities	\$ <u>3,825</u>	\$ <u>76,019</u>

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

Hedged Items	Instruments	Designated Hedging Instruments				Expected Period of Cash Flow
		Notional Amount		Fair Value		
		December 31		December 31		
		2014	2013	2014	2013	
Interest expense of long-term debts	Interest rate swap	\$ 6,077,652	\$ 6,200,000	\$ (535,837)	\$ (421,280)	2012-2025

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

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

	<u>For the Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Interest expense credits	\$ <u>41,922</u>	\$ <u>78,369</u>

11. FINANCIAL ASSETS CARRIED AT COST

	December 31, 2014	December 31, 2013	January 1, 2013
Domestic unlisted common shares	\$ 886,533	\$ 753,286	\$ 776,897
Overseas unlisted common shares	177,671	208,314	345,632
Convertible bonds-conversion rights (Note 12)	<u>6,948</u>	<u>7,895</u>	<u>7,895</u>
	<u>\$ 1,071,152</u>	<u>\$ 969,495</u>	<u>\$ 1,130,424</u>
Current	\$ -	\$ 42,587	\$ -
Non-current	<u>1,071,152</u>	<u>926,908</u>	<u>1,130,424</u>
	<u>\$ 1,071,152</u>	<u>\$ 969,495</u>	<u>\$ 1,130,424</u>

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

12. BOND INVESTMENTS WITH NO ACTIVE MARKET

	December 31, 2014	December 31, 2013	January 1, 2013
Bond investments - Bockhold N.V.	\$ 220,074	\$ 267,007	\$ 256,508
Time deposits with original maturities more than 3 months	<u>4,077,160</u>	<u>2,339,682</u>	<u>3,145,035</u>
	<u>\$ 4,297,234</u>	<u>\$ 2,606,689</u>	<u>\$ 3,401,543</u>
Current	\$ 4,114,651	\$ 2,606,689	\$ 3,145,035
Non-current	<u>182,583</u>	<u>-</u>	<u>256,508</u>
	<u>\$ 4,297,234</u>	<u>\$ 2,606,689</u>	<u>\$ 3,401,543</u>

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd., bought convertible bonds amounting to EUR6,670 thousand issued by Bockhold N.V., with maturity on February 26, 2014. These three-year convertible bonds are payable semiannually, and the bonds can be converted proportionally to a total of 933 common shares of Bockhold N.V. The amount of the host debt contract was recognized as a bond investment with no active market, and the amount of the conversion rights of the convertible bonds was recognized under financial assets carried at cost (Note 11). On January 13, 2014, the bond agreement was renegotiated and the maturity of the bond was extended to March 14, 2019. As of December 31, 2014, Yuan Tong Investment Co., Ltd. had received EUR800 thousand.

13. NOTES AND ACCOUNTS RECEIVABLE

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 28,966,370	\$ 28,867,370	\$ 29,773,832
Less: Allowance for doubtful accounts	<u>(1,246,348)</u>	<u>(1,125,669)</u>	<u>(1,150,240)</u>
	<u>\$ 27,720,022</u>	<u>\$ 27,741,701</u>	<u>\$ 28,623,592</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.

Movements of allowance for doubtful accounts were as follows:

	<u>For the Year Ended December 31</u>	
	2014	2013
Beginning balance	\$ 1,125,669	\$ 1,150,240
Add: Additional amount recognized from business combination	-	1,858
Add: Accounts recovered during the period	281,200	272,318
Add: Bad debt expenses	283,862	182,216
Deduct: Amounts written off during the period as uncollectible	(446,844)	(483,422)
Effect of exchange rate differences	<u>2,461</u>	<u>2,459</u>
Ending balance	<u>\$ 1,246,348</u>	<u>\$ 1,125,669</u>

Sale of overdue accounts receivable

Under agreements signed in 2014, Far EasTone sold to asset management companies the overdue accounts receivable that had been written off. Thus, as of December 31, 2014 and 2013, Far EasTone and its subsidiaries were not under the risk of irrecoverable receivables.

Related information as of December 31, 2013 is as follows:

	Amounts of Accounts Receivable Sold	Proceeds of the Sale of Accounts Receivable
E-Hao Management Consultant Co., Ltd.	<u>\$ 675,168</u>	<u>\$ 35,238</u>

Related information as of December 31, 2013 is as follows:

	Amounts of Accounts Receivable Sold	Proceeds of the Sale of Accounts Receivable
Hui Cheng Second Asset Management Co., Ltd.	\$ 4,067,103	\$ 97,238
Long Sun Asset Management Co., Ltd.	\$ 3,357,652	\$ 80,128
E-Hao Management Consultant Co., Ltd.	\$ 2,241,541	\$ 76,275

14. INVENTORIES

	December 31, 2014	December 31, 2013	January 1, 2013
Merchandise inventories	\$ 4,165,565	\$ 5,478,405	\$ 3,370,419
Finished goods	4,974,502	4,843,104	4,646,465
Work in progress	2,662,558	2,463,792	2,138,420
Raw materials	6,238,013	8,017,791	8,611,484
Supplies	809,452	782,627	628,077
Available-for-sale - buildings and land	995,149	995,149	1,035,526
Available-for-sale - land	700,887	700,887	620,361
Construction-in-progress	1,459,429	903,217	502,368
Prepayment for land	<u>-</u>	<u>-</u>	<u>64,000</u>
	<u>\$ 22,005,555</u>	<u>\$ 24,184,972</u>	<u>\$ 21,617,120</u>

For the years ended December 31, 2014 and 2013, the costs of inventories sold and the costs of real estate sold were NT\$151,282,920 thousand and NT\$155,962,513 thousand, respectively.

The costs of inventories recognized as cost of goods sold, which included inventory write-downs for the years ended December 31, 2014 and 2013, were NT\$330,637 thousand and NT\$352,695 thousand, respectively.

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

	December 31, 2014	December 31, 2013	January 1, 2013
Amount due from customers for construction contracts			
Construction costs incurred plus recognized profits less recognized losses to date	\$ 11,212,107	\$ 13,797,342	\$ 20,350,379
Less: Progress billings	<u>8,925,196</u>	<u>12,323,556</u>	<u>18,798,693</u>
	<u>\$ 2,286,911</u>	<u>\$ 1,473,786</u>	<u>\$ 1,551,686</u>

(Continued)

	December 31, 2014	December 31, 2013	January 1, 2013
Amounts due to customers for construction contracts			
Progress billings	\$ 2,541,337	\$ 3,555,055	\$ 4,142,257
Less: Construction costs incurred plus recognized profits less recognized losses to date	<u>2,430,743</u>	<u>3,142,557</u>	<u>3,981,478</u>
	<u>\$ 110,594</u>	<u>\$ 412,498</u>	<u>\$ 160,779</u>
Retentions receivable	<u>\$ 100,978</u>	<u>\$ 253,419</u>	<u>\$ 271,677</u>
Retentions payable	<u>\$ 356,256</u>	<u>\$ 235,203</u>	<u>\$ 265,649</u>
			(Concluded)

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

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Listed companies						
Asia Cement Corp.	\$ 24,231,445	25	\$ 22,939,506	25	\$ 22,410,220	26
Far Eastern Department Stores Co., Ltd.	7,370,454	22	6,891,490	22	6,531,968	21
Oriental Union Chemical Corp.	6,597,024	31	5,523,640	26	5,401,509	27
Everest Textile Co., Ltd.	<u>1,172,804</u>	26	<u>1,131,649</u>	27	<u>1,055,480</u>	27
	<u>39,371,727</u>		<u>36,486,285</u>		<u>35,399,177</u>	
Unlisted companies						
Oriental Securities Corp.	4,995,787	46	4,954,550	46	4,836,312	46
Pacific Liu Tong Investment Co., Ltd.	4,201,060	40	4,229,699	40	3,820,621	40
Yu Yuan Investment Co.	2,984,472	44	3,320,639	44	3,521,353	44
Far Eastern International Leasing Corp.	2,362,406	34	2,298,284	34	2,365,411	34
Far Easter Union Petrochemical (Yangzhou) Corporation	1,974,612	50	-	-	-	-
Liquid Air Far East Co., Ltd.	1,600,555	35	1,442,716	35	1,253,704	35
Da Ju Fiber Corp.	1,193,637	42	1,107,522	42	921,097	42
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,048,327	50	-	-	-	-

(Continued)

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Yu Ding Industry Co., Ltd.	\$ 617,990	31	\$ 585,581	31	\$ 523,021	31
Yuan Ding Leasing Corp.	428,360	46	420,032	46	428,421	46
Kowloon Cement Corp.	448,282	49	389,516	49	361,010	49
Freudenberg Far Eastern Spunweb Co., Ltd.	291,867	30	316,573	30	351,586	30
FEDS Asia Pacific Development Co., Ltd.	128,195	5	126,782	5	124,686	5
Yue Ming Trading Co., Ltd.	71,869	47	71,759	47	71,134	47
Malaysia Garment Manufactures Pte. Ltd.	65,794	38	58,839	38	56,967	38
Alliance Digital Technology Co., Ltd.	21,917	13	28,514	19	-	-
Com 2B Corporation	14,450	20	15,816	20	22,293	20
iScreen	16,526	40	15,587	40	18,568	40
Opas Fund Segregated Portfolio Company	<u>1,646</u>	34	<u>1,549</u>	34	<u>1,509</u>	34
	<u>22,467,752</u>		<u>19,383,958</u>		<u>18,677,693</u>	
	<u>\$ 61,839,479</u>		<u>\$ 55,870,243</u>		<u>\$ 54,076,870</u>	

(Concluded)

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

On February 26, 2014, Oriental Union Chemical Corp. entered into a joint venture to establish Tong Da Air Industry (Yangzhou) Co., Ltd. and acquired a 50% ownership of the latter company.

Investments in FEDS Asia Pacific Development Co., Ltd., Com2B Corporation and Alliance Digital Technology Co., Ltd. were accounted for using the equity method, because the Group exercised significant influence on them, even though the Group owned less than 20% of each investee's voting stock.

The calculation of the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements, except for those of Alliance Digital Technology Co., Ltd. in 2014 and 2013. Management believes there would have been no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income had the financial statements of Alliance Digital Technology Co., Ltd. been audited.

The fair values of publicly traded investments accounted for using the equity method are summarized as follows, based on the closing prices of those investments as of the balance sheet date:

Name of Associate	December 31, 2014	December 31, 2013	January 1, 2013
Listed companies	<u>\$ 51,674,947</u>	<u>\$ 49,977,706</u>	<u>\$ 48,990,026</u>

The summarized financial information of the Group's associates is as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Total assets	\$ 512,446,336	\$ 483,635,911	\$ 460,072,999
Total liabilities	\$ 237,345,309	\$ 221,597,222	\$ 212,211,870
	For the Year Ended December 31		
	2014	2013	
Operating revenue	\$ 162,412,583	\$ 155,536,678	
Net income	\$ 17,793,359	\$ 21,252,583	
Other comprehensive income	\$ 7,763,599	\$ 2,539,171	

17. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2014	December 31, 2013	January 1, 2013
Carrying amounts			
Property, plant and equipment	\$ 139,055,972	\$ 124,767,713	\$ 116,637,790
Prepayment for equipment	4,914,856	6,103,204	2,881,210
	<u>\$ 143,970,828</u>	<u>\$ 130,870,917</u>	<u>\$ 119,519,000</u>

	Land	Buildings	Machinery and Equipment	Telecommuni- cations Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in- progress and Prepayment for Equipment	Total
Cost									
Balance at January 1, 2013	\$ 16,366,341	\$ 27,070,539	\$ 112,632,847	\$ 140,176,231	\$ 12,107,418	\$ 4,115,679	\$ 17,267,808	\$ 13,475,330	\$ 343,212,193
Acquisition of new subsidiary	-	-	-	466	5,749	522	471	-	7,208
Additions	265,928	29,531	490,613	136,136	17,203	92,237	205,347	22,872,850	24,109,845
Disposals	-	(39,096)	(5,672,122)	(3,705,561)	(129,900)	(123,044)	(838,347)	(17,618)	(10,525,688)
Adjustments and reclassification	698,536	661,613	2,532,925	8,164,319	714,181	546,598	827,216	(13,157,892)	987,496
Effect of exchange rate difference	1,496	445,453	2,191,087	4	1,407	6	155,443	95,482	2,890,378
Balance at December 31, 2013	<u>\$ 17,332,301</u>	<u>\$ 28,168,040</u>	<u>\$ 112,175,350</u>	<u>\$ 144,771,595</u>	<u>\$ 12,716,058</u>	<u>\$ 4,631,998</u>	<u>\$ 17,617,938</u>	<u>\$ 23,268,152</u>	<u>\$ 360,681,432</u>
Accumulated depreciation and impairment									
Balance at January 1, 2013	\$ (96,557)	\$ (11,276,286)	\$ (77,411,129)	\$ (109,693,554)	\$ (9,810,445)	\$ (2,949,103)	\$ (12,456,119)	\$ -	\$ (223,693,193)
Acquisition of new subsidiary	-	-	-	(120)	(2,795)	(258)	(118)	-	(3,291)
Disposals	-	34,682	5,580,202	2,407,415	123,666	103,667	813,105	-	9,062,737
Depreciation expense	-	(778,882)	(3,965,607)	(7,078,400)	(838,300)	(291,873)	(1,130,222)	-	(14,083,284)
Adjustments and reclassification	-	(49,548)	17,448	12,510	(1,757)	(1,154)	28,082	-	5,581
Effect of exchange rate difference	-	(124,716)	(896,525)	(4)	(928)	(1)	(76,891)	-	(1,099,065)
Balance at December 31, 2013	<u>\$ (96,557)</u>	<u>\$ (12,194,750)</u>	<u>\$ (76,675,611)</u>	<u>\$ (114,352,153)</u>	<u>\$ (10,530,559)</u>	<u>\$ (3,138,722)</u>	<u>\$ (12,822,163)</u>	<u>\$ -</u>	<u>\$ (229,810,515)</u>
Cost									
Balance at January 1, 2014	\$ 17,332,301	\$ 28,168,040	\$ 112,175,350	\$ 144,771,595	\$ 12,716,058	\$ 4,631,998	\$ 17,617,938	\$ 23,268,152	\$ 360,681,432
Additions	254	23,964	566,917	88,581	34,642	33,454	496,130	27,191,934	28,435,876
Disposals	(5,016)	(118,996)	(1,482,729)	(12,836,553)	(215,925)	(99,362)	(734,485)	(39,712)	(15,532,778)
Derecognition of subsidiaries due to control loss	-	-	-	-	-	-	(20,565)	(1,505,414)	(1,525,979)
Adjustments and reclassification	-	952,619	4,269,227	9,764,566	1,473,275	391,829	1,441,765	(18,061,054)	232,227
Effect of exchange rate difference	-	301,485	1,469,424	1	491	-	97,874	91,316	1,960,591
Balance at December 31, 2014	<u>\$ 17,327,539</u>	<u>\$ 29,327,112</u>	<u>\$ 116,998,189</u>	<u>\$ 141,788,190</u>	<u>\$ 14,008,541</u>	<u>\$ 4,957,919</u>	<u>\$ 18,898,657</u>	<u>\$ 30,945,222</u>	<u>\$ 374,251,369</u>
Accumulated depreciation and impairment									
Balance at January 1, 2014	\$ (96,557)	\$ (12,194,750)	\$ (76,675,611)	\$ (114,352,153)	\$ (10,530,559)	\$ (3,138,722)	\$ (12,822,163)	\$ -	\$ (229,810,515)
Disposals	-	82,989	1,439,700	11,960,452	212,779	75,039	692,256	-	14,463,215

(Continued)

	Land	Buildings	Machinery and Equipment	Telecommunications Equipment	Computer Equipment	Leasehold Improvements	Operating And Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
Derecognition of subsidiaries due to control loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,335	\$ -	\$ 2,335
Impairment loss	-	-	(49,190)	-	-	-	-	-	(49,190)
Depreciation expense	-	(697,464)	(3,704,120)	(6,887,627)	(964,804)	(382,054)	(1,185,909)	-	(13,821,978)
Adjustments and reclassification	-	(186,144)	(41,451)	875	(3,852)	(511)	(12,346)	-	(243,429)
Effect of exchange rate difference	-	(93,462)	(669,804)	-	(212)	(8)	(57,493)	-	(820,979)
Balance at December 31, 2014	<u>\$ (96,557)</u>	<u>\$ (13,088,831)</u>	<u>\$ (79,700,476)</u>	<u>\$ (109,278,453)</u>	<u>\$ (11,286,648)</u>	<u>\$ (3,446,256)</u>	<u>\$ (13,383,320)</u>	<u>\$ -</u>	<u>\$ (230,280,541)</u>

(Concluded)

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

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

As of December 31, 2014, December 31, 2013 and January 1, 2013, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,591 thousand, NT\$34,783 thousand and NT\$34,783 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing that the farmlands belong to the Company or have pledged the land to the Company.

18. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at January 1, 2013	\$ 108,008,458
Additions	1,550
Transferred to property, plant and equipment	(1,003,217)
Gain on change in fair value of investment properties	6,424,024
Net exchange differences	<u>27,710</u>
Balance at December 31, 2013	<u>\$ 113,458,525</u>
Balance at January 1, 2014	\$ 113,458,525
Additions	11,803
Transferred to property, plant and equipment	(68,891)
Gain on change in fair value of investment properties	6,222,659
Net exchange differences	<u>39,113</u>
Balance at December 31, 2014	<u>\$ 119,663,209</u>

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

The construction of a building (Bangiao Zhong Ben) located in the Bangiao Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026.

The investment property-Far Eastern Telecom Park was constructed in accordance to the enforcement rule of act for promotion of private participation in infrastructure project; and, the market rentals in the Bangiao where this investment property is located were between \$0.4 thousand and \$1.1 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair value of investment properties were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Independent valuation	<u>\$119,663,209</u>	<u>\$113,458,525</u>	<u>\$108,008,458</u>

The fair value of the investment properties as of December 31, 2014 was based on the valuations carried out at January 30, 2015 by independent qualified professional valutors, Mr. Tsai, Chia-ho and Ms. Hu, Chun-Chun, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers. The fair value of the investment properties as of December 31, 2013 and January 1, 2013 were based on the valuations carried out by Mr. Tsai, Chia-ho and Ms. Hu, Chun-Chun carried out at March 12, 2014.

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

	December 31, 2014	December 31, 2013	January 1, 2013
Expected future cash inflows	\$ 57,791,454	\$ 53,460,913	\$ 49,767,572
Expected future cash outflows	<u>(1,952,832)</u>	<u>(1,947,933)</u>	<u>(1,848,542)</u>
Expected future cash inflows, net	<u>\$ 55,838,622</u>	<u>\$ 51,512,980</u>	<u>\$ 47,919,030</u>
Discount rate	2.125%-2.28%	2.125%-2.30%	2.125%-2.30%

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

A part of the investment properties had been leased out under operating leases. The rental incomes generated from January 1 to December 31, 2014 and 2013 were NT\$1,090,254 thousand and NT\$970,251 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, the interest income on rental deposits was extrapolated using 1.36%, the interest rate announced by the central bank for the one-year average deposit interest rate of five major banks, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

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

	December 31, 2014	December 31, 2013	January 1, 2013
Estimated total sale price	\$ 27,051,660	\$ 25,492,100	\$ 25,492,100
Rate of return	15%-18%	15%-18%	15%-18%
Overall capital interest rate	1.36%-1.56%	1.36%-1.46%	1.36%-1.46%

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

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

19. GOODWILL

	For the Year Ended December 31	
	2014	2013
<u>Cost</u>		
Balance at January 1	\$ 11,928,782	\$ 11,980,944
Additional amounts recognized from business combinations occurring	-	2,771
Impairment loss	-	(57,615)
Effect of foreign currency exchange differences	1,661	2,682
Balance at December 31	\$ 11,930,443	\$ 11,928,782

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

The Group was divided into several identifiable cash-generating units that enhance the Group's operating effectiveness and integrate its telecommunications resources: The mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated network business.

As of December 31, 2014 and 2013, the carrying values of the tangible and intangible assets used by the Group were \$98,642,227 thousand and \$97,371,817 thousand, respectively. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2014 and 2013: Mobile telecommunications service business - 10.28% and 10.33%, respectively; telecommunications equipment business - 7.32% and 7.38%, respectively; integrated network business - 10.02% and 9.85%, WiFly business - 7.77% and 8.00%, respectively. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the projected advancement of the Group's own business.

The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

- a. Expected future growth rate of the telecommunications industry
 - 1) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, while the development trend of the market is taken into account.
 - 2) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenues of previous years, while the demands and changes of the market are taken into account.
 - 3) Business of selling cellular phone units: The anticipated selling cellular phone is based on the historical sales revenues and quantities of previous years, while the trend of the market is taken into account.
 - 4) WiFly business: The anticipated WiFly is based on present operating experience and the demand of WiFly, while the trend of the industry is taken into account.
 - 5) Integrated network business (INB): The anticipated INB is measured based on the actual effective customer base and service revenues of previous years, while the trend of the market is taken into account.
- b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenues, while the possible influence of each revenue, cost and expense are taken into account.

The Group's management believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2013, the Group had occurred an impairment loss of NT\$57,615 thousand, as shown by a comparison between the recoverable amounts and the carrying amounts of the Group's tangible and intangible assets using certain assumptions; this loss was included in other gains and losses. As of December 31, 2012, there was no indication of impairment loss.

20. CONCESSION AND INTANGIBLE ASSETS

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Carrying amounts</u>			
Concession	\$ 37,314,277	\$ 37,734,135	\$ 5,090,449
Other intangible assets			
Computer software	2,602,855	2,557,237	2,529,280
Others	1,169,584	1,626,885	1,289,718
	<u>3,772,439</u>	<u>4,184,122</u>	<u>3,818,998</u>
	<u>\$ 41,086,716</u>	<u>\$ 41,918,257</u>	<u>\$ 8,909,447</u>

	Concession	Computer Software	Others	Total
Balance at January 1, 2013	\$ 5,090,449	\$ 2,529,280	\$ 1,289,718	\$ 8,909,447
Acquisition of new subsidiary	-	38,607	4,313	42,920
Additions	33,756,959	729,461	803,194	35,289,614
Amortization	(1,112,741)	(756,343)	(475,686)	(2,344,770)
Disposals	(1,779)	(133)	-	(1,912)
Adjustments and reclassifications	1,247	15,151	(1,251)	15,147
Effect of exchange rate differences	-	1,214	6,597	7,811
Balance at December 31, 2013	<u>\$ 37,734,135</u>	<u>\$ 2,557,237</u>	<u>\$ 1,626,885</u>	<u>\$ 41,918,257</u>
Balance at January 1, 2014	\$ 37,734,135	\$ 2,557,237	\$ 1,626,885	\$ 41,918,257
Additions	1,018,143	759,396	150,467	1,928,006
Amortization	(1,436,675)	(794,831)	(610,921)	(2,842,427)
Disposals	(1,326)	(5,164)	(1,055)	(7,545)
Derecognition of subsidiaries due to control loss	-	(4,563)	-	(4,563)
Adjustments and reclassifications	-	87,898	1,251	89,149
Effect of exchange rate differences	-	2,882	2,957	5,839
Balance at December 31, 2014	<u>\$ 37,314,277</u>	<u>\$ 2,602,855</u>	<u>\$ 1,169,584</u>	<u>\$ 41,086,716</u>

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

Concession	17 years
Computer software	10 years
Others	16 years

An FENC subsidiary, Far EasTone, bid for a mobile broadband business concession on October 30, 2013, with a bidding price of \$31,315,000 thousand, included in intangible assets - concession. The National Communications Commission approved Far EasTone's business plan, and the Group later obtained letters of approval to start the execution of this plan. The plan was continuing and the letter of approval is effective until December 31, 2030.

21. SHORT-TERM BORROWINGS AND SHORT-TERM BILLS PAYABLE

a. Short-term borrowings

	December 31, 2014	December 31, 2013	January 1, 2013
Credit loans	\$ 23,365,794	\$ 24,372,853	\$ 24,362,749
Secured and pledged borrowings	283,036	200,000	846,419
Loans from related parties	<u>3,989,830</u>	<u>3,480,995</u>	<u>598,224</u>
	<u>\$ 27,638,660</u>	<u>\$ 28,053,848</u>	<u>\$ 25,807,392</u>

- 1) The interest rates for bank loans were 0.80% to 4.48%, 0.67% to 4.18% and 0.75% to 6.16% as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of December 31, 2014, December 31, 2013 and January 1, 2013.

b. Short-term bills payable

	December 31, 2014	December 31, 2013	January 1, 2013
Commercial paper	\$ 4,666,000	\$ 5,121,000	\$ 6,290,000
Less: Unamortized discount on bills payable	<u>3,468</u>	<u>3,306</u>	<u>3,260</u>
	<u>\$ 4,662,532</u>	<u>\$ 5,117,694</u>	<u>\$ 6,286,740</u>

The short-term bills payable outstanding were issued at interest rates of 0.80% to 1.40%, 0.79% to 1.37% and 0.83% to 2.34% as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

22. PROVISIONS

	December 31, 2014	December 31, 2013	January 1, 2013
Decommissioning obligations	\$ 870,515	\$ 799,760	\$ 733,552
Warranties	124,565	87,260	79,083
Onerous contracts	<u>8,340</u>	<u>12,171</u>	<u>2,581</u>
	<u>\$ 1,003,420</u>	<u>\$ 899,191</u>	<u>\$ 815,216</u>
Current	\$ 240,197	\$ 193,328	\$ 160,425
Non-current	<u>763,223</u>	<u>705,863</u>	<u>654,791</u>
	<u>\$ 1,003,420</u>	<u>\$ 899,191</u>	<u>\$ 815,216</u>

	Decommis- sioning Obligations	Warranties	Onerous Contracts	Total
Balance at January 1, 2013	\$ 733,552	\$ 79,083	\$ 2,581	\$ 815,216
Additional provisions recognized	76,560	58,833	9,590	144,983
Reductions	<u>(10,352)</u>	<u>(50,656)</u>	<u>-</u>	<u>(61,008)</u>
Balance at December 31, 2013	<u>\$ 799,760</u>	<u>\$ 87,260</u>	<u>\$ 12,171</u>	<u>\$ 899,191</u>
Balance at January 1, 2014	\$ 799,760	\$ 87,260	\$ 12,171	\$ 899,191
Additional provisions recognized	84,001	99,749	-	183,750
Reductions	<u>(13,246)</u>	<u>(62,444)</u>	<u>(3,831)</u>	<u>(79,521)</u>
Balance at December 31, 2014	<u>\$ 870,515</u>	<u>\$ 124,565</u>	<u>\$ 8,340</u>	<u>\$ 1,003,420</u>

23. LONG-TERM LIABILITIES

	December 31, 2014	December 31, 2013	January 1, 2013
Bank loans	\$ 64,785,517	\$ 43,722,573	\$ 33,243,911
Less: Current portion	<u>786,307</u>	<u>99,869</u>	<u>1,011,899</u>
	<u>\$ 63,999,210</u>	<u>\$ 43,622,704</u>	<u>\$ 32,232,012</u>
Nonconvertible bonds	\$ 74,144,000	\$ 74,499,000	\$ 44,780,000
Discount of nonconvertible bonds	<u>(90,393)</u>	<u>(114,386)</u>	<u>(74,300)</u>
	<u>74,053,607</u>	<u>74,384,614</u>	<u>44,705,700</u>
Less: Current portion	<u>13,341,588</u>	<u>8,745,827</u>	<u>2,979,679</u>
	<u>\$ 60,712,019</u>	<u>\$ 65,638,787</u>	<u>\$ 41,726,021</u>

Bank Loans

The foregoing loans are repayable through a lump sum payment on maturity in New Taiwan dollars, Japanese yen and U.S. dollars. The Company and its subsidiaries had been allowed to make loans within the credit line limit. The Company's loan as of December 31, 2014, December 31, 2013 and January 1, 2013 were due between February 2016 and March 2031, January 2015 and March 2031, and March 2014 and March 2031, respectively. Bank interest rates were 0.65% to 2.09%, 0.80% to 2.33% and 0.63% to 2.08% as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

On July 1, 2008, an FENC subsidiary, Sino Belgium (Holding) Ltd. (SINO), reached a medium-term syndicated loan agreement with banks led by Chinatrust Commercial Bank. The total loan agreement amounted to US\$5,000 thousand. Under this agreement, another subsidiary of the Company, Yuan Tong, served as the guarantor of SINO and thus committed to keep its current, liability, tangible asset-equity and interest cover within certain ranges. Yuan Tong was in compliance with these ratio requirements.

On March 22, 2011, an FENC subsidiary, FECC entered into a NT\$4,000,000 thousand credit agreement with Hua Nan Bank and other financial institutions. In order to secured the debt obligation, FECC pledged its land pertaining to the Zhong Ben and Zhong Ben (2) project (Ban Ciao - New Section No. 8) amounting to NT\$4,800,000 thousand as the first mortgage to the creditor banks. Other agreement terms were as follows:

	Credit Line	Maturity Period	Interest Rate	Repayment
a.	NT\$ 2,000,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.40% then over 0.946%	Revolving credit within the period and no repayment in the first five years; quarterly repayments of NT\$30,000 thousand quarterly from the sixth year and redemption of rest on maturity
b.	<u>2,000,000</u> <u>thousand</u>	5 years after use of the credit	Reference interest rate plus 0.433%	Revolving credit within the period; lump sum repayment on maturity
	<u>NT\$ 4,000,000</u> <u>thousand</u>			

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

On December 4, 2009, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), got a five-year syndicated loan of NT\$4,200,000 thousand from Mega International Commercial Bank and Chinatrust Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.2% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. As of December 31, 2014, OPTC was in compliance with the ratio requirement.

In 2003, an FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), got a five-year and seven-year syndicated loan in a total amount of NT\$1,100,000 thousand from Mega International Commercial Bank. OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of November of next year, fully repay the loan, or put the asset/liability ratio back within the required range. Otherwise, OPTC should pay fees monthly at 0.125% per day of the outstanding amounts during the period between the maturity date and the day before the asset/liability ratio has met the range requirement; the banks will assess OPTC's condition to determine the new deadline for the settlement of the principal and the interests. As of December 31, 2014, OPTC was in compliance with the ratio requirement.

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

The syndicated loan, which consisted of three different loans with different terms and lines of credit (A, B and C), was obtained to meet FETC's capital needs for operating and maintain the infrastructure for the electronic toll collection project ("ETC project"). FETC withdrew NT\$2,906,000 thousand from Loan A and NT\$3,294,000 thousand from Loan B. FETC provided a guarantee amounting to NT\$22,000 thousand from Loan C. Credit Line A has been partly drawn for the first time on May 10, 2012. Loan A is repayable quarterly in 26 equal installments from November 10, 2014 until February 2021. Credit Line B has been partly drawn for the first time on May 10, 2012. Credit line B will be paid quarterly in 26 installments from August 10, 2019, with maturity in November 2025.

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathay United Bank were accounted for under other financial assets - non-current (Note 36). The terms of loan A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathay United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral. As of December 31, 2014, the value of the operating assets as collateral was NT\$1,936,000 thousand.

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.

Bonds

FENC

On June 20, 2008, the Company issued five-year unsecured bonds (the second tranche). The bonds had an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. These bonds were repayable at the end of the third, fourth, and fifth years from the issuance date at 30%, 30% and 40%, respectively, of the total issued amounts, with 2.83% interest payable annually.

On July 18, 2008, the Company issued five-year unsecured bonds (the third tranche). The bonds had an aggregate face value of NT\$1,200,000 thousand, with each unit having a face value of NT\$1,000 thousand. These bonds were repayable at the end of the third, fourth, and fifth years from the issuance date at 30%, 30% and 40%, respectively, of the total issued amounts, with 2.95% interest payable annually.

On October 29, 2009, the Company issued unsecured bonds (the first tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the aggregate value at the end of the fourth and fifth years of bond issuance, and the simple interest of 1.85% is payable annually.

On May 27, 2010, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$5,500,000 thousand at a unit face value of NT\$1,000 thousand. The five-year 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, with a 1.68% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On September 16, 2010, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$6,000,000 thousand at a unit face value of NT\$1,000 thousand. These five-year 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, with a 1.59% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 27, 2011, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$3,800,000 thousand at a unit face value of NT\$1,000 thousand. The five-year 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, with a 1.50% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On September 29, 2011, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$2,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year 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, with a 1.55% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On February 15, 2012, the Company issued five-year unsecured bonds (the third tranche) amounting to NT\$6,000,000 thousand at a unit face value of NT\$1,000 thousand. These five-year 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, with a 1.36% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On June 7, 2012, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$3,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year 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, with a 1.35% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On November 26, 2012, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$4,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year 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, with a 1.3% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 16, 2013, the Company issued three-year unsecured bonds (the first tranche) amounting to (a) RMB500,000 thousand and (b) JPY5,000,000 thousand with unit face values of RMB1,000 thousand and JPY 10,000 thousand, respectively. These three-year bonds will be repaid in lump sum on maturity. The interest rate of (a) is 2.95% and that of (b) is defined as three month JPY LIBOR + 1.10%. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On August 28, 2013, the Company issued three-year and six-month unsecured bonds (second tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. These three-year and six-month bonds will be repaid in lump sum on maturity plus a 1.39% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 23, 2013, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,800,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds will be repaid in lump sum on maturity plus a 1.45% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On August 21, 2014, the Company issued the five-year unsecured bonds (the first tranche) amounting to NT\$3,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year 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, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 4, 2014, the Company issued the five-year unsecured bonds (second tranche) amounting to NT\$2,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year 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, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Yuan Ding Investment Co., Ltd. (YDI)

On July 19, 2010, YDI made its first issuance of unsecured bonds, with an aggregate value of NT\$2,000,000 thousand and par value of NT\$1,000 thousand. These five-year unsecured bonds are repayable at 30%, 30% and 40% of aggregate value at the end of the third, fourth and fifth years, respectively, of bond issuance, and the simple interest of 1.62% is payable annually.

On July 20, 2011, YDI made its first issuance of unsecured bonds, with an aggregate value of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. These five-year unsecured bonds are repayable at 30%, 30% and 40% of the aggregate value at the end of the third, fourth and fifth years, respectively, of bond issuance, and the simple interest of 1.5% is payable annually.

On December 15, 2011, YDI issued five-year unsecured/nonconvertible bonds (the second tranche). The bonds, which are repayable annually, have aggregate values of NT\$2,000,000 thousand and a par value of NT\$1,000 thousand. These bonds are repayable at 50% of aggregate value for each end of the fourth and fifth years, respectively, and the simple interest of 1.45% is payable annually.

On August 6, 2012, YDI issued three-year and five-year unsecured/nonconvertible bonds, with a total amount of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. The three-year bonds have an aggregate amount of NT\$1,900,000 thousand and are fully repayable on maturity, with 1.25% annual interest rate. The five-year bonds have an aggregate amount of NT\$1,100,000 thousand and 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, with a 1.40% annual interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On November 25, 2013, YDI made its first issuance of unsecured nonconvertible bonds, with an aggregate value of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. These three-year bonds will be repaid in lump sum on maturity plus 1.35% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On May 26, 2014, YDI made its first issuance of unsecured nonconvertible bonds, with an aggregate value of NT\$3,000,000 thousand and a par value of NT\$1,000 thousand. These bonds are repayable at 50% of aggregate value for each end of the fourth and fifth years, respectively, and the simple interest of 1.45% is payable annually.

Far EasTone

On June 27, 2013, Far EasTone issued the fourth seven-year unsecured domestic bonds with an aggregate principal amount of \$5,000,000 thousand and a par value of \$10,000 thousand and the coupon interest rate of 1.33%, with simple interest due annually. Repayment will be made in the fifth and seventh years with equal installment.

On October 15, 2013, Far EasTone issued the fifth unsecured domestic bonds with an aggregate principal amount of \$5,000,000 thousand and a par value of \$10,000 thousand. The bonds included four-year bonds and five-year bonds, with the principle amount of \$1,000,000 thousand and \$4,000,000 thousand, having a coupon interest rate of 1.46% and 1.58%, with simple interest due annually, respectively. Repayment will be made in the fourth and fifth years with full amount.

On December 24, 2013, Far EasTone issued the sixth unsecured domestic bonds, with an aggregate principal amount of \$10,000,000 thousand and a par value of \$10,000 thousand. The bonds included three-year bonds, four-year bonds and six-year bonds, with the principal amounts of \$1,600,000 thousand and \$5,200,000 thousand and \$3,200,000 thousand, respectively, and coupon interest rates of 1.17%, 1.27% and 1.58%, with simple interest due annually. Full repayment will be made in the third, fourth and sixth years.

24. 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 non-current depending on the operating cycle. Amounts expected to be received or paid within one year or less were as follows:

	December 31, 2014		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 126,283	\$ 174,481	\$ 300,764
Inventories - construction and real estate	2,454,578	700,887	3,155,465
Amounts due from customers for construction contracts	1,195,314	1,091,597	2,286,911
Other financial assets - current	315,863	1,276,691	1,592,554
Refundable deposits - current	531	7,068	7,599
<u>Liabilities</u>			
Notes and accounts payable	1,461,336	356,256	1,817,592
Notes and accounts payable to affiliates	193,195	-	193,195
Amounts due to customers for construction contracts	3,737	106,857	110,594
Provisions - current	-	53,445	53,445
	December 31, 2013		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 372,776	\$ 47,805	\$ 420,581
Inventories - construction and real estate	1,898,366	700,887	2,599,253
Amounts due from customers for construction contracts	1,335,519	138,267	1,473,786
Other financial assets - current	615,257	1,391,892	2,007,149
Refundable deposits - current	52,981	6,201	59,182

(Continued)

	December 31, 2013		
	Within One Year	Over One Year	Total
<u>Liabilities</u>			
Notes and accounts payable	\$ 539,091	\$ 531,673	\$ 1,070,764
Notes and accounts payable to affiliates	152,166	-	152,166
Amounts due to customers for construction contracts	100,040	312,458	412,498
Provisions - current	-	56,419	56,419
			(Concluded)

	January 1, 2013		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 294,661	\$ 20,520	\$ 315,181
Inventories - construction and real estate	1,537,894	684,361	2,222,255
Amounts due from customers for construction contracts	1,540,771	10,915	1,551,686
Other financial assets - current	561,703	490,337	1,052,040
Refundable deposits - current	4,096	3,358	7,454

<u>Liabilities</u>			
Notes and accounts payable	1,505,239	105,338	1,610,577
Notes and accounts payable to affiliates	176,204	-	176,204
Advances on land and buildings	14,037	-	14,037
Amounts due to customers for construction contracts	12,515	148,264	160,779
Provisions - current	-	57,642	57,642

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the rate of monthly contributions by the Group to the employees' individual pension fund accounts is at 6% of monthly wages and salaries. The subsidiaries in mainland China and other areas also make monthly contributions at certain percentages of the basic salary to retirement benefit plans. Thus, the Group recognized expenses of NT\$759,098 thousand and NT\$743,326 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2014 and 2013, respectively.

b. Defined benefit plans

The Company and its subsidiaries established in Republic of China have defined benefit plans under the Labor Standards Law, which provide benefits based on an employee's length of service and average monthly salary for the six months before retirement. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on December 31, 2013. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. For the years ended December 31, 2014 and 2013, the Group recognized employee benefit expenses of NT\$(13,979) thousand and NT\$5,060 thousand, respectively, based on the actuarial pension cost rate as of December 31, 2014 and 2013, respectively.

Actuarial assumptions were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Discount rate used in determining present value	1.50%-2.50%	1.75%-2.25%	1.25%-1.75%
Expected rate of return on plan assets	1.25%-6.00%	1.25%-6.00%	1.75%-6.00%
Rate of future salary increase	1.50%-5.00%	1.50%-3.00%	1.50%-4.00%

The pension expenses for defined benefit plans recognized in profit or loss were included in:

	For the Year Ended December 31	
	2014	2013
Current service cost	\$ 118,266	\$ 147,908
Interest cost	172,804	145,597
Expected return on plan assets	(277,389)	(281,040)
Past service cost	(23,755)	(23,755)
Losses arising from curtailment or settlement	840	-
Retirement benefit cost	<u>-</u>	<u>22,292</u>
	<u>\$ (9,234)</u>	<u>\$ 11,002</u>

Note: Pension costs capitalized to fixed assets were NT\$4,745 thousand in 2014 and NT\$5,942 thousand in 2013.

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 were NT\$(264,365) thousand and NT\$108,100 thousand, respectively. The cumulative amounts of actuarial losses recognized in other comprehensive income as of December 31, 2014 and 2013 were NT\$(673,399) thousand and NT\$(409,034) thousand, respectively.

The amounts included in the consolidated balance sheet arising from the Group's obligation on its defined benefit plans were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Present value of funded defined benefit obligation	\$ 8,401,106	\$ 8,188,485	\$ 8,619,246
Fair value of plan assets	<u>(5,815,659)</u>	<u>(5,656,632)</u>	<u>(5,500,694)</u>
Deficit	2,585,447	2,531,853	3,118,552
Past service cost not yet recognized	186,721	210,474	234,231
Restriction on asset recognized	-	4,767	5,293
Recognized in prepaid pension cost	<u>52,800</u>	<u>45,211</u>	<u>45,108</u>
Accrued pension costs (Note)	<u>\$ 2,824,968</u>	<u>\$ 2,792,305</u>	<u>\$ 3,403,184</u>

Note: Yuan Cing Infocomm Tech Co. (YCIC) conducted a tender offer to acquire the common shares of New Century InfoComm Tech Co., Ltd. (NCIC); therefore, the accrued pension costs of NT\$10,529 thousand each as of December 31, 2014 and 2013 have been written off in the consolidated financial statements.

Movements of the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	\$ 8,188,485	\$ 8,619,246
Current service cost	118,266	147,908
Interest cost	172,804	145,597
Actuarial (losses) gains	190,050	(263,408)
Benefits paid	(268,499)	(483,150)
Retirement benefit cost	<u>-</u>	<u>22,292</u>
Closing defined benefit obligation	<u>\$ 8,401,106</u>	<u>\$ 8,188,485</u>

Movements of the fair value of the plan assets were as follows:

	Years Ended December 31	
	2014	2013
Opening fair value of plan assets	\$ 5,656,632	\$ 5,500,694
Expected return on plan assets	277,389	281,040
Actuarial losses/(gains)	(133,056)	(135,258)
Contributions from the employer	282,626	475,712
Assets distributed on settlements	(840)	-
Benefits paid	<u>(267,092)</u>	<u>(465,556)</u>
Closing fair value of plan assets	<u>\$ 5,815,659</u>	<u>\$ 5,656,632</u>

The following major categories of plan assets at the end of the reporting period for each category were disclosed on the basis of the information announced by the Labor Pension Fund Supervisory Committee:

	December 31, 2014	December 31, 2013	January 1, 2013
Equity instruments	72.39	69.65	67.27
Deposit in other financial institutions	4.56	6.82	9.87
Pension account in the Bank of Taiwan	<u>23.05</u>	<u>23.53</u>	<u>22.86</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

The Group chose to disclose the history of experience adjustments for each accounting period prospectively from the date of transition to IFRSs:

	December 31, 2014	December 31, 2013	January 1, 2013	January 1, 2012
Present value of defined benefit obligation	\$ 8,401,106	\$ 8,188,485	\$ 8,619,246	\$ 7,789,329
Fair value of plan assets	\$ 5,815,659	\$ 5,656,632	\$ 5,500,694	\$ 5,075,216
Deficit	\$ 2,585,447	\$ 2,531,853	\$ 3,118,552	\$ 2,714,113
Experience adjustments on plan liabilities	\$ 154,752	\$ 101,043	\$ 264,508	\$ -
Experience adjustments on plan assets	\$ 142,596	\$ (135,258)	\$ (139,835)	\$ -

26. EQUITY

a. Share capital

Common shares

	December 31, 2014	December 31, 2013	January 1, 2013
Numbers of shares authorized (in thousands)	6,000,000	6,000,000	6,000,000
Amount of shares authorized	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000
Number of shares issued and fully paid (in thousands)	5,247,917	5,145,017	5,044,134
Shares issued	\$ 52,479,168	\$ 51,450,165	\$ 50,441,338

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

b. Capital surplus

	December 31, 2014	December 31, 2013	January 1, 2013
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Share issuance in excess of par value	\$ -	\$ 932,814	\$ 932,814
Difference between consideration and carrying amounts arising from disposal/acquisition subsidiaries	3,636,824	3,733,305	3,793,930
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	4,183	4,680	8,417
Treasury stock transaction	10,813	9,839	8,884

(Continued)

	December 31, 2014	December 31, 2013	January 1, 2013
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	\$ 15,128	\$ 404	\$ -
	<u>\$ 3,666,948</u>	<u>\$ 4,681,042</u>	<u>\$ 4,744,045</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or may be transferred to share capital once a year within a certain percentage of Far EasTone's capital surplus.
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, with these changes treated as equity transactions instead of actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, net income should be used to pay its business income tax and offset deficits. From any remaining net income will be appropriated 10% as legal reserve and a special reserve as required by government regulations. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the following appropriations:

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

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

The estimates of the bonuses to employees were NT\$270,860 thousand and NT\$287,678 thousand for the years ended December 31, 2014 and 2013, respectively, and those of the remunerations to directors and supervisors were NT\$203,145 thousand and NT\$215,759 thousand for the years ended December 31, 2014 and 2013, respectively. The bonus to employees and the remuneration are based on the Company's Article of Incorporation. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. The management of the Company approved the distribution of the employees' bonus in cash for the years ended December 31, 2014 and 2013. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the stockholders' meeting.

The Group appropriated and reversed special reserve in accordance with Rule No. 1010012865 issued by the FSC and the directive entitled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs.” Distributions can be made out of any subsequent reversal of the debit to other equity items. The Group also appropriated and reversed special reserve in accordance with Rule No. 1030006415 issued by the FSC.

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

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

The appropriations from the 2013 and 2012 earnings were approved in the stockholders’ meetings on June 26, 2014 and June 25, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2013	For Year 2012	For Year 2013	For Year 2012
Legal reserve	\$ 720,708	\$ 866,789		
Cash dividends	6,688,522	6,557,374	\$ 1.3	\$ 1.3
Stock dividends	<u>-</u>	<u>1,008,827</u>	-	0.2
	<u>\$ 7,409,230</u>	<u>\$ 8,432,990</u>		

In order to refine company’s financial and capital structures, the Company’s board of directors resolved to issue share dividends from capital surplus of NT\$1,029,003 thousand of par value at NT\$0.2 in the stockholders’ meetings on June 26, 2014.

The bonus to employees and the remuneration to directors and supervisors for 2013 and 2012, which were approved in the stockholders’ meetings on June 26, 2014 and June 25, 2013, respectively, were as follows:

	For the Year Ended 2013		For the Year Ended 2012	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
Bonus to employees	\$ 287,678	\$ -	\$ 325,428	\$ -
Remuneration of directors and supervisors	215,759	-	244,071	-

The appropriations of earnings for 2012 were proposed according to the Company’s financial statements for the years ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China (“ROC GAAP”), and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards.

	For the Year Ended December 31			
	2013		2012	
	Bonus to Employee Bonus	Remuneration to Directors and Supervisors	Bonus to Employee Bonus	Remuneration to Directors and Supervisors
Amounts approved in stockholders' meetings	\$ 287,678	\$ 215,759	\$ 325,428	\$ 244,071
Amounts recognized in respective financial statements	<u>287,678</u>	<u>215,759</u>	<u>325,428</u>	<u>244,071</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The approved amounts of the bonus to employees and the remuneration to directors and supervisors were the same as the accrual amounts reflected in the financial statements for the years ended December 31, 2014 and 2013. The total bonus to employees was paid in cash.

The appropriations and distribution of the 2013 earnings had been proposed by the board of directors on March 19, 2014. The appropriations and dividends per share were as follows:

	Appropriation and Distribution	Dividends Per Share (NT\$)
Legal reserve	\$ 1,103,342	
Special reserve	4,348,583	
Cash dividends	6,297,500	\$1.2

In order to refine company's financial and capital structures the Company's board of directors resolved to issue share dividends from capital surplus of NT\$1,049,583 thousand of par value at NT\$0.2 in the board of director's meeting on March 19, 2014.

The proposed amount of the appropriation of the 2014 earnings, including the distribution of the bonus to employees and the remuneration to directors and supervisors, will be presented to the stockholders for their approval in their meeting on June 26, 2015.

Information on the bonus of employees approved at stockholders' meetings can be accessed online through the Market Observation Post System on the Web site of the Taiwan Stock Exchange Corporation (<http://emops.tse.com.tw>).

d. Special reserves appropriated following the first-time adoption of IFRSs

The Company's special reserves appropriated following the first-time adoption of IFRSs were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Special reserve	<u>\$ 22,275,153</u>	<u>\$ 22,275,153</u>	<u>\$ 22,287,929</u>

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

	For the Year Ended December 31, 2013
Balance at January 1, 2013	\$ 22,287,929
Reversed on elimination of the original need to appropriate a special reserve	
Disposal of associates	<u>(12,776)</u>
Balance at December 31, 2013	<u>\$ 22,275,153</u>

On the initial application of fair value model to investment properties, Far EasTone 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

e. Other equity items

The changes in other equity items were as follows:

	Exchange Differences on Translating Operations	Unrealized Gain on Financial Instruments	Cash Flow Hedges	Unrealized Revaluation Surplus	Total
Balance at January 1, 2013	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$	\$ 2,430,425
Effect of the retrospective application of an accounting change and financial statement restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2013 as restated	(2,534,967)	5,038,679	(73,287)	-	2,430,425
Exchange differences on translating operations	2,140,230	-	-	-	2,140,230
Unrealized gain on available-for-sale financial assets	-	530,902	-	-	530,902
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(50,509)	-	(50,509)
Revaluation losses	-	-	-	7,794	7,794
Share of the other comprehensive income of associates	<u>685,933</u>	<u>(1,096,849)</u>	<u>5,433</u>	<u>367</u>	<u>(405,116)</u>
Balance at December 31, 2013	<u>\$ 291,196</u>	<u>\$ 4,472,732</u>	<u>\$ (118,363)</u>	<u>\$ 8,161</u>	<u>\$ 4,653,726</u>

(Continued)

	Exchange Differences on Translating Operations	Unrealized Gain on Financial Instruments	Cash Flow Hedges	Unrealized Revaluation Surplus	Total
Balance at January 1, 2014	\$ 291,196	\$ 4,472,732	\$ (118,363)	\$ 8,161	\$ 4,653,726
Exchange differences on translating operations	1,587,070	-	-	-	1,587,070
Unrealized gain on available-for-sale financial assets	-	(555,439)	-	-	(555,439)
Losses on hedging instruments in cash flow hedges arising from fair value changes	-	-	(54,885)	-	(54,885)
Share of the other comprehensive income of associates	<u>993,594</u>	<u>(287,641)</u>	<u>197</u>	<u>504,446</u>	<u>1,210,596</u>
Balance at December 31, 2014	<u>\$ 2,871,860</u>	<u>\$ 3,629,652</u>	<u>\$ (173,051)</u>	<u>\$ 512,607</u>	<u>\$ 6,841,068</u> (Concluded)

f. Non-controlling interests

	For the Year Ended December 31	
	2014	2013
Beginning balance	\$ 66,133,950	\$ 61,243,995
Impact on the first-time application of the fair value model to investment properties	<u>-</u>	<u>2,634,739</u>
Adjusted beginning balance	66,133,950	63,878,734
Attributable to non-controlling interests:		
Share of profit for the year	6,154,881	7,726,215
Cash dividends distributed by subsidiaries	(7,960,785)	(7,716,375)
Exchange differences arising on translation of foreign entities	571,964	344,056
Loss on hedging instruments in cash flow hedges arising from fair value changes	(100,060)	(81,967)
Unrealized gains on available-for-sale financial assets	20,206	(33,977)
Revaluation gains	-	1,515
Actuarial gains (loss) on defined benefit plan	47,734	22,987
Non-controlling interests arising from the issue of new shares of subsidiaries	820,589	2,186,778
Non-controlling decreases arising from the disposal of subsidiaries	(1,769,648)	-
Acquisition of partial non-controlling interests in subsidiaries	56,063	69,264
Net change in net assets from investments in associates	(158,419)	(263,322)
Disposal of investment in associates	<u>1,850</u>	<u>42</u>
Ending balance	<u>\$ 63,818,325</u>	<u>\$ 66,133,950</u>

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2014</u>			
Yuan Ding	764	<u>\$ 25,063</u>	<u>\$ 23,992</u>
<u>December 31, 2013</u>			
Yuan Ding	749	<u>\$ 25,063</u>	<u>\$ 25,769</u>
<u>January 1, 2013</u>			
Yuan Ding	734	<u>\$ 25,063</u>	<u>\$ 24,309</u>

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

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

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2014	2013
Basic earnings per share		
Basic earnings per share	<u>\$ 2.25</u>	<u>\$ 2.69</u>
Diluted earnings per share		
Diluted earnings per share	<u>\$ 2.24</u>	<u>\$ 2.69</u>

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

Net Profit for the Period

	<u>For the Year Ended December 31</u>	
	2014	2013
Profit for the period attributable to owners of the Company	<u>\$ 11,033,421</u>	<u>\$ 13,215,754</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares	
	For the Year Ended December 31	
	2014	2013
Weighted average number of common shares used in the computation of basic earnings per share	4,906,317	4,904,448
Effect of dilutive potential common shares:		
Bonus issue to employee	<u>11,999</u>	<u>14,230</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>4,918,316</u>	<u>4,918,678</u>

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

If the Company decides to settle the employee bonus in cash or stock, it should presume that the entire amount of the bonus would be settled in shares, and if the resulting potential shares would have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of the diluted EPS.

The Company calculated basic EPS with the weighted average number of outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2014 and 2013, the Company's EPS were NT\$2.1 and NT\$2.52, respectively.

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

Capitalized interests on properties were NT\$213,198 thousand and NT\$115,810 thousand for the years ended December 31, 2014 and 2013, respectively, and the capitalization rates were from 1.07% to 1.71% and from 0.003% to 1.9177% for the years ended December 31, 2014 and 2013, respectively.

b. Depreciation and amortization

	For the Year Ended December 31	
	2014	2013
Property, plant and equipment	\$ 13,821,978	\$ 14,083,284
Intangible assets	2,842,427	2,344,770
Long-term prepayments for lease	<u>243,605</u>	<u>95,499</u>
	<u>\$ 16,908,010</u>	<u>\$ 16,523,553</u>
An analysis of deprecation by function		
Operating costs	\$ 12,145,992	\$ 12,823,374
Operating expenses	1,579,652	1,210,775
Other expense	<u>96,424</u>	<u>49,135</u>
	<u>\$ 13,821,978</u>	<u>\$ 14,083,284</u>

(Continued)

	For the Year Ended December 31	
	2014	2013
An analysis of amortization by function		
Operating costs	\$ 2,027,198	\$ 1,648,886
Operating expenses	<u>1,058,834</u>	<u>791,383</u>
	<u>\$ 3,086,032</u>	<u>\$ 2,440,269</u>
		(Concluded)

c. Employee benefits expense

	For the Year Ended December 31	
	2014	2013
Post-employment benefits		
Defined contribution plans	\$ 759,098	\$ 743,326
Defined benefit plans	(13,979)	5,060
Other employee benefits	<u>17,700,864</u>	<u>16,507,508</u>
Total employee benefit expense	<u>\$ 18,445,983</u>	<u>\$ 17,255,894</u>
Analysis of employee benefit expense by function		
Operating costs	\$ 8,736,603	\$ 7,984,265
Operating expenses	<u>9,709,380</u>	<u>9,271,629</u>
	<u>\$ 18,445,983</u>	<u>\$ 17,255,894</u>

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2014	2013
Current tax		
In respect of the current year	\$ 2,554,211	\$ 3,017,804
In respect of prior periods	<u>(53,861)</u>	<u>17,337</u>
	<u>2,500,350</u>	<u>3,035,141</u>
Deferred tax	<u>1,909,407</u>	<u>(99,795)</u>
Income tax expense recognized in profit or loss	<u>\$ 4,409,757</u>	<u>\$ 2,935,346</u>

A reconciliation of accounting profit and current income tax expenses is as follows:

	For the Year Ended December 31	
	2014	2013
Profit before tax from continuing operations	<u>\$ 21,598,059</u>	<u>\$ 23,877,315</u>
		(Continued)

	For the Year Ended December 31	
	2014	2013
Income tax expense at the 17% statutory rate	\$ 3,671,670	\$ 4,059,144
Tax effect of adjusting items	(1,486,826)	(1,614,372)
Additional income tax under the Alternative Minimum Tax Act	-	9,972
Additional income tax on unappropriated earnings	4,565	6,673
Adjustment for prior year's tax	(53,861)	17,337
Effect of different tax rate of group entities operating in other jurisdictions	<u>364,802</u>	<u>556,387</u>
Current income tax expense	2,500,350	3,035,141
Deferred income tax expense	<u>1,909,407</u>	<u>(99,795)</u>
Income tax expense recognized in profit or loss	<u>\$ 4,409,757</u>	<u>\$ 2,935,346</u> (Concluded)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2014	2013
<u>Deferred tax</u>		
Current year		
Actuarial gains on defined benefit plan	\$ 53,973	\$ (20,574)
Revaluation of interest	<u>-</u>	<u>(1,263)</u>
Income tax recognized in other comprehensive income	<u>\$ 53,973</u>	<u>\$ (21,837)</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax assets</u>				
Investment credits	\$ 384	\$ (384)	\$ -	\$ -
Allowance for doubtful accounts	292,007	81,670	-	373,677
Inventory write-off	70,237	41,053	-	111,290
Loss carryforwards	1,222,526	(210,655)	-	1,011,871
Defined benefit obligation	304,698	(66,307)	53,973	292,364
Impairment loss	234,220	23,292	-	257,512
Others	<u>688,500</u>	<u>2,443</u>	<u>-</u>	<u>690,943</u>
	<u>\$ 2,812,572</u>	<u>\$ (128,888)</u>	<u>\$ 53,973</u>	<u>\$ 2,737,657</u> (Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Share of profit of associates	\$ 693,770	\$ (52,334)	\$ -	\$ 641,436
Amortization of goodwill	1,075,762	134,470	-	1,210,232
Provision of land value incremental tax	11,129,817	1,462,965	-	12,592,782
Investment properties	406,300	115,406	-	521,706
Others	<u>24,279</u>	<u>120,012</u>	<u>-</u>	<u>144,291</u>
	<u>\$ 13,329,928</u>	<u>\$ 1,780,519</u>	<u>\$ -</u>	<u>\$ 15,110,447</u> (Concluded)

For the year ended December 31, 2013

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Closing Balance
<u>Deferred tax assets</u>				
Investment credits	\$ 13,817	\$ (13,433)	\$ -	\$ 384
Allowance for doubtful accounts	91,745	200,262	-	292,007
Inventory write-off	31,257	38,980	-	70,237
Loss carryforwards	887,534	334,992	-	1,222,526
Defined benefit obligation	235,770	89,502	(20,574)	304,698
Impairment loss	437,836	(203,616)	-	234,220
Others	<u>136,370</u>	<u>552,130</u>	<u>-</u>	<u>688,500</u>
	<u>\$ 1,834,329</u>	<u>\$ 998,817</u>	<u>\$ (20,574)</u>	<u>\$ 2,812,572</u>

Deferred tax liabilities

Share of profit of associates	\$ 661,547	\$ 32,223	\$ -	\$ 693,770
Amortization of goodwill	941,292	134,470	-	1,075,762
Provision of land value incremental tax	10,452,275	677,167	375	11,129,817
Investment properties	370,714	34,698	888	406,300
Others	<u>3,815</u>	<u>20,464</u>	<u>-</u>	<u>24,279</u>
	<u>\$ 12,429,643</u>	<u>\$ 899,022</u>	<u>\$ 1,263</u>	<u>\$ 13,329,928</u>

d. Items for which no deferred tax assets have been recognized

	December 31, 2014	December 31, 2013	January 1, 2013
Loss carryforwards	<u>\$ 16,567,175</u>	<u>\$ 16,304,551</u>	<u>\$ 16,483,725</u>
Expiry year	2016-2024	2014-2023	2013-2022
Investment credits			
Purchase of machinery and equipment	\$ -	\$ 330	\$ 823
Research and development	-	-	28,617
Personnel training expenditures	-	-	1,156
Initial share option	22,695	31,107	61,211
Purchase of operating equipment and technology	<u>-</u>	<u>-</u>	<u>99</u>
	<u>\$ 22,695</u>	<u>\$ 31,437</u>	<u>\$ 91,906</u>
Deductible temporary differences	<u>\$ 8,295,553</u>	<u>\$ 6,725,832</u>	<u>\$ 10,331,694</u>

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2014 comprised:

Unused Amount	Expiry Year
<u>\$ 21,407,790</u>	2016-2024

f. Information about unused investment credits, unused loss carry-forward and tax-exemption

As of December 31, 2014, investment tax credits comprised of:

Yuan Tong

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Initial share option	<u>\$ 22,695</u>	2015

g. Integrated income tax

	December 31, 2014	December 31, 2013	January 1, 2013
Unappropriated earnings			
Generated before January 1, 1998	<u>\$ -</u>	<u>\$ 191,505</u>	<u>\$ 191,505</u>
Balance of imputation credits accounts (ICA)	<u>\$ 922,151</u>	<u>\$ 549,339</u>	<u>\$ 259,904</u>

		For the Year Ended December 31	
		2014	2013
		(Expected)	(Actual)
	Creditable ratio for distribution of earning	5.36%	13.90%
h. Income tax assessments			
			Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared
	Far Eastern New Century Corporation		2008
	Far Eastern Resources Development Co.		2008
	Far Eastern Fibertech Co., Ltd.		2011
	Oriental Petrochemical (Taiwan) Co., Ltd.		2012
	Yuan Tong Investment Co., Ltd.		2011
	Ding Ding Integrated Marketing Service Co., Ltd.		2012
	Ding Ding Hotel Co., Ltd.		2012
	Fu Kwok Garment Manufacturing Co., Ltd.		2012
	Far Eastern Apparel Co., Ltd.		2012
	Yuan Cheng Human Resources Consultant Corp.		2012
	Yuan Ding Investment Co., Ltd.		2011
	Oriental Resources Development Ltd.		2012
	Yuan Faun Co., Ltd.		2012
	Kai Yuan International Investment Co., Ltd.		2012
	Ding Yuan International Investment Co., Ltd.		2012
	An Ho Garment Co., Ltd.		2012
	Far Eastern Electronic Toll Collection Co., Ltd.		2012
	Far Eastern Textile Co., Ltd.		2012
	Far Eastern Construction Co., Ltd.		2012
	Far Eastern General Contractor Inc.		2012
	Yuan Ding Co., Ltd.		2012
	FET Consulting Engineers Co., Ltd.		2012
	Far Eastern Technical Consultants Co., Ltd.		2012
	Far Eastern Electronic Commerce Co., Ltd.		2012
	YDT Technology International Co., Ltd.		2012
	Far EasTone Telecommunications Co., Ltd.		2012
	New Century InfoComm Tech Co., Ltd.		2012
	Arcoa Communication Co., Ltd.		2011
	Simple InfoComm Co., Ltd.		2012
	Q-Ware Communication Corp.		2012
	Information Security Service Digital United Co., Ltd.		2012
	Linkwell Tech. Co., Ltd.		2012
	Data Express Infotech Co., Ltd.		2012
	Yuan Cing Co., Ltd.		2012
	O-music Co., Ltd.		2012
	New Diligent Co., Ltd.		2012
	KGEx.com Co., Ltd.		2012
	Jing Yuan Technology Co., Ltd.		2012
	Home Master Technology Co., Ltd.		2012

Far EasTone

Income tax returns through 2012, except for 2009, of Far EasTone had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2010 and 2012 returns and applied for a reexamination. Nevertheless, Far EasTone accrued the related tax.

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

Income tax returns through 2010 (except for 2009) of KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) had been assessed by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2004 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

NCIC

NCIC disagreed with the tax authorities' assessment of its 2009 return and thus applied for reexamination. Nevertheless, NCIC accrued the related tax.

OPTC

The tax authorities completed the review of and cleared the 2003 income tax return of Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC) in February 2006. In addition, the assessment of the 2002 tax return showed that OPTC should pay an extra NT\$6,556 thousand. OPTC disagreed with the tax authorities' assessment and thus filed an appeal for reexamination. As of December 31, 2014, the Supreme Administrative Court (SAC) had ruled in favor of OPTC.

On OPTC's 2004 tax return, the tax authorities assessed in March 2007 that OPTC should increase its tax payable by NT\$268,485 thousand and decrease its investment tax credits by NT\$3,076 thousand. OPTC disagreed with the tax authorities' assessment and filed for reexamination. As of December 31, 2014, the SAC had ruled that OPTC should increase its tax payable to include an incurred interest of NT\$12,663 thousand; OPTC accrued the related tax expense.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Year ended December 31, 2014

	KGEx.com	Far EasTone	FEEC	Far Eastern New Century Information Technology (Beijing) Limited	Hiiiir
Cash consideration received (paid)	\$ (127)	\$ (91,266)	\$ (192,101)	\$ (118,264)	\$ 20,000
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from non-controlling interests	<u>125</u>	<u>29,686</u>	<u>187,428</u>	<u>115,569</u>	<u>(19,045)</u>
Difference arising from equity transaction	<u>\$ (2)</u>	<u>\$ (61,580)</u>	<u>\$ (4,673)</u>	<u>\$ (2,695)</u>	<u>\$ 955</u>

(Continued)

	KGEx.com	Far EasTone	FEEC	Far Eastern New Century Information Technology (Beijing) Limited	Hiiir
Line items adjusted for equity transaction					
Capital surplus - difference between acquisition price and carrying amount from equity transaction	\$ (2)	\$ (61,580)	\$ (1,040)	\$ (2,695)	\$ 955
Unappropriated earnings	\$ -	\$ -	\$ (3,633)	\$ -	\$ - (Concluded)

Year ended December 31, 2013

	Hiiir	PET Far Eastern (Holding) Ltd.	ARCOA	Yuan Hsin Digital Payment Co., Ltd.	Sino Belgium (Holding) Ltd.
Cash consideration received (paid)	\$ (457,260)	\$ -	\$ (10,767)	\$ (780,120)	\$ (317,650)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from non-controlling interests	<u>456,198</u>	<u>(35)</u>	<u>10,475</u>	<u>780,685</u>	<u>294,948</u>
Difference arising from equity transaction	\$ (1,062)	\$ (35)	\$ (292)	\$ 565	\$ (22,702)
Line items adjusted for equity transaction					
Capital surplus - difference between acquisition price and carrying amount from equity transaction	\$ (1,062)	\$ -	\$ (292)	\$ 565	\$ -
Unappropriated earnings	\$ -	\$ (35)	\$ -	\$ -	\$ (22,702)

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

			Equity Interests with Voting Rights/ Acquisition Percentage (%)	Consideration Transferred
	Principal Activity	Date of Acquisition		
Hiiir	Electronic information providing services	August 29, 2013	76.00%	<u>\$ 45,600</u>

The Group acquired Hiiir to expedite the development of multimedia services, mobile advertising and mobile commerce business.

b. Considerations transferred

	Hiiir
Cash	<u>\$ 45,600</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	Hiiir
Current assets	\$ 35,474
Non-current assets	46,851
Current liabilities	(15,385)
Non-current liabilities	<u>(9,711)</u>
	<u>\$ 57,229</u>

d. Non-controlling interests

The non-controlling interest of Hiiir recognized amounted to NT\$14,400 thousand and was measured at the fair value of the related agreements price at the acquisition date.

e. Goodwill recognized from acquisition

	Hiiir
Consideration transferred	\$ 45,600
Add: Non-controlling interests	14,400
Less: Fair value of identifiable net assets acquired	<u>(57,229)</u>
Goodwill recognized from acquisition	<u>\$ 2,771</u>

The goodwill recognized from the acquisition of Hiiir is the value given to the business of Hiiir premium. The consideration paid for the combination included amounts in relation to the expected benefits from the combination synergies, future market development and the assembled workforce of Hiiir. These benefits are not recognized separately because they do not meet the recognition criteria of identifiable intangible assets.

- f. Net cash outflow on the acquisition of a subsidiary

	Year Ended December 31, 2014
Consideration paid in cash	\$ 45,600
Less: Cash and cash equivalent balances acquired	<u>(2,842)</u>
	<u>\$ 42,758</u>

- g. Impact of acquisition on the results of the Group

The following operating results of the acquire since the acquisition date were included in the consolidated statements of comprehensive income:

	August 29, 2013 to December 31, 2014
Revenue	
Hiiir	<u>\$ 54,648</u>
Profit	
Hiiir	<u>\$ (19,436)</u>

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from Hiiirs would have been NT\$107,370 thousand, and the profit would have been NT\$(18,318) thousand for the year ended December 31, 2013. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2013, nor is it intended to be a projection of future results.

32. OPERATING LEASE ARRANGEMENTS

- a. The Group as lessee

Operating leases were main related to leases of building, cell sites and office space.

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

	December 31, 2014	December 31, 2013	January 1, 2013
Up to 1 year	\$ 3,493,052	\$ 3,371,104	\$ 3,078,392
More than 1 year up to 5 years	6,181,599	6,139,956	5,834,516
Later than 5 years	<u>1,326,541</u>	<u>1,376,178</u>	<u>1,509,708</u>
	<u>\$ 11,001,192</u>	<u>\$ 10,887,238</u>	<u>\$ 10,422,616</u>

b. The Group as lessor

The operating lease were main related to lease of investment properties owned by the Group. The future minimum lease payments for noncancellable operating lease commitments were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Up to 1 year	\$ 797,771	\$ 747,321	\$ 901,868
More than 1 year up to 5 years	2,544,406	2,308,572	3,217,483
Later than 5 years	<u>1,912,682</u>	<u>1,956,304</u>	<u>2,412,306</u>
	<u>\$ 5,254,859</u>	<u>\$ 5,012,197</u>	<u>\$ 6,531,657</u>

33. 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.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Held-to-maturity investments	\$ -	\$ -	\$ 99,962	\$ 100,757	\$ 199,871	\$ 202,116
<u>Financial liabilities</u>						
Financial liabilities measured at amortized cost						
Bonds payable	74,053,607	74,247,159	73,384,614	74,584,577	44,705,700	45,021,374

2) Fair value measurements recognized in the balance sheets

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 630,567	\$ -	\$ -	\$ 630,567
Marketable equity securities	374,567	-	-	374,567
Cotton futures contracts	-	-	41,450	41,450
PTA futures contracts	-	-	12,451	12,451
Combined exchange options	-	-	40,085	40,085
Forward exchange contracts	-	-	24,996	24,996
	<u>\$ 1,005,134</u>	<u>\$ -</u>	<u>\$ 118,982</u>	<u>\$ 1,124,116</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 4,620,397	\$ -	\$ -	\$ 4,620,397
Mutual funds - beneficial certificates	111,100	701,421	-	812,521
Oversea equity securities	<u>214,801</u>	<u>-</u>	<u>-</u>	<u>214,801</u>
	<u>\$ 4,946,298</u>	<u>\$ 701,421</u>	<u>\$ -</u>	<u>\$ 5,647,719</u>
Financial liabilities at FVTPL				
Combined option	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807</u>	<u>\$ 807</u>
Hedging derivative financial assets				
Cross currency interest rate swap	\$ -	\$ -	\$ 3,150	\$ 3,150
Forward exchange contracts	-	-	11,800	11,800
Interest rate swaps	-	-	535,837	535,837
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,787</u>	<u>\$ 550,787</u>

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Open-end mutual funds - beneficial certificates	\$ 565,240	\$ -	\$ -	\$ 565,240
Marketable equity securities	562,623	-	-	562,623
Cotton futures contracts	-	-	26,010	26,010
Combined exchange options	-	-	5,335	5,335
Forward exchange contracts	-	-	32,480	32,480
	<u>\$ 1,127,863</u>	<u>\$ -</u>	<u>\$ 63,825</u>	<u>\$ 1,191,688</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Hedging derivative financial assets				
Cross currency interest rate swap	\$ -	\$ -	\$ 115	\$ 115
Forward exchange contracts	-	-	4,327	4,327
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,442</u>	<u>\$ 4,442</u>
Available-for-sale financial assets				
Marketable equity securities	\$ 5,257,255	\$ -	\$ -	\$ 5,257,255
Mutual funds - beneficial certificates	168,172	636,138	-	804,310
Oversea equity securities	<u>185,003</u>	<u>-</u>	<u>-</u>	<u>185,003</u>
	<u>\$ 5,610,430</u>	<u>\$ 636,138</u>	<u>\$ -</u>	<u>\$ 6,246,568</u>
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ -	\$ 318	\$ 318
Option	-	-	272	272
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ 590</u>
Hedging derivative financial liabilities				
Interest rate swaps	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,280</u>	<u>\$ 421,280</u> (Concluded)

January 1, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 642,699	\$ -	\$ -	\$ 642,699
Marketable equity securities	387,107	-	-	387,107
Cotton futures contracts	-	-	25,345	25,345
Forward exchange contracts	-	-	3,368	3,368
	<u>\$ 1,029,806</u>	<u>\$ -</u>	<u>\$ 28,713</u>	<u>\$ 1,058,519</u>
Hedging derivative financial assets				
Cross currency interest rate swap	\$ -	\$ -	\$ 4,650	\$ 4,650
Forward exchange contracts	-	-	17,312	17,312
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,962</u>	<u>\$ 21,962</u> (Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Marketable equity securities	\$ 4,680,058	\$ -	\$ -	\$ 4,680,058
Mutual funds - beneficial certificates	<u>204,336</u>	<u>1,877,246</u>	<u>-</u>	<u>2,081,582</u>
	<u>\$ 4,884,394</u>	<u>\$ 1,877,246</u>	<u>\$ -</u>	<u>\$ 6,761,640</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619</u>	<u>\$ 619</u>
Hedging derivative financial liabilities				
Interest rate swaps	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,522</u>	<u>\$ 287,522</u>
				(Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2014 and 2013.

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

December 31, 2014

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2014	\$ 63,235	\$ (416,838)	\$ (353,603)
Total gains or losses			
In profit or loss	54,940	45,757	100,687
In other comprehensive income	<u>-</u>	<u>(179,696)</u>	<u>(179,696)</u>
Balance at December 31, 2014	<u>\$ 118,175</u>	<u>\$ (550,787)</u>	<u>\$ (432,612)</u>

December 31, 2013

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	Hedging Derivative Financial Instruments	Total
Balance at January 1, 2013	\$ 28,094	\$ (265,560)	\$ (237,466)
Total gains or losses			
In profit or loss	35,141	154,388	189,529
In other comprehensive income	<u>-</u>	<u>(305,666)</u>	<u>(305,666)</u>
Balance at December 31, 2013	<u>\$ 63,235</u>	<u>\$ (416,838)</u>	<u>\$ (353,603)</u>

4) Valuation techniques and assumptions applied to measure fair value

The fair values of financial assets and financial liabilities are determined as follows:

- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied. The estimates and assumptions used by the Group are consistent with those that market participants use in setting prices for financial instruments.
- b) The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group are consistent with those that market participants use in setting prices for financial instruments.
- c) The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

b. Categories of financial instruments

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 1,124,116	\$ 1,191,688	\$ 1,058,519
Derivative instruments in designated hedge			
accounting relationships	-	4,442	21,962
Held-to-maturity investments	-	99,962	199,871
Loans and receivables (Note 1)	68,954,539	68,541,445	76,839,623
Available-for-sale financial assets (Note 2)	6,718,871	7,216,063	7,892,064
<u>Financial liabilities</u>			
FVTPL			
Held for trading	807	590	619
Derivative instruments in designated hedge			
accounting relationships	550,787	421,280	287,522
Amortized cost (Note 3)	204,645,872	186,676,718	146,845,468

Note:

- 1) The balances included the financial assets carried at cost that held for trading.
- 2) The balances included loans and receivables measured at amortized cost, which comprised cash and cash equivalents, bond investments with no active market, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), other financial assets, and refundable deposits. Those reclassified to held-for-sale disposal groups are also included.
- 3) The balances included the carrying amounts of available-for-sale financial assets and financial assets carried at cost.

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

c. Financial risk management objectives and policies

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

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

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 (1) below) and interest rates (see (2) 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 39.

Sensitivity analysis

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

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

	December 31	
	2014	2013
5% change in profit or loss USD	\$ <u>57,969</u>	\$ <u>835,367</u>

b) Interest rate risk

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

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

	December 31, 2014	December 31, 2013	January 1, 2013
Fair value interest rate risk			
Financial assets	\$ 19,741,105	\$ 22,046,132	\$ 32,987,925
Financial liabilities	129,025,561	124,393,787	84,461,421
Cash flow interest rate risk			
Financial assets	12,333,670	13,049,902	10,003,456
Financial liabilities	42,650,591	27,306,222	25,869,843

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 25 basis points is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rate, their fair value will change as the market interest rates change. For the financial assets and financial liabilities with floating interest rate, their effective interest rates will change as the market interest rates change.

For the years ended December 31, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate would have decreased/increased by NT\$49,230 thousand and NT\$54,978 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased by NT\$30,834 thousand and NT\$32,625 thousand, respectively.

For the years ended December 31, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate would have decreased by NT\$321,760 thousand and NT\$310,209 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have increased by NT\$106,626 thousand and NT\$68,266 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of December 31, 2014 and 2013 would have decreased by NT\$332,643 thousand and NT\$368,722 thousand, respectively.

2) Credit risk

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

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

The Group has a policy of dealing with only creditworthy counter-parties and obtaining sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continually monitored.

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

3) Liquidity risk

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

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

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2014</u>				
Long-term borrowings	\$ 32,253,523	\$ 16,784,033	\$ 14,961,654	\$ 63,999,210
Bonds payable	<u>20,944,000</u>	<u>16,450,000</u>	<u>23,400,000</u>	<u>60,794,000</u>
	<u>\$ 53,197,523</u>	<u>\$ 33,234,033</u>	<u>\$ 38,361,654</u>	<u>\$ 124,793,210</u>

(Continued)

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2013</u>				
Long-term borrowings	\$ 28,150,800	\$ 2,520,000	\$ 12,951,904	\$ 43,622,704
Bonds payable	<u>13,350,000</u>	<u>20,949,000</u>	<u>31,450,000</u>	<u>65,749,000</u>
	<u>\$ 41,500,800</u>	<u>\$ 23,469,000</u>	<u>\$ 44,401,904</u>	<u>\$ 109,371,704</u>
<u>January 1, 2013</u>				
Long-term borrowings	\$ -	\$ 18,024,306	\$ 14,207,706	\$ 32,232,012
Bonds payable	<u>8,750,000</u>	<u>13,350,000</u>	<u>19,700,000</u>	<u>41,800,000</u>
	<u>\$ 8,750,000</u>	<u>\$ 31,374,306</u>	<u>\$ 33,907,706</u>	<u>\$ 74,032,012</u>
				(Concluded)

35. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2014 and 2013 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules B and C.

36. ASSETS PLEDGED OR MORTGAGED

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

	December 31, 2014	December 31, 2013	January 1, 2013
Inventories - available for construction - land	\$ 693,157	\$ 693,157	\$ 612,631
Inventories - construction-in-progress	2,376,270	222,126	214,578
Other financial assets - current	1,815,650	2,232,156	1,257,052
Available-for-sale financial assets - current and non-current	157,500	186,750	-
Investment accounted for using the equity method	3,509,089	3,573,900	1,577,400
Property, plant and equipment, net	12,689,384	11,073,636	12,826,557
Investment properties	37,648,280	32,976,576	31,950,405
Intangible assets	1,936,000	841,000	-
Other financial assets - non-current	<u>2,995,948</u>	<u>4,043,275</u>	<u>4,924,952</u>
	<u>\$ 63,821,278</u>	<u>\$ 55,842,576</u>	<u>\$ 53,363,575</u>

As of December 31, 2014, December 31, 2013 and January 1, 2013, FENC and some of its subsidiaries had provided 123,794 thousand shares, 132,262 thousand shares and 145,972 thousand shares, respectively, of the common shares of Far Eastone Telecommunications Co., Ltd. and 16,500 thousand common shares of Yuan Ding, as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

37. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Group as of December 31, 2014:

- a. Issued but unused letters of credit aggregated approximately NT\$1,487,898 thousand.
- b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT\$10,733,219 thousand, and (b) properties and cellular phone equipment acquired for NT\$7,329,288 thousand and NT\$11,191,863 thousand, respectively, NT\$1,949,036 thousand and NT\$5,537,368 thousand, respectively, had been paid.
- c. There were undelivered cotton contracts amounting to NT\$546,898 thousand and have been recognized NT\$8,340 thousand on purchasing contract payable (recognized under provision) as of December 31, 2014.
- d. Project contracts already signed by Far Eastern General Contractor Inc. (FEGC) amounted to NT\$32,042,279 thousand.
- e. Eastern Electronic Toll Collection Co., Ltd. (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Co., Ltd. (FEIB) to manage the tolls collected. The trust property for this agreement had amounted to NT\$3,550,224 thousand.
- f. Endorsements and guarantees provided to the related parties are shown in Schedule E (attached).
- g. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. (TYIT) resolved to merge TYIT with Mobitai Communications Ltd. ("Mobitai") in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. TYIT was the survivor company after the merger. Under a resolution of TYIT's board, FENC received NT\$167,863 thousand from Mobitai in exchange for Mobitai's 11,469 thousand common shares (NT\$14.68 per share) held by the Company. For its disposal of its investment in Mobitai, the Company recognized a gain of NT\$31,814 thousand. However, the Company regarded Mobitai's purchase price as too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of March 19, 2014, the lawsuit was pending before the Taipei District Court. As of November 14, 2014, the lawsuit was given against FENC.
- 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 Co. or PLT, an equity-method investee of the Company). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS's subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to a higher court. The Supreme Court did not adjudicate this case and remanded the case to the Taiwan High Court for reexamination and as of March 19, 2015, the lawsuit was pending before the Taipei High Court.
- i. The registered capital of PLT, an investee of the Company, was originally NT\$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT\$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office (THPO), the Department of Commerce (DOC) decided to nullify PLT's registrations of the amendments of its Articles of Incorporation, the PLT registrations of the elected and appointed members of its Board of Directors and Supervisors as well as registrations of several tranches of capital increases given to PLT on November 13, 2002; May 1, 2003; August 8, 2005; August 3, 2006; June 6, 2007; and July 16, 2008. As a result, the capital amount of PLT reverted to the original NT\$10,000 thousand, representing 1,000 thousand common shares.

On February 24, 2010, FEDS filed an administrative appeal with the DOC for the withdrawal of the administrative disposition and requested the stay of execution of registration cancellation. On April 14, 2010, referencing Article 77-3 of the Administrative Appeal Act, PAC decided that the appeal had no merit because FEDS was not a party to whom an administrative disposition was issued nor was it an interested party at stake. Thus, on June 15, 2010, referencing Article 4-1 of the Administrative Procedure Law, FEDS filed a suit against the DOC with the Taipei High Administrative Court (THAC). On November 29, 2012, the THAC (Court Reference Number: Year 2010 Letter Su No. 1258 verdict) ruled in favor of FEDS, and the capital increase registrations referencing letter Shang No. 09901000210 nullified by DOC was invalidated and the subsequent rejection of an administrative review was revoked. However, the DOC did not conform to the THAC's decision and filed a lawsuit with the Supreme Administrative Court on December 25, 2012. As of May 9, 2013, the Supreme Administrative Court issued its final and non-appealable decision, which rejected DOC's appeal and ruled that the nullification by DOC of capital increase registrations and other relevant registrations in DOC's referencing letter Shang No. 09901000210 was invalid and ordered DOC to reinstate the registration. Thus, DOC reinstated the nullified capital increase registrations and relevant registrations in conformity with the Court's decision as of September 18, 2013. Further, as of June 18, 2014, PLT reelected the directors and supervisors and DOC approved the amendment registrations on July 15, 2014.

Heng-lung Lee and Ming-Chiung Chang filed a lawsuit to counter the Supreme Administrative Court's (SAC) decision, declaring that the application of improper regulations invalidated this decision. However, on September 6, 2013, the Taipei High Administrative Court rejected this lawsuit (Court Reference Number: Year 2013 Letter Pan No. 569 verdict). In addition, Ming-Chiung Chang filed a separate lawsuit to counter the same SAC decision, claiming that the verdict was invalidated by the omission of evidences that may affect the final SAC decision. The lawsuit was filed with the THAC. However, THAC rejected this lawsuit (Court Reference Number: Year 2013 Letter Zai No. 94 verdict). Ming-Chiung Chan did not agree with the THAC's decision and filed a lawsuit with the Supreme Administrative Court on February 19, 2014. On June 20, 2014, Supreme Administrative Court rejected this lawsuit (Court Reference Number: Year 2013 Letter Zai No. 845 verdict).

The percentage ownership of PLT held by the Group reached 39.68%. Thus, the investment was accounted for by the equity method.

- j. A subsidiary of FENC, Far Eastern General Contractor Inc. (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of March 19, 2015, 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.

- k. An FENC subsidiary, FEGC, together with Pan Asia Corporation (Pan Asia) and Iwata Chizaki Construction Corporation, Taipei Branch (Iwata) entered into a contract to undertake the "Area CR3 of the Kaohsiung Rapid Transit-Red line" (KRT) project. FEGC claimed that, under Article 20.2 of the contract, KRT should pay NT\$312,844 thousand subject to the price adjustment clause and extra costs such as management fee of NT\$164,857 thousand resulting from several problems that were not attributable to FEGC and delayed the project. Since KRT did not make the foregoing payments, FEGC, Pan Asia and Iwata have applied for mediation to the Kaohsiung District Court. During the mediation process, both parties mutually agreed to suspend temporarily the mediation proceedings. As of March 19, 2014, the result of the arbitration was been made that KRT needs to pay FEGC NT\$51,727 thousand and FEGC recognized this construction gain on its "Area CR3 of KRT" project.

- l. For a construction Taiwan Power Company (TPC) had subcontracted to FEGC, FEGC had to pay a certain fine of NT\$23,000 thousand for a bid deposit call. This fine was based on the Government Procurement Act and TPC's construction contract. TPC thus requested the Administrative Enforcement Agency to enforce the penalty concerned. Thus, FEGC had to pay NT\$23,000 thousand to the court, and this amount was accounted under other financial assets - current. FEGC further pursued this case and filed a civil lawsuit with the Taipei High Administrative Court (THAC). As of March 19, 2015, THAC ruled in favor of TPC, and FEGC thus recognized the loss of NT\$23,000 thousand on this lawsuit under other expenses.
- m. An FENC subsidiary, FEGC, entered into a contract with the Taiwan Area National Expressway Engineering Bureau (TANEEB) to be part of the construction of the "Taichung Living Circle Route 2 East Section, Taichung Living Circle Route 4 North Section and C709A Dali and Wufeng Access Road." During the construction, the contracts with additional items that entailed extra costs were renegotiated six times. The contract amount which TANEEB agreed with was NT\$126,524 thousand lower than what FENC suggested. FEGC applied for conciliation with the TANEEB, but the conciliation failed since FEGC and TANEEB could not reach any compromises. After receiving the certification of conciliation failure, FEGC filed a lawsuit for appealing NT\$126,524 thousand with the Tainan District Court. The appealing amount has been changed to NT\$93,641 thousand in the proceeding. As of March 19, 2015, both parties reached an agreement that TANEEB had to pay NT\$47,855 thousand more to FEGC. Thus, FEGC adjusted the recognized total revenue on the construction contract on the "C709A Taichung" project for this increase.
- n. A company subsidiary, FECC, and Far Eastern Department Store Co., Ltd. (FEDS) had jointly developed Ban Ciao Zhong Ben (Construction License Number: Year 2010 Letter Chang No. 00135) in line with the Directions for the Urban Land Development Application (the "Directions"). Under the Directions, for the joint developers to be entitled to larger floor area and have a building occupancy permit, they should complete the construction within four years after passing an urban design review. If this deadline is unmet the joint developers should either donate the building or remit a certain amount to the New Taipei City Government (NTCG). Later, the NTCG claimed the construction was not completed on time, but the joint developers disagreed with the NTCG's claim. Thus, a dispute on this issue arose. FECC had placed in the Far Eastern International Bank a negotiable certificate of deposit amounting to NT\$108,855 thousand as a pledge based on the NTCG's requirement.
- o. On August 1, 2014, the Taiwan Area National Freeway Bureau (TANFB) claimed that the Far Eastern Electronic Toll Collection Co., Ltd. (FETC) violated the "Establishment and Operating Contract" by failing to provide all former freeway toll collectors with new jobs within an agreed-upon period and was thus liable for a penalty amounting to NT\$4,500 thousand. However, FETC disagreed with the TANFB's interpretation of the contract and filed for arbitration with the Negotiation Committee on August 14 2014. In the arbitration, the committee members did not all agree that FETC was liable for a penalty amounting to NT\$4,500 thousand; however, TANFB, regardless of the result of arbitration, deducted NT\$4,500 thousand from the handling service revenue payable to FETC. Thus, FETC filed a civil lawsuit with the Taipei District Court (TDC) to reclaim the NT\$4,500 thousand and plus interests until the repayment date. TANFB then filed a counter-lawsuit, asserting it had the right to claim the penalty amount. As of March 19, 2015, the date of the accompanying auditors' report, the lawsuit was pending before the TDC, and the final outcome of this case could not be reasonably estimated.

- p. 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. The contract terms were as follow:

1) Usage rate

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

TANFB commented that FETC failed to reach the 70% designated usage rate of ETC in the sixth year of the contract and thus violated the contract, for which FETC was liable for a penalty amounting to NT\$427,500 thousand. Nevertheless, TANFB and ETC have reached a consensus to consider the implementation of the above improvement plan as making up for FETC’s not meeting the 70% usage rate requirement; there was no reason for TANFB to penalize FETC. In addition, FETC exceeded the 65% usage rate stated in the “Establishment and Operating Contract” for the taximeter phase, and the operation of the taximeter system infrastructure (TSI) was also on track. Thus, there was actually no physical evidence of FETC’s violating the contract. FETC also claimed that it should not be blamed for TSI-related problems because it believed the government was slow in informing the public of the TSI charges. For these reasons, FETC said TANFB should not accuse FETC of breach of contract. To settle this matter, FETC applied for a conciliation with TANFB through the Negotiation Committee. The Negotiation Committee suggested TANFB decrease its penalty on FETC because (a) FETC could enter into the taximeter phase since the 65% ETC usage rate had been reached even though this rate was lower than the 70% usage rate stated in the contract; (b) the impact of usage rate to the interest of highway users was markedly diminished (c) the amounts FETC invested in the improvement plan were more than the penalty TANFB claimed. FETC, however, could not accept the negotiation result. In September 2013, FETC filed a lawsuit against TANFB, claiming it was not liable for the penalty imposed by TANFB. As of March 19, 2015, this case was pending before the Tainan District Court and FETC has prepared the possible loss which was likely to be imposed.

2) Taxi meter system infrastructure (TMSI)

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 to January 1, 2013 and verify the construction result on that date. However, TANFB still set September 21, 2012 as the contract expiry and obligated FETC to complete the ETC driveway infrastructure and taximeter system infrastructure by April 21, 2013. After FETC’s conciliation with TANFB through the Negotiation Committee in July 2013, the Negotiation Committee suggested that TANFB recheck the construction results and determine if after four months after the original contract expiry date of September 21, 2012, FETC violated the contract. Nevertheless, TANFB did not agree with the Negotiation Committee’s decision and filed a lawsuit against FETC and imposed a penalty of NT\$142,500 thousand on FETC. As of December 31,

2014, FETC had completed the ETC highway infrastructure as TMSI required in the contract and accrued a penalty loss because the penalty was likely to be imposed.

38. SUBSEQUENT EVENTS

- a. As of February 2, 2015, an FENC subsidiary, Far Eastern Resources Development Co. (FERD), exchanged its 12 land lots located in Banqiao Ya Tong section (Land No. 998-17) and having a total land area of 3,978 square meters with (a) 7 land lots located in Banqiao Xin Ya section (Land No. 1,045) and having a total land area of 2,473 square meter and (b) 5 land lots located in Banqiao Ya Tong section (Land No. 1,011) and having a total land area of 1,505 square meters, which are both owned by the Oriental Institute of Technology (OIT). In addition, FERD paid an extra NT\$777,170 thousand to OIT for this exchange. The Group recognized a gain of NT\$167,986 thousand from this transaction.
- b. As of February 6, 2015, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,600,000 thousand, with a unit face of NT\$1,000 thousand. These five-year 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, with a 1.38% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.
- c. On March 4, 2015, an FENC subsidiary, FERD, sold its land lot located in Banqiao Ya Dong section (Land No. 1,006) and having a total land area of 5,592 squaremeters to Far Eastern Y.Z. Hsu Memorial Foundation for a total selling price of NT\$1,878,322 thousand; the Group recognized a gain of NT\$815,643 thousand from this transaction.
- d. The board of directors of the Company decided to issue unsecured bonds on March 19, 2015. The bonds, with a term of less than 10 years, will have an aggregate face value not more than NT\$8,000,000 thousand (or their equivalent value in other currency) and a par value of NT\$1,000 thousand.

39. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated foreign currencies were as follows:

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 962,844	31.65	\$ 30,474,013
<u>Financial liabilities</u>			
Monetary items			
USD	999,475	31.65	31,633,384

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 845,264	29.79	\$ 25,180,415

Financial liabilities

Monetary items			
USD	1,406,101	29.79	41,887,748

January 1, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 856,812	29.035	\$ 24,877,536

Financial liabilities

Monetary items			
USD	1,336,231	29.035	38,797,467

40. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided: Schedule D (attached)
- 2) Endorsement/guarantee provided: Schedule E (attached)
- 3) Marketable securities and investments in share of stock held: Schedule F (attached)
- 4) Securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the capital stock: Schedule G (attached)
- 5) Acquisition of individual real states at costs of at least NT\$300 million or 20% of the capital stock: None
- 6) Disposal of individual real states at prices of at least NT\$300 million or 20% of the capital stock: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule H (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule I (attached)

- 9) Derivative financial transactions: Notes 7 and 11
 - 10) Significant transactions between Far EasTone and its subsidiaries and among subsidiaries: Schedule J
 - 11) Names, locations, and related information of investees on which Far EasTone exercises significant influence: Schedule K
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule L and L-1 (attached)
 - 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Schedules L (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.

41. SEGMENT INFORMATION

a. 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. Thus, under IFRS 8 "Operating Segments," the Group defined its operating segments as follows: petrochemical business, chemical fiber business, textile business, mobile services business, real estate business, investment and other business.

Segment operating income is the profit generated by each operating segment, which excludes expenses allocated in group headquarter, remuneration for directors, share of the profit or loss of associates, interest revenue, gain or loss on disposal of property, plant and equipment, investment properties and intangible assets, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance. However, information on segment assets is not regularly provided to the chief operating decision maker.

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

	Segment Revenue		Segment Profit	
	Year Ended December 31		Year Ended December 31	
	2014	2013	2014	2013
Petrochemical business			\$ (3,079,551)	\$ (2,109,640)
Revenues generated from external customers	\$ 22,765,358	\$ 27,673,365		
Intersegment revenues	<u>17,617,123</u>	<u>23,280,664</u>		
	<u>40,382,481</u>	<u>50,954,029</u>		
Chemical fiber business			1,001,924	173,912
Revenues generated from external customers	70,702,994	75,645,402		
Intersegment revenues	<u>897,797</u>	<u>1,466,621</u>		
	<u>71,600,791</u>	<u>77,112,023</u>		
Textile business			697,417	322,342
Revenues generated from external customers	35,634,097	34,147,637		
Intersegment revenues	<u>196,014</u>	<u>144,816</u>		
	<u>35,830,111</u>	<u>34,292,453</u>		
Mobile services business			15,053,753	15,478,698
Revenues generated from external customers	93,936,218	89,082,979		
Intersegment revenues	<u>239,382</u>	<u>587,600</u>		
	<u>94,175,600</u>	<u>89,670,579</u>		
Real estate development			30,717	238,320
Revenues generated from external customers	8,971,222	7,544,800		
Intersegment revenues	<u>697,846</u>	<u>525,009</u>		
	<u>9,669,068</u>	<u>8,069,809</u>		
Investment and other			3,303,885	4,518,557
Revenues generated from external customers	8,316,073	9,959,376		
Intersegment revenues	<u>198,032</u>	<u>349,552</u>		
	<u>8,514,105</u>	<u>10,309,528</u>		
Adjustment and elimination	<u>(19,684,067)</u>	<u>(26,363,420)</u>	<u>(153,430)</u>	<u>13,966</u>
Total	<u>\$ 240,488,089</u>	<u>\$ 244,045,001</u>	<u>16,854,715</u>	<u>18,636,155</u>
Interest revenue			482,434	448,607
Exchange gain (loss)			632,174	310,965
Interest expense			(1,934,871)	(1,432,622)
Other revenue and income (other expenses and losses)			<u>5,563,607</u>	<u>5,914,210</u>
Profit before tax			<u>\$ 21,598,059</u>	<u>\$ 23,877,315</u>

Note: As of December 31, 2014 and 2013, 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\$4,293,787 thousand and NT\$4,984,423 thousand, respectively, and dividend income from associates, which amounted to NT\$687,663 thousand and NT\$219,921 thousand, respectively.

b. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and oversea.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets		
	For the Year Ended December 31		December 31,	December 31,	January 1,
	2014	2013	2014	2013	2013
Taiwan	\$ 174,737,410	\$ 176,637,598	\$ 279,682,978	\$ 262,936,946	\$ 218,126,264
China	39,092,913	43,395,453	41,130,706	40,723,465	31,311,994
Oversea	<u>21,676,316</u>	<u>18,807,606</u>	<u>3,412,754</u>	<u>2,161,983</u>	<u>1,610,207</u>
	<u>\$ 235,506,639</u>	<u>\$ 238,840,657</u>	<u>\$ 324,226,438</u>	<u>\$ 305,822,394</u>	<u>\$ 251,048,465</u>

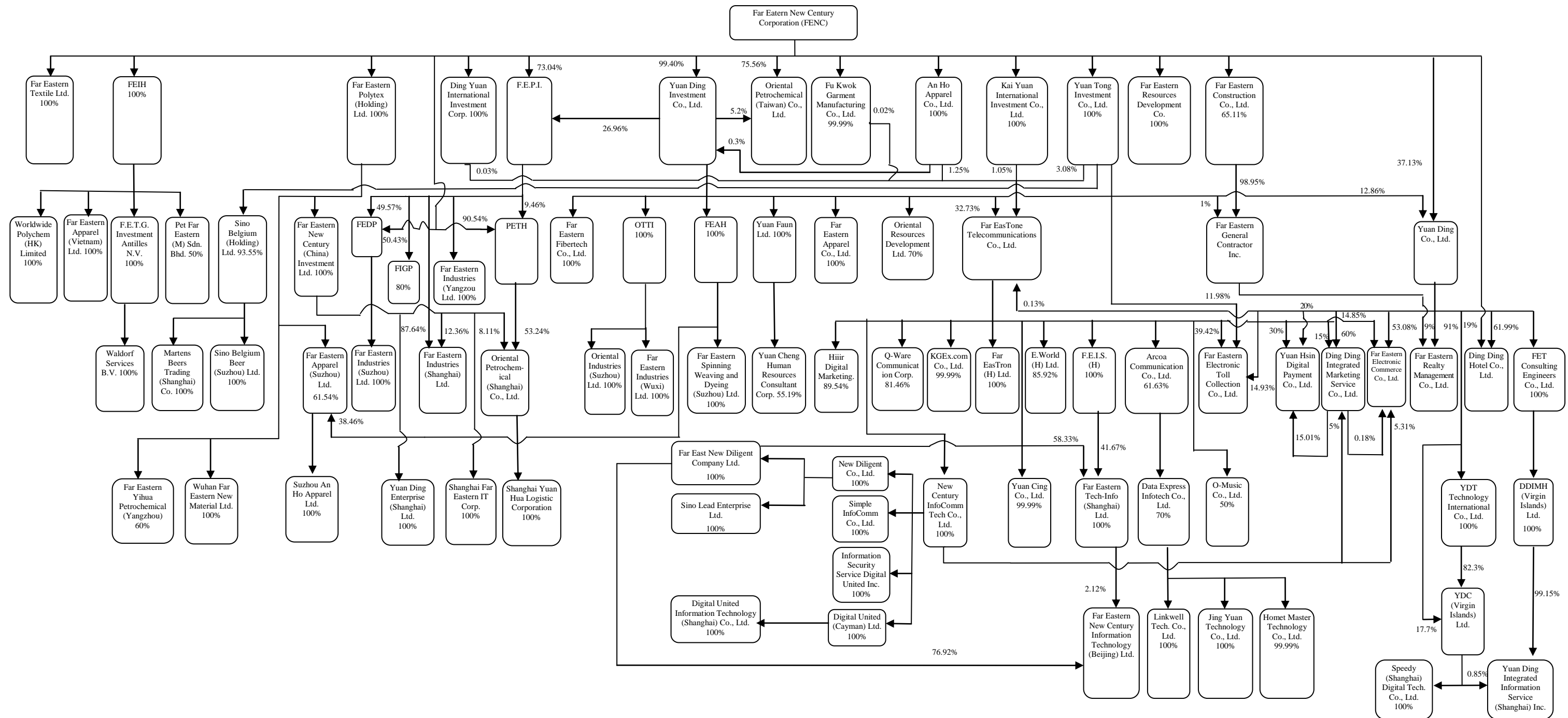
Non-current assets exclude non-current assets classified as held for sale, and exclude non-current assets, financial instruments, investments accounted for using the equity method, deferred tax assets, post-employment benefit assets, and guarantee deposits.

c. Information about major customers

No other single customers contributed 10% or more to the Group's revenue for both 2014 and 2013.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2014



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

	For the Years Ended December 31			
	2014		2013	
	Amount	%	Amount	%
Sales				
Investors that have significant influence over the				
Group	\$ 1,636,914	1	\$ 2,607,128	1
Others	<u>1,169,632</u>	<u>-</u>	<u>1,289,584</u>	<u>1</u>
	<u>\$ 2,806,546</u>	<u>1</u>	<u>\$ 3,896,712</u>	<u>2</u>
Operating cost	\$ 1,323,694	1	\$ 220,717	-
Investors that have significant influence over the				
Group	<u>1,279,515</u>	<u>1</u>	<u>1,280,691</u>	<u>1</u>
Others	<u>\$ 2,603,209</u>	<u>2</u>	<u>\$ 1,501,408</u>	<u>1</u>
Operating expense				
Investors that have significant influence over the				
Group	\$ 66,779	-	\$ 59,934	-
Others	<u>361,464</u>	<u>1</u>	<u>355,316</u>	<u>1</u>
	<u>\$ 428,243</u>	<u>1</u>	<u>\$ 415,250</u>	<u>1</u>
Rental revenue				
Investors that have significant influence over the				
Group	\$ 242,586	-	\$ 232,470	-
Others	<u>339,221</u>	<u>-</u>	<u>309,729</u>	<u>-</u>
	<u>\$ 581,807</u>	<u>-</u>	<u>\$ 542,199</u>	<u>-</u>
Rental expense (recognized as operating cost and expense)				
Investors that have significant influence over the				
Group	\$ 117,437	-	\$ 111,324	-
Others	<u>192,218</u>	<u>-</u>	<u>181,266</u>	<u>-</u>
	<u>\$ 309,655</u>	<u>-</u>	<u>\$ 292,590</u>	<u>-</u>

(Continued)

Note:

- a. The terms of sales to and purchases from the related parties were based on agreements.
- b. The Group had donated NT\$16,391 thousand to Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation as of December 31, 2014 and NT\$1,050 thousand to Far Eastern Memorial Foundation as of December 31, 2013. An FENC subsidiary, Far EasTone Telecommunications Co., Ltd., had donated NT\$6,000 thousand to the Telecommunication and Transportation Foundation (TTF) for telecommunications technology studies as of December 31, 2014.
- c. As of December 31, 2014, the Group purchased the software, office equipment and contract of construction from other related parties amounting to NT\$188,111 thousand. As of December 31, 2013, The Group purchased the software, transportation equipment, land use right and contract of construction from other related parties amounting to NT\$1,479,920 thousand.
- d. As of December 31, 2014, the Group had sold office equipment to associates and other related parties amounting to NT\$342 thousand and NT\$23 thousand. As of December 31, 2013, the Group had sold machinery and equipment to associates and other related parties amounting to NT\$300 thousand and NT\$2,748 thousand, and the gain on disposal of equipment amounting to NT\$300 thousand and NT\$198 thousand.
- e. The Group subscribed 17,500 new common shares issued by Air Liquide Far Eastern Ltd.'s amounted to NT\$174,997 thousand in September 2013.
- f. The fund transactions between the Group and Opas Fund Segregated Portfolio Company ("Opas Company") involved the acquisition and disposal of the Opas Fund Segregated Portfolio Tranches B, C, D and E through the trading platform of Opas Company. The decisions on these overseas mutual funds with different tranches were made by the investment committee formed by the Group and other investors. As of December 31, 2014 and 2013, the Group acquired Opas Fund Segregated Portfolio Tranches for NT\$653,928 thousand, and disposed of funds with a carrying amount of NT\$1,817,135 thousand. For 2014 and 2013, the disposal proceeds were NT\$2,017,732 thousand, and the gains on fund disposal were NT\$200,597 thousand.
- g. To expedite the development of multimedia services, mobile advertising and mobile commerce business, the Group acquired 2,786 thousand shares of Hiiir amounting to NT\$54,000 thousand from other related parties in 2013.
- h. To expand the Group's future business, the Group subscribed for the shares of Alliance Digital Technology Co., Ltd. shares for NT\$30,000 thousand in 2013 and acquired 19.23% ownership.
- i. The rental expense incurred for rental agreements on factories in Hukou and Hsinchu, office and equipment rooms in Tainan, base stations and departments around Taiwan. The term of the rental agreements was from January 2009 to December 2028. The revenue from renting out some of the floors of the Taipei Metro Tower building, buildings located in the Chen-Chung Section in Taipei City and building located in the Hsin-ban Section in New Taipei City; the related lease term was from January 2010 to December 2026. Rent is received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.

(Continued)

j. Compensation of key management personnel:

	<u>For the Year Ended December 31</u>	
	2014	2013
Short-term employee benefits	\$ 453,086	\$ 432,418
Post-employment benefits (Note)	<u>(3,167)</u>	<u>(1,368)</u>
	<u>\$ 449,919</u>	<u>\$ 431,050</u>

Note: The post-employment benefit were gain for the years ended December 31, 2014 and 2013 based on the actuarial result applied by IAS 19 “Employee Benefits”.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS
(In Thousands of New Taiwan Dollars)

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Notes and accounts receivable from affiliates						
Investors that have significant influence over the Group	\$ 372,985	1	\$ 355,986	1	\$ 381,097	1
Others	<u>585,496</u>	<u>2</u>	<u>500,768</u>	<u>2</u>	<u>350,329</u>	<u>1</u>
	<u>\$ 958,481</u>	<u>3</u>	<u>\$ 856,754</u>	<u>3</u>	<u>\$ 731,426</u>	<u>2</u>
Other receivable from affiliates						
Investors that have significant influence over the Group	\$ 57,527	5	\$ 42,450	3	\$ 67,181	5
Others	<u>268,238</u>	<u>21</u>	<u>295,384</u>	<u>24</u>	<u>239,023</u>	<u>19</u>
	<u>\$ 325,765</u>	<u>26</u>	<u>\$ 337,834</u>	<u>27</u>	<u>\$ 306,204</u>	<u>24</u>
Notes and accounts payable from affiliates						
Investors that have significant influence over the Group	\$ 109,211	21	\$ 34,554	13	\$ 22,702	8
Others	<u>404,414</u>	<u>79</u>	<u>227,017</u>	<u>87</u>	<u>269,581</u>	<u>92</u>
	<u>\$ 513,625</u>	<u>100</u>	<u>\$ 261,571</u>	<u>100</u>	<u>\$ 292,283</u>	<u>100</u>
Other payable from affiliates						
Investors that have significant influence over the Group	\$ 13,873	19	\$ 12,361	16	\$ 14,764	34
Others	<u>59,416</u>	<u>81</u>	<u>63,616</u>	<u>84</u>	<u>28,355</u>	<u>66</u>
	<u>\$ 73,289</u>	<u>100</u>	<u>\$ 75,977</u>	<u>100</u>	<u>\$ 43,119</u>	<u>100</u>
Billing on construction-in-progress						
Investors that have significant influence over the Group	\$ 3,311,893	25	\$ 3,055,966	19	\$ 2,202,643	10
Others	<u>698,986</u>	<u>5</u>	<u>512,719</u>	<u>3</u>	<u>728,229</u>	<u>3</u>
	<u>\$ 4,010,879</u>	<u>30</u>	<u>\$ 3,568,685</u>	<u>22</u>	<u>\$ 2,930,872</u>	<u>13</u>
Guarantee deposits received						
Investors that have significant influence over the Group	\$ 10,915	1	\$ 10,914	2	\$ 11,026	1
Others	<u>173,467</u>	<u>17</u>	<u>166,844</u>	<u>17</u>	<u>163,203</u>	<u>14</u>
	<u>\$ 184,382</u>	<u>18</u>	<u>\$ 177,758</u>	<u>19</u>	<u>\$ 174,229</u>	<u>15</u>
Deferred credit - gains on inter - affiliates accounts	\$ 140,507	94	\$ 141,063	94	\$ 141,616	94
Investors that have significant influence over the Group	<u>9,122</u>	<u>6</u>	<u>9,122</u>	<u>6</u>	<u>9,122</u>	<u>6</u>
Others	<u>\$ 149,629</u>	<u>100</u>	<u>\$ 150,185</u>	<u>100</u>	<u>\$ 150,738</u>	<u>100</u>

(Continued)

Financing to affiliates

	<u>December 31, 2014</u>		<u>December 31, 2013</u>		<u>January 1, 2013</u>	
	<u>Carrying</u>		<u>Carrying</u>		<u>Carrying</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Loans to related parties						
Investors that have significant influence over the Group	<u>\$ 940,000</u>	<u>74</u>	<u>\$ 921,000</u>	<u>73</u>	<u>\$ 977,640</u>	<u>76</u>
Loans from related parties						
Others	<u>\$ 3,989,830</u>	<u>14</u>	<u>\$ 3,480,995</u>	<u>12</u>	<u>\$ 598,224</u>	<u>2</u>

Note: The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(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			
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd.	Receivables from affiliates	Yes	\$ 2,037,080	\$ 1,886,175	\$ 1,886,175	1.6021-3.35	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,975,021	\$ 99,750,215	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).
		PET Far Eastern (Holding) Ltd.	Receivables from affiliates	Yes	1,986,075	1,986,075	1,986,075	3.35	2	-	For revolving fund	-	Promissory note	-	9,975,021	99,750,215	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).
1	Far Eastone Telecommunications Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	-	-	1.63-1.64	2	-	For revolving fund	-		-	7,272,673	36,363,366	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
2	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from affiliates	Yes	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	200,000	200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Ding Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	200,000	200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Oriental Resources Development Ltd.	Receivables from affiliates	Yes	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Far Eastern Resources Development Co.	Receivables from affiliates	Yes	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Oriental Petrochemical (Taiwan) Co., Ltd.	Receivables from affiliates	Yes	750,000	750,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	800,000	800,000	394,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		An Ho Garment Co., Ltd.	Receivables from affiliates	Yes	400,000	400,000	400,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	545,000	545,000	545,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Kai Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	800,000	800,000	700,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).

(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			
4	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	Receivables from affiliates	Yes	\$ 500,000	\$ 500,000	\$ -	1.45	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 827,043	\$ 4,135,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	155,000	155,000	155,000	1.15-1.54	2	-	For revolving fund	-	Promissory note	-	827,043	4,135,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
5	Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Yangzhou) Ltd.	Receivables from related parties	Yes	4,494,300	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Shanghai) Ltd.	Receivables from related parties	Yes	2,088,900	2,088,900	-	-	1	9,308,190	-	-	Promissory note	-	7,746,340	7,746,340	Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note L).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	221,550	221,550	-	-	2	-	For revolving fund	-	Promissory note	-	4,426,480	4,426,480	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	316,500	316,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Ishizuka Green Pet	Receivables from related parties	Yes	424,320	424,320	304,980	1.17857	2	-	For revolving fund	-	Promissory note	-	4,426,480	4,426,480	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,107,750	1,107,750	810,240	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Shanghai) Ltd.	Receivables from related parties	Yes	3,101,700	3,101,700	2,342,100	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
7	Far Eastern Investment (Holding) Ltd.	Malaysia Garment Manufactures Pte. Ltd.	Receivables from related parties	Yes	316,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		PET Far Eastern (Holding) Ltd.	Receivables from related parties	Yes	791,250	474,750	-	1.348	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	791,250	727,950	-	-	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		FEDP (Holding) Ltd.	Receivables from related parties	Yes	316,500	158,250	47,475	1.3268	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Worldwide Polychem (HK) Ltd.	Receivables from related parties	Yes	316,500	316,500	82,290	-	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from related parties	Yes	\$ 379,800	\$ 379,800	\$ 232,944	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,529,888	\$ 7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	1,139,400	474,750	250,985	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		PET Far Eastern (M) Sdn. Bhd.	Receivables from related parties	Yes	316,500	316,500	252,523	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Polychem Industries Ltd.	Receivables from related parties	Yes	316,500	316,500	316,500	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Apparel (Holding) Ltd.	Receivables from related parties	Yes	474,750	474,750	474,750	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Polytex (Holding) Ltd.	Receivables from related parties	Yes	2,057,250	1,993,950	1,993,950	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Textile (Holding) Ltd.	Receivables from related parties	Yes	2,373,750	2,373,750	2,357,292	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
8	PET Far Eastern (Holding) Ltd.	Tong Da Air Industry (Yangzhou) Co., Ltd.	Receivables from related parties	Yes	1,582,500	1,582,500	-	-	2	-	For revolving fund	-	Promissory note	-	2,864,156	2,864,156	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	791,250	791,250	484,245	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	3,580,195	6,444,352	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	1,329,300	1,044,450	1,034,955	-	2	-	For revolving fund	-	Promissory note	-	2,864,156	2,864,156	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
9	Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	400,000	100,000	-	1.48-1.54	2	-	For revolving fund	-	Promissory note	-	518,245	2,591,227	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
10	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	-	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	7,829,675	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Wuhan Far Eastern New Material Ltd.	Receivables from related parties	Yes	379,800	284,850	158,250	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	7,829,675	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern New Century (China) Investment Ltd.	Receivables from related parties	Yes	4,114,500	4,114,500	1,975,974	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	7,829,675	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Receivables from affiliates	Yes	\$ 50,000	\$ 50,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,644,017	\$ 4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Technical Consultants Co, Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		FET Consulting Engineers Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Electronic Commerce Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Hotel Co., Ltd.	Receivables from affiliates	Yes	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Integrated Marketing Services Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	1.2510-1.3817	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Receivables from affiliates	Yes	506,400	506,400	189,900	1.32-1.5	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
13	Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	100,000	1.18-1.23	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	140,000	140,000	140,000	1.17-1.21	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
15	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	158,250	158,250	-	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	337,993	608,387	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Suzhou) Ltd.	Receivables from related parties	Yes	601,350	411,450	411,450	-	2	-	For revolving fund	-	Promissory note	-	337,993	608,387	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
20	Oriental Textile (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	189,900	189,900	-	-	2	-	For revolving fund	-	Promissory note	-	3,421,735	6,159,122	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	253,200	253,200	-	-	2	-	For revolving fund	-	Promissory note	-	2,737,388	2,737,388	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Oriental Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,519,200	1,519,200	158,250	-	1	2,667,114	-	-	Promissory note	-	2,667,114	4,790,428	Amounts allowed for ending period (Note Q); 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			
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from related parties	Yes	633,000	633,000	-	-	1	1,114,118	-	-	Promissory note	-	1,114,118	1,759,417	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note L).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from related parties	Yes	949,500	949,500	341,820	-	2	-	For revolving fund	-	Promissory note	-	1,256,726	2,262,107	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Apparel (Suzhou) Ltd.	Receivables from related parties	Yes	949,500	949,500	569,700	-	2	-	For revolving fund	-	Promissory note	-	1,256,726	2,262,107	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
26	FETG Investment Antilles N.V.	Waldorf Services B.V.	Receivables from related parties	Yes	31,650	-	-	-	2	-	For revolving fund	-	Promissory note	-	594,708	1,070,475	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
30	Far Eastern Industries (Shanghai) Ltd.	Martens Beers Trading (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	35,648	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,475,284	8,055,511	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	101,850	101,850	-	-	2	-	For revolving fund	-	Promissory note	-	895,057	1,342,585	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H).
31	Far Eastern Industries (Yangzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	509,250	509,250	509,250	3	2	-	For revolving fund	-	Promissory note	-	628,311	628,311	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
34	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	509,250	-	2.94076-3.36870	2	-	For revolving fund	-	Promissory note	-	2,055,651	4,568,114	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	-	-	3.02205-3.375	2	-	For revolving fund	-	Promissory note	-	2,055,651	4,568,114	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
36	Waldorf Services B.V.	Chuang Yuan Co., Ltd.	Other receivables	No	316,500	-	-	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Malaysia Garment Manufactures Pte. Ltd.	Receivables from related parties	Yes	158,250	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Oriental Textile (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	316,500	1.3268	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Polychem Industries Ltd.	Receivables from related parties	Yes	\$ 316,500	\$ 316,500	\$ 316,500	1.3268	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,975,021	\$ 29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	316,500	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
41	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Other receivables - loans to affiliates	Yes	50,925	50,925	-	-	2	-	For revolving fund	-	Promissory note	-	4,031,975	7,257,554	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	101,850	101,850	-	-	2	-	For revolving fund	-	Promissory note	-	4,031,975	7,257,554	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
43	Far Eastern Industries (WuXi) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	763,875	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,002,360	6,671,911	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	-	-	3.6	2	-	For revolving fund	-	Promissory note	-	3,002,360	6,671,911	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,527,750	1,527,750	177,275	3.19353-3.34148	2	-	For revolving fund	-	Promissory note	-	3,002,360	6,671,911	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
44	Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	509,250	-	2.56054-3.375	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	Yes	1,527,750	1,527,750	-	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	509,250	38,316	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	1,018,500	455,779	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	1,018,500	874,392	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
45	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	509,250	-	-	2	-	For revolving fund	-	Promissory note	-	392,189	871,532	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	763,875	-	-	3.02883-3.375	2	-	For revolving fund	-	Promissory note	-	392,189	871,532	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
46	Wuhan Far Eastern New Material Ltd.	Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	50,925	50,925	-	-	2	-	For revolving fund	-	Promissory note	-	409,769	409,769	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
47	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	\$ 305,550	\$ -	\$ -	3.57332-3.78230	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,207,633	\$ 2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	407,400	-	-	3.57332-3.78230	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	-	-	3.57332-3.78230	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	Yes	560,175	-	-	3.57332-3.78230	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	1,018,500	1,006,558	2.94076-3.73354	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	168,053	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,201,956	2,163,521	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
51	Sino Belgium (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	50,925	50,925	-	-	2	-	For revolving fund	-	Promissory note	-	132,468	294,374	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	152,775	-	-	3.02883-3.375	2	-	For revolving fund	-	Promissory note	-	132,468	294,374	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	150,000	150,000	150,000	1.2271-1.3939	2	-	For revolving fund	-	Promissory note	-	204,195	255,243	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	220,000	220,000	220,000	1.2271-1.3939	2	-	For revolving fund	-	Promissory note	-	148,535	185,669	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
64	New Century InfoComm Tech Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	250,000	241,000	1.64	2	-	For revolving fund	-	Promissory note	-	2,385,499	11,927,493	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Far EasTone Telecommunicati ons Co., Ltd.	Receivables from affiliates	Yes	2,200,000	2,200,000	1,100,000	1.14	2	-	For revolving fund	-	Promissory note	-	2,385,499	11,927,493	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Far EasTone Telecommunicati ons Co., Ltd.	Receivables from affiliates	Yes	3,300,000	3,300,000	3,300,000	1.14	1	4,174,933	-	-	Promissory note	-	4,174,933	11,927,493	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note K).

(Continued)

- Notes:
- A. Reasons for financing are as follows:
 - 1. Business relationship.
 - 2. For short-term financing.
 - B. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - C. The limit is equal to 10% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - D. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - E. The limit is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - F. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - G. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - H. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - I. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - J. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - K. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - L. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - M. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - N. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
 - O. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - P. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
 - Q. The limit is equal to business transaction amount.
 - R. The limit is at the lower of business transaction amount and 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 99,750,215	\$ 3,247,600	\$ 2,274,750	\$ 300,000	\$ -	1.14	\$ 199,500,429	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
1	Far EasTone Telecommunicatio ns Co., Ltd.	KGEx.com Co., Ltd.	(Note A)	36,363,366	45,000	45,000	5,994	-	0.06	72,726,731	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
2	Yuan Ding Investment Co., Ltd.	FEDP (Holding) Ltd.	(Note C)	20,845,961	303,500	-	-	-	-	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Apparel Co., Ltd.	(Note A)	20,845,961	130,000	130,000	38	-	0.31	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Oriental Resources Development Ltd.	(Note A)	20,845,961	200,000	200,000	100,000	-	0.48	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Da Ju Fiber Co., Ltd.	(Note B)	20,845,961	394,000	394,000	120,000	-	0.95	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		PET Far Eastem (Holding) Ltd.	(Note C)	19,950,043	1,091,925	1,091,925	487,011	-	2.62	19,950,043	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L).
		Far Eastem Apparel (Holding) Ltd.	(Note A)	20,845,961	1,821,000	1,582,500	259,159	-	3.8	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Polychem Industries Ltd.	(Note C)	19,950,043	2,731,500	2,215,500	-	-	5.31	19,950,043	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
		Oriental Textile (Holding) Ltd.	(Note A)	\$ 20,845,961	\$ 2,848,500	\$ 2,848,500	\$ 264,590	\$ -	6.83	\$ 41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern New Century Corporation	(Note D)	20,845,961	300,000	300,000	-	-	0.72	41,691,921	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	20,845,961	309,200	-	-	-	-	41,691,921	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Industries (WuXi) Ltd.	(Note A)	20,845,961	618,400	-	-	-	-	41,691,921	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Oriental Industries (Suzhou) Ltd.	(Note A)	20,845,961	620,474	-	-	-	-	41,691,921	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
3	Far Eastern Resources Development Co.	Far Eastern New Century Corporation	(Note D)	12,799,122	6,271,448	6,271,448	2,640,000	6,271,448	3.14	25,598,243	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
8	PET Far Eastem (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	99,750,215	4,374,880	4,114,500	2,009,775	-	2.06	199,500,429	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).
11	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,110,044	803,000	803,000	348,000	50,000	0.4	8,220,087	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	4,110,044	63,300	63,300	15,825	-	0.03	8,220,087	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
12	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	33,076,713	1,179,200	300,000	200,000	-	2.72	33,076,713	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
30	Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note C)	\$ 8,950,568	\$ 407,400	\$ -	\$ -	\$ -	-	\$ 17,901,136	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note E).
40	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	99,750,215	1,136,775	1,111,313	-	-	2.67	199,500,429	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).

- Notes:
- A. Parent company's direct or indirect subsidiary.
 - B. Equity-method investee.
 - C. The guarantee provider and counter-party have the same ultimate parent company.
 - D. Parent company of the investee.
 - E. The amount of the collateral/guarantee is equal to 200% of the net value of the guarantor (based on audited financial statements) as of December 31, 2014.
 - F. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor (based on audited financial statements) as of December 31, 2014.
 - G. The amount of the collateral/guarantee is equal to the net value of the guarantor (based on audited financial statements) as of December 31, 2014.
 - H. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company (based on audited financial statements) as of December 31, 2014.
 - I. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company (based on audited financial statements) as of December 31, 2014.
 - J. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements) as of December 31, 2014.
 - K. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor (based on audited financial statements) as of December 31, 2014.
 - L. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements) and 10% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements) as of December 31, 2014.
 - M. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
 - N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows: (1) Far Eastern Industries (WuXi) Ltd.: RMB11,349 thousand (NT\$57,795 thousand), the actual remittance was this same amount. (2) Far Eastern Apparel (Suzhou) Ltd.: RMB1,250 thousand (NT\$6,366 thousand), the actual remittance was this same amount.
 - O. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in Mainland China.

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

DECEMBER 31, 2014

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 20,188,007	22.33	\$ 29,269,929	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,090,002	16.80	6,817,914	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	81,216	1,504,072	9.17	2,229,379	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	129	1,508	0.03	2,038	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	140,278	2,067,580	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	135,000	1,843,780	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,067,513	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Investments accounted for using the equity method	557,354	96,565,010	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	124	8,753,563	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	8,116,141	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	7,932,131	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,182,313	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	8,281,047	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	6,621,648	90.54	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,032,195	6,665,722	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	7,097,316	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,365,650	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,805,268	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,762,049	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	340,899	50.43	-	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,999	193,322	99.99	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,772	103,408	19.00	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,308	100.00	-	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	75,712	794,978	2.65	794,978	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	11,045	454,258	0.33	430,755	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	82,169	1,727,200	9.28	2,255,539	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	7,307	209,634	0.51	206,057	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,869	1,127,366	25.23	1,878,130	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	23,742,197	32.73	77,866,034	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,995,772	26.96	-	78,125 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	2,565,031	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,081	1,281,699	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	368,392	100.00	-	
	Yuan Faun Ltd.	(Note A)	Investments accounted for using the equity method	5,000	121,298	100.00	-	
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	3,671	71,112	45.50	-	
	Yuan Ding Leasing Corp.	(Note A)	Investments accounted for using the equity method	36,706	428,360	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	88,317	1,032,067	100.00	-	
	Oriental Resources Development Ltd.	(Note A)	Investments accounted for using the equity method	34,242	338,458	70.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,600,532	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	291,836	29.80	-	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	185,247	2,836,995	25.96	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	64,759	\$ 1,197,121	12.86	\$ -	16,500 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	75,268	1,181,183	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	89	7,009,140	100.00	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	119,653	1,547,871	14.92	-	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	98,198	964,085	18.96	-	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,490	22,710	1.00	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	70,982	459,551	5.20	-	
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - non-current	1,004	22,493	0.16	-	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	-	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	5,389	268,911	0.63	268,911	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	103,003	1,081,534	3.61	1,081,534	
	Financial assets under asset management contracts (Note F)							
	TA CHEN	-	Financial assets at fair value through profit or loss - current	480	13,224	-	13,224	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	13,185	-	13,185	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	90	12,690	-	12,690	
	Merry Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	90	10,035	-	10,035	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	55	25,410	-	25,410	
	FuBon Financial	-	Financial assets at fair value through profit or loss - current	500	25,350	-	25,350	
	CTBC Financial	-	Financial assets at fair value through profit or loss - current	1,100	22,605	-	22,605	
	Novatek Microelectronics Corp.	-	Financial assets at fair value through profit or loss - current	80	14,240	-	14,240	
	Kinsus Interconnect Technology Corp.	-	Financial assets at fair value through profit or loss - current	50	5,275	-	5,275	
	Boardtek Electronics Cor.	-	Financial assets at fair value through profit or loss - current	250	10,938	-	10,938	
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	200	14,300	-	14,300	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	60	6,540	-	6,540	
	Ginko International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10	3,370	-	3,370	
	PAIHO	-	Financial assets at fair value through profit or loss - current	120	5,136	-	5,136	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,189,407	100.00	-	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock	203,573	50.00	-	
				5,000				
				Preferred stock				
				3,000				
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	14,420	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	252,377	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	96,279	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	-	1,646	34.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	511,946	0.39	515,658	15,000 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,663	73,002	0.19	75,097	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,226	36,969	0.90	66,771	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	24,581	664,248	2.78	674,748	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	41,614	0.03	67,160	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	226,538	2.24	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,180	307,483	13.20	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	76,539	803,663	2.67	803,663	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	\$ 772,043	0.60	\$ 788,073	23,800 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	1,153,922	1.05	2,492,877	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	35,524	832,482	4.01	975,134	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	598,667	1.44	582,950	
	Kowloon Cement Corp.	(Note A)	Investments accounted for using the equity method	1,127	448,282	49.00	-	
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	74,970	1,181,223	16.80	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	226,538	2.24	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	92,922	975,681	3.25	975,681	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	819	40,868	0.10	40,868	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	8,026,854	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	698,377	9.46	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	335,087	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,570,777	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	120	135,910	80.00	-	
	Bank of Chungqing	-	Available-for-sale financial assets - non-current	8,787	214,801	0.32	214,801	
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost - non-current	4	69,135	10.00	-	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	147,413	2,065,732	98.95	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,727	627,920	0.53	691,353	
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	79,331	0.19	79,331	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	516,065	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,284,054	100.00	-	
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	5	96	0.01	-	
Far Eastern General Contractor Co., Ltd.	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	37,250	0.09	37,250	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	7,572	46,917	2.72	-	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-	
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	450	4,272	9.00	-	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	30,488	330,021	-	330,021	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	871	10,005	-	10,005	
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,102	150,000	-	150,000	
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,187,271	100.00	-	
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,627)	50.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	65,794	37.92	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,531)	41.00	-	
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost - current	-	-	25.00	-	
	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	9.95	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,087,829	1.25	2,979,714	22,750 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	262,487	0.18	237,666	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	11,160	291,148	1.26	306,342	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,732	0.03	10,434	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	5,890	91,212	0.83	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,084	266,676	15.66	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	9,681	127,600	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	167,742	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,060	200,125	0.67	200,125	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp. Far Eastern International Bank Yi Tong Fiber Co., Ltd.	(Note A) (Note D) -	Investments accounted for using the equity method Available-for-sale financial assets - non-current Financial assets carried at cost - non-current	745 3,865 3,504	\$ 12,604 42,407 28,519	55.19 0.14 3.56	\$ - 42,407 -	34,100 thousand shares pledged or mortgaged as collaterals for loans
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,853	0.02	37,960	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,837,687	3.08	7,317,301	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	39,619	1,288,621	2.75	1,117,256	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	41,161	1,577,874	4.65	1,129,869	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,193,962	0.85	1,114,581	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	226,538	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	77,257	328,155	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	23	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	107,600	93.55	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	31	-	-	
	Deutsche Far Eastern Global BioInnovation fund	-	Available-for-sale financial assets - current	5,000	55,550	-	55,550	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	18,418	193,392	0.64	193,392	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-	
	Bockhold N.V. - stock	-	Financial assets carried at cost - non-current	1	108,533	12.51	-	
	Bockhold N.V. - conversion option embedded into convertible bonds	-	Financial assets carried at cost - non-current	-	6,948	-	-	
	Bockhold N.V. - convertible bonds	-	Bond investments with no active market - current	-	182,583	-	-	
	Bockhold N.V. - convertible bonds	-	Bond investments with no active market - non-current	-	37,491	-	-	
	Financial assets under asset management contracts (Note F)						-	
	GREATWALL ENT	-	Financial assets at fair value through profit or loss - current	351	9,670	-	9,670	
	HON HAI	-	Financial assets at fair value through profit or loss - current	219	19,250	-	19,250	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	202	28,482	-	28,482	
	Merry Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	57	6,356	-	6,356	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	60	27,720	-	27,720	
	FuBon Financial	-	Financial assets at fair value through profit or loss - current	342	17,339	-	17,339	
	CTBC Financial	-	Financial assets at fair value through profit or loss - current	1,479	30,393	-	30,393	
	Novatek Microelectronics Corp.	-	Financial assets at fair value through profit or loss - current	95	16,910	-	16,910	
	Kinsus Interconnect Technology Corp.	-	Financial assets at fair value through profit or loss - current	58	6,119	-	6,119	
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	142	10,153	-	10,153	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	59	6,431	-	6,431	
	Taiwan Paiho Limited	-	Financial assets at fair value through profit or loss - current	78	3,338	-	3,338	
	Boardtek Electronics Cor.	-	Financial assets at fair value through profit or loss - current	154	6,738	-	6,738	
	Ginko International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10	3,370	-	3,370	
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	50,248	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	4,303,336	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,974,612	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,048,327	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	3,335,942	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	4,203,183	100.00	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	435,766	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,024,422	100.00	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	825,752	61.54	-	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,324,218	100.00	-	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	\$ 4,468,806	60.00	\$ -	
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,138,046	12.36	-	
	Shanghai Yuan Zi Information Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	67,776	100.00	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	586,819	8.11	-	
Sino Belgium (Holding) Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	539,805	100.00	-	
	Sino Belgium (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	147,187	100.00	-	
Oriental Petrochemical (Shanghai) Corp.	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	55,692	100.00	-	
	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	126,360	100.00	-	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	467,219	100.00	-	104,000 thousand shares pledged or mortgaged as collaterals for loans
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,833	119,481	60.00	-	
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	4,550	46,367	91.00	-	
	YDC (VirginIslands) Ltd.	(Note A)	Investments accounted for using the equity method	-	8,078	17.70	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,502	337,219	61.99	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,913	12,866	53.08	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	85,000	382,286	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	218,349	0.16	207,831	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	113,111	0.13	303,972	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	129,637	2,060,049	25.02	-	
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	81	757	1.00	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	43,735	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,500	128,195	5.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	96,312	403,667	14.93	-	
Ding Ding Integrated Marketing Services Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	30,000	270,810	20.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern New Century Corporation	(Note J)	Financial assets at fair value through profit or loss - current	764	23,992	0.01	23,992	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,205	75,654	0.25	75,654	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	79	38	0.18	-	
Far Eastern Electronic Commerce Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	22,515	201,214	15.01	-	
	Pacific SOGO Department Stores	-	Financial assets carried at cost - non-current	1	10	-	-	
FET Consulting Engineers Co., Ltd.	Deutsche Far Eastern DWS Security Fund	-	Financial assets at fair value through profit or loss - current	12,235	140,541	-	140,541	
	Yuantai Foreign Trade		Financial assets carried at cost - non-current	480	4,800	4.00	-	
DDIM (VirginIslands) Ltd.	DDIM (VirginIslands) Ltd.	(Note A)	Other liabilities - other	(Note H)	(110,281)	100.00	-	
YDC (VirginIslands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note H)	(950)	0.85	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	44,911	100.00	-	
DDIM (VirginIslands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note H)	110,965	99.15	-	
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	793	6,961	0.17	12,529	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	98,796	0.19	77,945	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,473	-	2,379	
	YDC (VirginIslands) Ltd.	(Note A)	Investments accounted for using the equity method	1	37,560	82.30	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far EasTone Telecommunications Co., Ltd.	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,534	\$ 26,604	0.09	\$ 26,604	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	-	
	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,239,882	100.00	-	
	Arcoa Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	1,312,989	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	112,391	891,631	99.99	-	
	Hiiir Digital Marketing Co., Ltd.	(Note A)	Investments accounted for using the equity method	53,726	412,743	89.54	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,350	126,617	99.99	-	
	E.World (Holdings) Ltd.	(Note A)	Investments accounted for using the equity method	6,015	99,467	85.92	-	
	Far EasTron Holding Ltd.	(Note A)	Investments accounted for using the equity method	4,487	27,048	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	5,768	100.00	-	
	O-music Co., Ltd.	(Note A)	Other liabilities - other	2,500	(30)	50.00	-	
	Q-Ware Communication Co., Ltd.	(Note A)	Other liabilities - other	33,983	(63,123)	81.46	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	254,240	696,803	39.42	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,691	4,304	14.85	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,458	30,182	15.00	-	
	iScreen Corporation	(Note A)	Investments accounted for using the equity method	4,000	16,526	40.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	45,000	402,160	30.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,000	21,917	13.33	-	
	AppWorks Venture Co., Ltd.	-	Financial assets carried at cost - non-current	15,000	150,000	19.43	-	
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	181,853	-	181,853	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	80,000	632,736	100.00	-	
	Information Security Service Digital United Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,878	102,490	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	4,320	40,087	100.00	-	
	Simple InfoComm Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,400	20,904	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	819	10,061	5.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,392	1,539	5.31	-	
	Opas Fund Segregated Portfolio Tranche B	-	Available-for-sale financial assets - current	11,499	519,568	-	519,568	
	DFE DWS Global BioInnovation	-	Available-for-sale financial assets - current	5,000	55,550	-	55,550	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
Arcoa Communication Co., Ltd.	Data Express Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	198,519	70.00	-	
	THI Consultants, Inc.	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Taiwan Star Telecom Corporation Limited (Vibo Telecom Inc. originally)	-	Financial assets carried at cost - non-current	8	-	-	-	
	Chunghwa Int'l Communication Network Co., Ltd.	-	Financial assets carried at cost - non-current	1,252	-	3.98	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	-	225	100.00	-	
	Far Eastern New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	125,605	100.00	-	
Data Express Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Investments accounted for using the equity method	-	49,782	100.00	-	
	Home Master Technology Ltd.	(Note A)	Other liabilities - other	-	(2,937)	99.99	-	
	Jing Yuan Technology Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	
Digital United (Cayman) Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	18,641	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	-	133,338	2.12	-	
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	27,731	76.92	-	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	82,294	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	58,781	41.67	-	

(Continued)

- Notes:
- A. Equity-method investee.
 - B. Investor company and investee have the same chairman.
 - C. The vice chairman of investee is the chairman of FENC.
 - D. The chairman of FENC is the vice chairman of the investee company.
 - E. The chairman of the investee is FENC’s chairman.
 - F. Financial assets under asset management contracts and the financial assets can be sold in the open market by the investee, Oriental Securities Corp.
 - G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
 - H. A private company.
 - I. The Fair value of financial assets measured at cost and unlisted equity investments held by the Group was not disclosed due to it can’t be reliably measured.
 - J. Parent company.
 - K. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedule J and K.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014
(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	Far Eastern Polytex (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	116	\$ 8,320,143	8	\$ 482,900	-	\$ -	\$ -	\$ -	\$ (49,480)	124	\$ 8,753,563
	PET Far Eastern (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	264	5,785,936	69	1,566,047	-	-	-	-	(730,335)	333	6,621,648
	Oriental Petrochemical (Taiwan) Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	881,078	6,565,878	151,117	1,511,163	-	-	-	-	(1,411,319)	1,032,195	6,665,722
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	30	30,320	5	317,650	-	-	-	-	(240,370)	35	107,600
PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Equity-method investments	Cash capital increase	(Note B)	-	1,405,970	-	545,558	-	-	-	-	23,084	-	1,974,612
	Tong Da Air Industry (Yangzhou) Co., Ltd.	Equity-method investments	Cash capital increase	(Note B)	-	-	-	1,020,489	-	-	-	-	27,838	-	1,048,327
Far Eastern Polytex (Holding) Ltd.	Far Eastern New Century (China) Investment Ltd.	Equity-method investments	Cash capital increase	(Note A)	-	2,118,100	-	502,400	-	-	-	-	(296,282)	-	2,324,218
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	Equity-method investments	Cash capital increase	(Note A)	-	65,281	-	317,400	-	-	-	-	(235,494)	-	147,187
Far Eastern General Contractor Co., Ltd.	CTBC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	26,274	344,000	26,274	344,707	344,000	707	-	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	58,293	630,000	27,805	300,034	300,000	34	-	30,488	330,000
	Mirae Asset Solomon Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	30,780	381,000	18,678	231,027	231,000	27	-	12,102	150,000
	Paradigm Pion Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,838	32,052	24,667	280,000	27,505	312,083	312,052	31	-	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	9,993	117,172	23,568	277,000	33,561	394,211	394,172	39	-	-	-
Far EasTone Telecommunications Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Equity-method investments	Cash capital increase	(Note B)	9,000	78,330	36,000	360,000	-	-	-	-	(36,170)	45,000	402,160
	Hiiiir Digital Marketing Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	8,000	59,580	45,726	457,260	-	-	-	-	(104,097)	53,726	412,743

- Notes:
- A. Subsidiary.
 - B. Equity-method.
 - C. Subsidiaries of Far Eastern New Century

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014
(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	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Sales	\$ (578,741)	(1)	Based on contract	\$ -	-	\$ -	-	\$ 92,908	1	
	Far Eastern Industries (WuXi) Ltd.	(Note D)	Sales	(364,969)	(1)	Based on contract	-	-	-	-	57,627	1	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note D)	Purchase	8,536,321	16	Based on contract	-	-	-	-	(590,773)	(18)	
	Oriental Resources Development Ltd.	(Note D)	Purchase	333,428	1	Based on contract	-	-	-	-	(34,169)	(1)	
	Worldwide Polychem (HK) Ltd.	(Note D)	Sales	(1,280,300)	(2)	Based on contract	-	-	-	-	338,479	4	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	Purchase	315,515	1	Based on contract	-	-	-	-	-	-	
	Everest Textile Co., Ltd.	(Note A)	Sales	(387,200)	(1)	Based on contract	-	-	14,413	4	-	-	
	Oriental Union Chemical Corp.	(Note A)	Purchase	1,240,272	2	Based on contract	-	-	-	-	(92,016)	(3)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note F)	Sales	(362,237)	(1)	Based on contract	-	-	-	-	49,828	1	
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	Sales	(174,353)	-	Based on contract	-	-	-	-	75,659	1	
	Fu-Da Transport Corporation	(Note J)	Purchase	140,800	-	Based on contract	-	-	-	-	(21,391)	(1)	
	Fu-Ming Transport Corporate	(Note J)	Purchase	107,685	-	Based on contract	-	-	-	-	(4,466)	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	Purchase	1,622,357	100	Based on contract	-	-	-	-	(245,046)	(98)	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Purchase	304,407	9	Based on contract	-	-	-	-	(68,437)	(12)	
	An Ho Garment (Suzhou) Ltd.	(Note D)	Purchase	346,930	10	Based on contract	-	-	-	-	(118,510)	(21)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sales	(1,622,357)	(56)	Based on contract	-	-	-	-	245,046	43	
	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sales	(304,407)	(10)	Based on contract	-	-	-	-	68,437	12	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	182,397	5	Based on contract	-	-	-	-	(34,325)	(9)	
	Far Eastern Industries (WuXi) Ltd.	(Note E)	Purchase	112,656	3	Based on contract	-	-	-	-	(36,186)	(10)	
	Far Eastern New Century Corporation	(Note C)	Sales	(315,515)	(11)	Based on contract	-	-	-	-	-	-	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Industries (Yangzhou) Ltd.	(Note E)	Sales	(322,307)	(1)	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note C)	Purchase	578,741	2	Based on contract	-	-	-	-	(92,908)	(3)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Sales	(8,565,718)	(32)	Based on contract	-	-	-	-	107,897	6	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	6,706,840	26	Based on contract	-	-	(1,146,631)	(92)	(523,767)	(16)	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	(864,602)	(3)	Based on contract	-	-	-	-	257,773	14	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	208,591	1	Based on contract	-	-	-	-	(72,986)	(2)	
	Worldwide Polychem (HK) Ltd.	(Note E)	Sales	(712,858)	(3)	Based on contract	-	-	-	-	343,423	19	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Sales	(182,397)	(1)	Based on contract	-	-	-	-	34,325	2	
Far Eastern Industries (WuXi) Ltd.	Far Eastern New Century Corporation	(Note C)	Purchase	364,969	10	Based on contract	-	-	-	-	(57,627)	(23)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Sales	(112,656)	(3)	Based on contract	-	-	-	-	36,186	9	
	Oriental Textile (Holding) Ltd.	(Note C)	Sales	(734,713)	(20)	Based on contract	-	-	-	-	145,925	37	
Far Eastern Industries (Suzhou) Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Purchase	596,623	15	Based on contract	-	-	-	-	-	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	1,223,381	32	Based on contract	-	-	(410,850)	(100)	(176,492)	(82)	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note E)	Purchase	493,686	13	Based on contract	-	-	-	-	-	-	
	Oriental Industries (Suzhou) Ltd.	(Note E)	Sales	(3,277,648)	(88)	Based on contract	-	-	651,943	98	268,909	96	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Purchase	8,565,718	93	Based on contract	-	-	-	-	(107,897)	(72)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note E)	Sales	(1,277,281)	(13)	Based on contract	-	-	-	-	338,827	43	

(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	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	\$ (363,231)	(4)	Based on contract	\$ -	-	\$ -	-	\$ 75,587	10	
		(Note E)	Purchase	558,750	6	Based on contract	-	-	-	-	(72,635)	(49)	
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd. Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	322,307	98	Based on contract	-	-	-	-	-	-	
		(Note E)	Sales	(323,483)	(100)	Based on contract	-	-	-	-	55,790	100	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd. Oriental Petrochemical (Shanghai) Corp.	(Note E)	Sales	(596,623)	(100)	Based on contract	-	-	-	-	-	-	
		(Note E)	Purchase	591,337	100	Based on contract	-	-	-	-	-	-	
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Yihua Petrochemical (Yangzhou) Corporation PET Far Eastern (Holding) Ltd.	(Note E)	Sales	(6,706,840)	(33)	Based on contract	-	-	1,146,631	38	523,767	55	
		(Note E)	Sales	(1,223,381)	(6)	Based on contract	-	-	410,850	14	176,792	19	
		(Note E)	Sales	(591,337)	(3)	Based on contract	-	-	-	-	-	-	
		(Note C)	Purchase	622,354	3	Based on contract	-	-	-	-	-	-	
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Ltd. Far Eastern New Century Corporation	(Note E)	Sales	(493,686)	(3)	Based on contract	-	-	-	-	-	-	
		(Note C)	Sales	(8,536,321)	(50)	Based on contract	-	-	-	-	590,773	47	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation Freudenberg Far Eastern Spunweb Co., Ltd.	(Note C)	Sales	(333,428)	(54)	Based on contract	-	-	-	-	36,335	65	
		(Note H)	Sales	(127,039)	(20)	Based on contract	-	-	-	-	19,242	35	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd. Oriental Textile (Holding) Ltd.	(Note E)	Purchase	3,277,648	45	Based on contract	-	-	(651,943)	(100)	(268,909)	(58)	
		(Note C)	Sales	(8,536,321)	(42)	Based on contract	-	-	-	-	555,508	42	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	(Note D)	Purchase	734,713	17	Based on contract	-	-	-	-	(145,925)	(20)	
		(Note D)	Purchase	3,463,732	82	Based on contract	-	-	-	-	(555,508)	(78)	
Fu Kwok Garment Manufacturing Co., Ltd.	Worldwide Polychem (HK) Ltd.	(Note E)	Sales	(217,349)	(10)	Based on contract	-	-	-	-	141,605	76	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note D)	Sales	(622,354)	(100)	Based on contract	-	-	-	-	-	-	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd. Far Eastern New Century Corporation	(Note E)	Purchase	1,227,281	71	Based on contract	-	-	-	-	(338,827)	(69)	
		(Note C)	Purchase	174,353	10	Based on contract	-	-	-	-	(75,659)	(15)	
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sales	(346,930)	(100)	Based on contract	-	-	-	-	118,510	100	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Industries (Yangzhou) Ltd.	(Note E)	Purchase	864,602	45	Based on contract	-	-	-	-	(257,773)	(58)	
		(Note E)	Sales	(208,591)	(10)	Based on contract	-	-	-	-	72,986	29	
		(Note E)	Sales	(558,750)	(27)	Based on contract	-	-	-	-	72,635	29	
		(Note E)	Purchase	363,231	19	Based on contract	-	-	-	-	(75,587)	(17)	
		(Note C)	Purchase	323,483	17	Based on contract	-	-	-	-	(55,790)	(13)	
		(Note E)	Purchase	712,858	32	Based on contract	-	-	-	-	(343,423)	(36)	
Worldwide Polychem (HK) Ltd.	Fu Kwok Garment Manufacturing Co., Ltd. Far Eastern New Century Corporation	(Note E)	Purchase	217,349	10	Based on contract	-	-	-	-	(141,605)	(15)	
		(Note C)	Purchase	1,280,300	58	Based on contract	-	-	-	-	(338,479)	(35)	
Far Eastern Electronic Toll Collection Co., Ltd.	YDT Technology International Co., Ltd.	(Note E)	Cost of construction	373,533	18	Based on contract	-	-	-	-	(15,593)	(24)	
YDT Technology International Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	(Note E)	Construction revenue	(373,533)	(81)	Based on contract	-	-	-	-	15,593	39	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp. Far Eastern Department Stores Co., Ltd. Far Eastern Memorial Hospital	(Note J)	Purchase	778,253	15	Based on contract	-	-	(24,167)	(13)	(166,074)	(15)	
		(Note H)	Construction revenue	(318,146)	(6)	Based on contract	-	-	-	-	2,653	1	
		(Note I)	Construction revenue	(132,691)	(3)	Based on contract	-	-	-	-	27,919	14	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note H)	Sales	(273,558)	(13)	Based on contract	-	-	-	-	20,923	15	

(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	
Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Other operating revenue	\$ (110,616)	(30)	Based on contract	\$ -	-	\$ -	-	\$ 1,787	44	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	Cost of telecommunications services, marketing expenses and cost of sales	16,280,192	27	Based on agreement	-	-	-	-	(1,559,477)	(10)	
	New Century InfoComrn Co., Ltd.	(Note D)	Operating revenues	(375,151)	-	Based on agreement	-	-	-	-	188,938	3	
			Operating revenues	(1,069,831)	(1)	Based on agreement	-	-	-	-	1,888	-	
			Cost of telecommunications services	3,105,102	7	Based on agreement	-	-	-	-	(424,725)	(3)	
	KGEx.com. Co., Ltd.	(Note D)	Operating revenues	(148,423)	-	Based on agreement	-	-	-	-	25,226	-	
	Hiiiir Inc.	(Note D)	Service fee	117,130	1	Based on agreement	-	-	-	-	(23,006)	-	
	Omusic., Ltd.	(Note D)	Cost of telecommunications services	158,353	-	Based on agreement	-	-	-	-	(37,543)	-	
	DataExpress Infotech Co., Ltd.	(Note D)	Operating revenues	(128,870)	-	Based on agreement	-	-	-	-	14,469	-	
	Far Cheng Human Resource Consultant Corp.	(Note E)	Service fee	109,517	1	Based on agreement	-	-	-	-	(9,159)	-	
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenues	(3,105,102)	(23)	Based on agreement	-	-	-	-	424,725	30	
New Century InfoComrn Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of telecommunications services	1,069,831	12	Based on agreement	-	-	-	-	(1,888)	-	
			Cost of telecommunications services	106,557	1	Based on agreement	-	-	-	-	(35,209)	(5)	
	Sino Lead Enterprise Limited	(Note D)	Cost of telecommunications services	108,666	1	Based on agreement	-	-	-	-	(23,291)	(3)	
			Operating revenues	(16,280,192)	(78)	Based on agreement	-	-	-	-	1,559,477	95	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales and cost of telecommunication services	375,151	2	Based on agreement	-	-	-	-	(188,938)	(13)	
			Operating revenues	(143,358)	(1)	Based on agreement	-	-	-	-	35,551	2	
	Home Master Technology Ltd.	(Note E)	Operating revenues	(143,358)	(1)	Based on agreement	-	-	-	-	35,551	2	
KGEx.com. Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of telecommunications services	148,423	20	Based on agreement	-	-	-	-	(25,226)	(41)	
	New Century InfoComrn Co., Ltd.	(Note E)	Operating revenues	(106,557)	(18)	Based on agreement	-	-	-	-	35,209	32	
Hiiiir Inc.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Service revenues	(117,130)	(39)	Based on agreement	-	-	-	-	23,006	31	
Omusic., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenues	(158,353)	(99)	Based on agreement	-	-	-	-	37,543	99	
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales and cost of telecommunication services	128,870	5	Based on agreement	-	-	-	-	(14,469)	(4)	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note E)	Cost of sales	143,358	59	Based on agreement	-	-	-	-	(35,551)	(82)	
Sino Lead Enterprise Limited	New Century InfoComrn Co., Ltd.	(Note C)	Operating revenues	(108,666)	(100)	Based on agreement	-	-	-	-	23,291	77	

Notes: A. Equity-method investee.

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

C. Parent company.

D. Subsidiary.

E. Same ultimate parent company.

F. Equity-method investee equity-method of FENC's subsidiary.

(Continued)

- G. The receivables collected by Far EasTone for NCIC.
- H. Equity-method investee equity-method of FENC.
- I. The chairman of the company is the chairman of FENC.
- J. The chairman of the ultimate parent company is the chairman of FENC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014**

(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 D)	\$ 338,479	2.43	\$ -	-	\$ 198,772	\$ -
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note E)	107,897	11.42	-	-	107,897	-
	Wuhan Far Eastern New Material Ltd.	(Note C)	257,773	2.43	-	-	164,960	-
	Worldwide Polychem (HK) Ltd.	(Note C)	343,423	2.96	-	-	135,388	-
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	145,925	5.92	-	-	135,729	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	920,852	3.87	-	-	920,852	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	338,827	3.49	-	-	231,874	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	(Note E)	111,910	11.38	-	-	71,978	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	1,670,398	3.82	-	-	619,203	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	587,342	3.27	-	-	343,040	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	590,773	12.09	-	-	572,313	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	555,508	6.80	-	-	555,508	-
FuKwok Garment Manufacturing Co., Ltd.	Worldwide Polychem (HK) Ltd.	(Note C)	141,605	3.07	-	-	132,940	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel Holding Ltd.	(Note E)	245,046	8.75	-	-	228,551	-
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	118,510	3.01	-	-	84,914	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	190,948	11.79	-	-	159,888	-
	New Century InfoComm Tech Co., Ltd.	(Note D)	185,093	(Note B)	-	-	93,208	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	5,183,228	(Note G)	-	-	721,621	-
	Q-ware Communications Co., Ltd.	(Note C)	242,125	(Note F)	-	-	3,793	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	1,559,477	12.17	-	-	1,527,612	-

(Continued)

Notes: A. For the receivables from the financing to affiliates, please refer to Schedule D.

B. The turnover rate was not calculated because the receivables of Far EasTone were the payment made for NCIC's daily operating expenditures and the management service charges to NCIC.

C. Same ultimate parent company.

D. Subsidiary.

E. Parent company.

F. The turnover rate was not calculated because the expenses of Pet Far Eastern (Holding) Ltd. were the payments made for its subsidiary, Far Eastern Polychem Industries Ltd.

G. The turnover rate was not calculated because revenues and the costs due from the Internet hook-up and international phone call services between Far EasTone and NCIC were paid (received) at net amounts, which were recognized under accounts payable to affiliates.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2014	December 31, 2013	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	\$ 20,188,007	\$ 9,362,665	\$ 1,558,325	Gain or loss recognized under the treasury stock method, (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	16.80	5,090,002	1,503,897	252,655	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,504,072	145,933	13,382	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,508	373,953	112	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	159,823	159,823	140,278	19.65	2,067,580	326,643	64,185	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	810,000	810,000	135,000	16.83	1,843,780	792,682	133,408	(Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,041	100,041	1,822,822	99.40	41,067,513	5,565,824	5,506,388	Including write off and reversed by sidestream transactions \$(24,694), (Note B)
	Far Eastern Resources Development Co.	Taiwan	Real estate leasing and development service	14,931,733	14,931,733	557,354	100.00	96,565,010	4,439,772	4,439,772	(Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,678,309	7,195,409	124	100.00	8,753,563	(231,191)	(231,191)	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73.04	8,116,141	(15,679)	(11,452)	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,932,131	188,635	188,770	Including write off and reversed by upstream and sidestream transaction \$135, (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	302,843	100.00	5,182,313	253,238	253,238	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	8,281,047	868,440	868,440	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	4,245,203	333	90.54	6,621,648	(1,056,971)	(942,181)	Including amortised cost of discounts \$9,727, (Note B)
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taiwan	Petrochemical materials production	9,408,804	7,897,641	1,032,195	75.56	6,665,722	(1,817,730)	(1,409,260)	Including write off and reversed by upstream transactions \$20,035, (Note B)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and selling	143,450	143,450	198,791	65.11	7,097,316	365,100	239,454	(Note B)
	Yuan Ding Company Ltd.	Taiwan	Real estate construction and selling	857,511	857,511	186,929	37.13	3,365,650	506,751	106,102	Including write off by sidestream transactions \$(82,352), (Note B)
	An Ho Garment Co., Ltd.	Taiwan	Investment	1,023	1,023	66,346	100.00	1,805,268	199,503	199,429	Including write off and reversed by sidestream transactions \$(74), (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,762,049	105,147	105,147	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	340,899	(197,420)	(99,559)	(Note B)
	Fu Kwok Garment Manufacturing Co., Ltd.	Taiwan	Real Garment production	9,129	9,129	3,999	99.99	193,322	17,824	17,822	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	393,651	393,651	19,772	19.00	103,408	(295,419)	(56,130)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Chemical fiber production	1,000	1,000	100	100.00	1,308	72	72	(Note B)
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	316,556	263,935	11,045	0.33	454,258	9,362,665	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,321,883	1,041,479	82,169	9.28	1,727,200	145,933	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	169,831	123,123	7,307	0.51	209,634	1,503,897	-	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,127,366	373,953	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,742,197	11,484,149	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	1,392,692	1,392,692	306,644	26.96	2,995,772	(15,679)	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Sale of textile, garments, and clothing	2,179,442	2,179,442	111	100.00	2,565,031	174,926	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	23,081	41.86	1,281,699	243,515	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	ale of textile, garments, and clothing	287,984	287,984	24,736	100.00	368,392	10,839	-	(Note B)
	Yuan Faun Ltd.	Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	121,298	2,280	-	(Note B)
	Yue Ming Corp.	Taiwan	Trading	97,852	97,852	3,671	45.50	71,112	1,521	-	(Note A)
	Yuan Ding Leasing Corp.	Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	428,360	16,816	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	585,000	585,000	88,317	100.00	1,032,067	110,271	-	(Note B)
	Oriental Resources Development Ltd.	Taiwan	Waste recycling and processing	338,188	338,188	34,242	70.00	338,458	2,255	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35.00	1,600,532	970,650	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	29.80	291,836	321,322	-	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	255,424	255,424	185,247	25.96	2,836,995	326,643	-	(Note A)
	Yuan Ding Company Ltd.	Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,197,121	506,751	-	(Note B)
	Far Eastern International Leasing Corp.	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	1,181,183	132,017	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment	5,842,331	5,842,331	89	100.00	7,009,140	337,532	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	796,491	796,491	119,653	14.92	1,547,871	792,682	-	(Note A)
	Yu Yuan Investment Co.	Taiwan	Investment	673,704	673,704	98,198	18.96	964,085	1,539,457	-	(Note A)
	Far Eastern General Contractor Co., Ltd.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	22,710	152,905	-	(Note B)
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taiwan	Petrochemical materials production	311,759	207,839	70,982	5.20	459,551	(1,817,730)	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2014	December 31, 2013	Shares (Note F)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	FETG Investment Antilles N.V.	Netherlands Antilles	Investment	US\$ 6	US\$ 6	6	100.00	\$ 1,189,407	\$ 553,456	\$ -	(Note B)
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	(12,796)	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50.00	203,573	89,625	-	(Notes B, C)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	14,450	(11,172)	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100.00	252,377	(32,756)	-	(Notes B, D)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Polyester production	US\$ 3,500	US\$ 3,500	2,700	100.00	96,279	(365)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34.00	1,646	25	-	(Note A)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	375,512	375,512	13,222	0.39	511,946	9,362,665	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	54,812	53,506	2,663	0.19	73,002	1,503,897	-	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	70,428	149,480	4,226	0.90	36,969	373,953	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	596,353	387,687	24,581	2.78	664,248	145,933	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	41,614	11,484,149	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2.24	226,538	792,682	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	10,180	13.20	307,483	127,510	-	(Note A)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	483,448	483,448	20,207	0.60	772,043	9,362,665	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,153,922	11,484,149	-	(Note B)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	816,803	526,597	35,524	4.01	832,482	145,933	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.44	598,667	1,503,897	-	(Note A)
	Kowloon Cement Corp.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	448,282	48,472	-	(Note A)
	Far Eastern International Leasing Corp.	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,181,223	132,017	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2.24	226,538	792,682	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9.46	698,377	(1,056,971)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	335,087	(197,420)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET bottle production and selling	JPY 1,200,000	JPY 1,200,000	120	80.00	135,910	(199,122)	-	(Note B)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,065,732	152,905	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,727	0.53	627,920	9,362,665	-	(Note A)
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	5	0.01	96	127,510	-	(Note A)
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co, Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	4,272	(3,734)	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	1,187,271	553,565	-	(Note B)
Waldorf Services B.V.	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	(11,627)	(9)	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production	SGD 3,000	SGD 3,000	30	37.92	65,794	12,540	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 290	US\$ 290	59	41.00	(12,531)	(394)	-	(Note A)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,087,829	11,484,149	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	262,487	9,362,665	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	286,049	4,814	11,160	1.26	291,148	145,933	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,732	1,503,897	-	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	95,103	95,103	5,890	0.83	91,212	326,643	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	12,084	15.66	266,676	127,510	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	67,285	67,285	9,681	1.21	127,600	792,682	-	(Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	167,742	5,565,824	-	(Note B)
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Taiwan	Personnel recruitment	7,214	7,304	745	55.19	12,604	4,568	-	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.020	19,853	11,484,149	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,837,687	11,484,149	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,159,521	1,159,521	39,619	2.75	1,288,621	1,503,897	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,511,986	1,350,827	41,161	4.65	1,577,874	145,933	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,579	0.85	1,193,962	9,362,665	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2.24	226,538	792,682	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	787,104	787,104	77,257	11.98	328,155	(340,884)	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	20	20	1	-	23	970,650	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,191,960	1,874,310	35	93.55	107,600	(272,324)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	31	321,322	-	(Note A)
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	467,219	229,617	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	240,000	240,000	9,833	60.00	119,481	26,118	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2014	December 31, 2013	Shares (Note F)	Percentage of Ownership	Carrying Value			
	Far Eastern Technical Consultants Co, Ltd.	Taiwan	Real estate development business consulting and management	\$ 45,182	\$ 45,182	4,550	91.00	\$ 46,367	\$ (3,734)	\$ -	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	-	17.70	8,078	1,118	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	645,021	645,021	64,502	61.99	337,219	(295,419)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	239,130	239,130	23,913	53.08	12,866	(140,294)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taiwan	Business consulting	822,701	822,701	85,000	100.00	382,286	(182,782)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	218,349	9,362,665	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	113,111	11,484,149	-	(Note B)
	Yu Yuan Investment Co.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,060,049	1,539,457	-	(Note A)
	Yue Ming Corp.	Taiwan	Trading	787	787	81	1.00	757	1,521	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,000	2.59	43,735	127,510	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,500	5.00	128,195	157,149	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	977,650	977,650	96,312	14.93	403,667	(340,884)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	300,000	60,000	30,000	20.00	270,810	(108,833)	-	(Note B)
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	745	745	79	0.18	38	(140,294)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	225,150	45,030	22,515	15.01	201,214	(108,833)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	-	100.00	(110,281)	(187,814)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	16,173	16,173	793	0.17	6,961	373,953	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.19	98,796	1,503,897	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,473	9,362,665	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	1	82.30	37,560	1,118	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I & II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,239,882	2,430,726	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,305,802	1,295,035	82,762	61.63	1,312,989	264,533	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,540,442	2,540,442	112,391	99.99	891,631	36,405	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	5,768	(21,775)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	101,371	101,371	19,350	99.99	126,617	15,254	-	(Note B)
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	99,467	7,308	-	(Note B)
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	27,048	1,458	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	(30)	244	-	(Note B)
	Hiiir Digital Marketing Co., Ltd.	Taiwan	Electronic information providing services	537,260	80,000	53,726	89.54	412,743	(114,397)	-	(Note B)
	Q-Ware Communication Co., Ltd.	Taiwan	Type II telecommunications services	832,038	832,038	33,983	81.46	(63,123)	(41,513)	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	2,542,396	2,542,396	254,240	39.42	696,803	(340,884)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	80,893	80,893	6,691	14.85	4,304	(140,294)	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	60,000	60,000	2,458	15.00	30,182	26,118	-	(Note B)
	iScreen Corporation	Taiwan	Information services	100,000	100,000	4,000	40.00	16,526	2,307	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	450,000	90,000	45,000	30.00	402,160	(108,833)	-	(Note B)
	Alliance Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	30,000	30,000	3,000	13.33	21,917	(54,157)	-	(Note A)
ARCOA Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	141,750	12,866	70.00	198,519	30,565	-	(Note B)
New Century InfoComm Tech Co., Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	20,000	20,000	819	5.00	10,061	26,118	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	28,922	28,922	2,392	5.31	1,539	(140,294)	-	(Note B)
	New Diligent Co., Ltd.	Taiwan	Investment	800,000	800,000	80,000	100.00	632,736	(39,093)	-	(Note B)
	Information Security Service Digital United Co., Ltd.	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	102,490	4,070	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	132,406	4,320	100.00	40,087	(11,565)	-	(Note B)
	Simple InfoComm Co., Ltd.	Taiwan	Type II telecommunications services	34,000	34,000	3,400	100.00	20,904	17	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	225	(91)	-	(Note B)
	Far Eastern New Diligent Co., Ltd.	British Virgin Islands	Investment	133,048	133,048	-	100.00	125,605	(44,509)	-	(Note B)
Data Express Infotech Co., Ltd.	Linkwell Tech. Ltd.	Taiwan	Sale of communications products	10,000	10,000	-	99.99	49,782	5,880	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Sale of communications products	9,999	9,999	-	-	(2,937)	(15,825)	-	(Note B)
	Jing Yuan Technology Ltd.	Taiwan	Data processing service	-	10,000	-	-	-	(20)	-	(Note B)

Notes: A. Equity-method investee.

B. Subsidiary.

(Continued)

- C. Included 5,000 thousand common shares and 3,000 thousand preferred shares.
- D. A private company.
- E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- F. Shares in thousands.
- G. Investment in mainland china, please refer to Schedule J.
- H. Under the “IFRSs Questions and Answers” issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.
- I. The share value of FENC shares held by Yuan Ding Company Ltd. and the shares of Yuan Ding Company Ltd. were adjusted resulting from investment properties are subsequently measured by the fair value.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2014
(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, 2014	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2014 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2014	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments.	\$ 9,575,934	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 216,878	100.00	\$ 216,878	\$ 9,164,900	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Ltd.	Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories.	1,041,809	2	1,010,901	-	-	1,010,901	14,445	100.00	14,445	1,341,805	233,172	Notes F and G
Far Eastern Industries (WuXi) Ltd.	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, greige woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics.	2,451,889	2	2,018,430	-	-	2,018,430	(42,847)	100.00	(42,847)	3,335,942	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products.	7,648,271	2	2,976,148	-	-	2,976,148	(1,787,402)	61.35	(1,096,571)	4,890,155	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,880,523	2	1,342,854	-	-	1,342,854	141,145	100.00	141,145	2,284,054	92,719	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	2,008,328	2	1,765,319	-	-	1,765,319	(224,229)	100.00	(224,229)	435,766	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products	871,060	2	724,110	-	-	724,110	40,791	100.00	40,791	1,024,422	-	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	4,261,641	2	3,656,977	-	-	3,656,977	384,180	100.00	384,180	4,203,183	-	Note H
Far Eastern New Century (China) Investment Ltd.	Investment	2,396,946	2	1,606,525	482,900	-	2,089,425	(5,730)	100.00	(5,730)	2,324,218	-	

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, 2014	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2014 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2014	Note
					Outflow	Inflow							
Sino Belgium (Suzhou) Ltd.	Brewery	\$ 1,941,048	2	\$ 1,446,552	\$ 317,400	\$ -	\$ 1,763,952	\$ (224,229)	100.00	\$ (224,229)	\$ 147,187	\$ -	Note L
Martens Beers Trading (Shanghai) Ltd.	Brewery	368,219	2	200,473	-	-	200,473	(10,022)	100.00	(10,022)	55,692	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,401,191	2	4,181,323	-	-	4,181,323	2,339	60.00	1,403	4,468,806	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,573,085	2	1,436,190	-	-	1,436,190	12,452	100.00	12,452	1,570,777	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	4,156,043	2	1,417,350	545,558	-	1,962,908	(121,983)	50.00	(60,992)	1,974,612	-	
Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	64,726	3	-	-	-	-	112	100.00	112	67,776	-	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	96,758	3	-	-	-	-	7,377	100.00	7,377	126,360	-	
An Ho Garment (Suzhou) Ltd.	Garment production	5,093	3	-	-	-	-	(4,564)	100.00	(4,564)	50,247	-	
Yuan Ding Enterprise (Shanghai) Ltd.	Software development	539,805	3	-	-	-	-	(159,351)	100.00	(159,351)	539,805	-	
Tong Da air Industry (Yangzhou) Co., Ltd.	Liquid oxygen,oxygen, nitrogen and hydrogen warehousing	2,095,432	2	-	1,020,489	-	1,020,489	(1,177)	50.00	(589)	1,048,327	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	410,726	2	240,330	-	-	240,330	(189,376)	100.00	(189,376)	(111,914)	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	33,301	2	24,220	-	-	24,220	3,044	100.00	3,044	44,911	-	Note N
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and provision of network information	189,900	2	92,616	110,775	-	203,391	(4,402)	100.00	(4,402)	160,357	-	Note O
Digital United Information Technologies (Shanghai) Ltd.	Research and design of computer system	98,115	2	98,115	-	-	98,115	(12,542)	100.00	(12,542)	18,641	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	164,580	2	126,600	-	-	126,600	(55,801)	79.04	(44,104)	180,354	-	Note R
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	35,670	1	35,670	-	-	35,670	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Co., Ltd. (Notes T and U)	\$ 19,458,065	\$ 25,073,813	\$ -

(Continued)

- Notes:
- A. Investment type as follows:
1. The Group made the investment directly.
 2. The Group made the investment through a company registered in a third region. The companies registered in a third region are Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far Eastern New Diligent Company Ltd.
 3. Other.
- B. Recognition of gains/losses was based on the following three information:
1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Sino Belgium (Suzhou) Limited, Far Eastern Apparel (Suzhou) Ltd., Oriental Petrochemical (Shanghai) Corp., Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Far Eastern Industries (WuXi) Ltd. and Oriental Industries (Suzhou) Ltd.
 2. Financial statements of these companies, which were audited by the parent company's accounting firm: Far Eastern Tech-info Ltd. (Shanghai), Digital United Information Technology (Shanghai) Co., Ltd., New Diligence Tech-info (Shanghai) Ltd. and Far Eastern New Century Information Technology (Beijing) Limited.
 3. Others: Far Eastern New Century (China) Investment Ltd., Martens Beers Trading (Shanghai) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) Digital Tech. Co., Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Far Eastern Industries (Yangzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation., Shanghai Yuan Zi Information Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Ltd., An Ho Garment (Suzhou) Ltd., Suqian Far Eastern Apparel Co., Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.
- C. The ending balance of investment recognized by parent company.
- D. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.
- E. As of December 31, 2014, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.
- F. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.
- G. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.
- H. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- I. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiaries, Oriental Textile (Holding) Ltd.
- J. As of December 31, 2014, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.
- K. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.
- L. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.
- M. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd. and FET Consulting Engineers Co., Ltd.
- N. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.
- P. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73,000, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.
- R. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Co., Ltd.
- S. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Ltd.
- T. Investment amounts authorized by Investment Commission, MOEA were included by US\$778,755 thousand, RMB77,000 thousand and RMB6,695 thousand which was the original investment from Far Eastern Polytex (Holding) Ltd. and approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10001153440, there is no cap on the amount of the Company's investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars)**

Investee Company	Authorized by Investment Commission, MOEA				Investment Type				
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198				
					(Note E)				
	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500			
Far Eastern Apparel (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Industries (WuXi) Ltd.	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Corp.	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd. Far Eastern Polychem Industries Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd. PET Far Eastern (Holding) Ltd.	49,500	49,500			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type				
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	\$ 4,800 2,936 (Note F)	\$ 4,800			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
	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			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note T)	Oriental Textile (Holding) Ltd.	43,000	43,000			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type				
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Martens Beers Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd. Bockhold N.V Martens HK Ltd.	\$ 16,000 38	\$ 16,000 38			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note S)	Sino Belgium (Holding) Ltd.	10,000	10,000			
	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V Martens HK Ltd.	4,304				\$ 4,304
		2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd. Sino Belgium (Holding) Ltd.	1,500	1,500			
				Bockhold N.V Martens HK Ltd.	282	282			
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note S)	Sino Belgium (Holding) Ltd.	1,000	1,000			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10100115020 (Note M)	PET Far Eastern (Holding) Ltd.	100,000	100,000			
Yuan Ding Enterprise (Shanghai) Ltd.	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd.	1,000	1,000			
				Far Eastern New Century (China) Investment Ltd.					
	Far Eastern New Century Corporation	2014.01.28	No. 10200399290 (Note R)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Ltd.	82,340	82,340			
Far Eastern E-Resource (Yangzhou) Ltd.	Far Eastern New Century Corporation	2013.12.26	No. 10200417560 (Note O)	Far Eastern Polytex (Holding) Ltd.	RMB 77,000	RMB 77,000			

(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\$)
Tong Da air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.01.28	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Ltd.	\$ 33,500	\$ 33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd. New Ditigent 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			
		2014.01.29	No. 10300022990	Far Eastern New Diligent Company Ltd.	3,500	3,500			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				\$ 3,100
	New Century InfoComm Tech Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note P)	1,127	1,127			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far Eastern New Diligent Company Ltd.	4,000	4,000			

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

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

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

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

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

F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Oriental Petrochemical (Shanghai) Ltd. increased.

G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership of and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd. under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

(Continued)

- I. After obtaining MOEA approval (No. 09900470520), FENC received from FEDP (Holding) Ltd. the equity of Yuan Tong Investment Co., Ltd. amounting US\$18,224 thousand. (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of December 31, 2014, FENC paid US\$139,400 thousand in this indirect investment.
- K. After obtaining the MOEA's approval (Letter No. 10000380580), FENC made its subsidiary, Far Eastern Polychem Industries Ltd. indirectly invest RMB136,000 thousand in Far Eastern Industries (Shanghai) Ltd. However, as of December 31, 2013, FEPI had remitted this indirect investment of RMB136,000 thousand back to Taiwan and the prior approval of the MOEA had been obtained on August 8, 2013.
- L. After obtaining MOEA approval (No. 10000446910), FENC made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$17,820 thousand in Sino Belgium (Suzhou) Limited and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$17,500 thousand as its indirect investment.
- M. After obtaining MOEA approval (No. 10100115020), FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Ltd. As of December 31, 2014, FENC remitted US\$66,000 thousand to this indirect investment.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$1,065 thousand to this indirect investment.
- O. After obtaining MOEA approval (No. 10200417560), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd. indirectly invest RMB77,000 thousand in Far Eastern E-Resource (Yangzhou) Ltd. As of November 11, 2014, board of directors had canceled this indirect investment.
- P. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the MOEA's Investment Commission, which then canceled this amount.
- Q. FENC reduced invest amount to US\$33,500 after replacing document No. 10300203670 with document No. 10200478110. FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest Tong Da Air Industry (Yangzhou) Co., Ltd.
- R. After obtaining MOEA approval (No. 10200399290), FENC made it subsidiary, Far Eastern Polytex (Holding) Ltd. and Far Eastern New Century (China) Investment Ltd., indirectly invest US\$82,340 thousand in Yuan Ding Enterprise (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$16,625 thousand as its indirect investment.
- S. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US\$11,000 thousand in Sino Belgium (Suzhou) Limited and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$1,000 thousand to this indirect investment.
- T. After replacing document No. 10300140570 with document No. 10300223190, FENC's subsidiary Yuan Ding Investment Co., Ltd. made its subsidiary, Oriental Textile (Holding) Ltd., indirectly invest US\$43,000 thousand or equal amount currency of RMB in Oriental Industries (Suzhou) Ltd. As of December 31, 2014, FENC has yet to make any remittance to this indirect investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In Thousands of New Taiwan Dollars)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd.	1	Other receivables	\$ 1,898,760	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest revenue	26,841	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Other receivables	1,995,240	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	1	Interest revenue	40,497	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Other receivables	117,990	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Other receivables	148,164	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Sales revenue	174,353	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Other receivables	406,111	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Accounts receivable	338,479	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	1	Sales revenue	1,280,300	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	1	Sales revenue	578,741	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Sales revenue	264,969	Based on agreement	-
2	Yuan Ding Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	3	Other receivables	394,000	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	5,887	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	700,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	8,283	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Other receivables	400,000	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Interest revenue	3,834	Based on agreement	-
5	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	338,827	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales revenue	1,227,281	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	1	Other receivables	2,355,553	Based on agreement	-
		Far Eastern Ishizuka Green Pet	1	Other receivables	305,055	Based on agreement	-
		Far Eastern Ishizuka Green Pet	1	Interest revenue	459	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	814,894	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales revenue	363,231	Based on agreement	-
6	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	590,773	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales revenue	8,536,321	Based on agreement	4
		Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	493,686	Based on agreement	-
7	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Other receivables	316,500	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interests receivable	579	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	3,989	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	20	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other receivables	1,993,950	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Far Eastern Polytex (Holding) Ltd.	3	Interests receivable	\$ 2,245	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest revenue	24,271	Based on agreement	-
		FEDP (Holding) Ltd.	3	Other receivables	47,475	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interests receivable	42	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interest revenue	225	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	2,357,292	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interests receivable	261	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	29,459	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other receivables	474,750	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interests receivable	135	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest revenue	5,891	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	252,497	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interests receivable	61,960	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest revenue	3,436	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Other receivables	232,944	Based on agreement	-
		Worldwide Polychem (HK) Limited	3	Other receivables	82,290	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	250,985	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interests receivable	842	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	3,257	Based on agreement	-
8	PET Far Eastern (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	1	Other receivables	484,245	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	1	Interest revenue	4,750	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	1,035,955	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Sales revenue	622,354	Based on agreement	-
10	Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	1	Other receivables	158,250	Based on agreement	-
		Far Eastern New Century (China) Investment Ltd.	1	Other receivables	1,975,974	Based on agreement	-
11	Yuan Ding Company Ltd.	Far Eastern New Century Corporation	2	Rent revenue	117,236	Based on agreement	-
		Ding Ding Hotel Co., Ltd.	1	Rent revenue	392,631	Based on agreement	-
		Yuan Ding Integrated Information Service (Shanghai) Inc.	1	Other receivables	189,900	Based on agreement	-
15	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest revenue	391	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	1	Other receivables	411,450	Based on agreement	-
20	Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	1	Other receivables	221,550	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	1	Other receivables	3,006,750	Based on agreement	1
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1	Other receivables	341,820	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Other receivables	569,700	Based on agreement	-
24	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales revenue	333,420	Based on agreement	-
28	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	111,910	Based on agreement	-
		Far Eastern New Century Corporation	2	Processing revenue	1,167,301	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
30	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	2	Sales revenue	\$ 8,565,718	Based on agreement	4
		Worldwide Polychem (HK) Ltd.	3	Accounts receivable	343,423	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	3	Sales revenue	712,858	Based on agreement	-
		Far Eastern Industries (Yangzhou) Ltd.	3	Sales revenue	322,307	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales revenue	182,397	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	257,773	Based on agreement	-
		Wuhan Far Eastern New Material Ltd.	3	Sales revenue	864,602	Based on agreement	-
33	Far Eastern General Contractor Co., Ltd.	Far Eastern Construction Co., Ltd.	2	Construction revenue	177,600	Based on agreement	-
34	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern New Century Corporation	2	Sales revenue	315,515	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Accounts receivable	245,046	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	2	Sales revenue	1,622,357	Based on agreement	1
		Far Eastern Apparel (Suzhou) Ltd.	3	Sales revenue	304,407	Based on agreement	-
36	Waldorf Services B.V.	Far Eastern Polychem Industries Ltd.	3	Other receivables	316,500	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	362	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Interest revenue	3,570	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Other receivables	316,500	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	316,500	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	362	Based on agreement	-
37	Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	110,616	Based on agreement	-
39	An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Accounts receivable	118,510	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	2	Sales revenue	346,930	Based on agreement	-
41	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	523,767	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	1,146,630	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales revenue	6,706,840	Based on agreement	3
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	176,492	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Notes receivable	410,850	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	1,223,381	Based on agreement	1
		Far Eastern Yihua Petrochemical (Yangzhou) Corporation	3	Sales revenue	591,337	Based on agreement	-
43	Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	145,925	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales revenue	734,713	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales revenue	112,656	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	177,816	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	522	Based on agreement	-
44	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	2	Accounts receivable	555,508	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales revenue	3,463,732	Based on agreement	1
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	38,448	Based on agreement	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest revenue	130	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Far Eastern Industries (WuXi) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd. Sino Belgium (Suzhou) Ltd. Sino Belgium (Suzhou) Ltd.	3 3 3 3 3 3	Interest revenue Other receivables Interest revenue Interest revenue Other receivables Interests receivable	\$ 48 457,302 1,473 641 877,001 2,609	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - -
45	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd.	3 3 3 3	Accounts receivable Notes receivable Sales revenue Interest revenue	268,909 651,943 3,277,648 46	Based on agreement Based on agreement Based on agreement Based on agreement	- - 1 -
46	Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd. Far Eastern Industries (Shanghai) Ltd.	3 3	Sales revenue Sales revenue	558,750 208,591	Based on agreement Based on agreement	- -
47	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Sino Belgium (Suzhou) Ltd.	3 3 3 3 3	Interest revenue Other receivables Interest revenue Interest revenue Interest revenue	36 1,009,378 8,799 4,536 8,546	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - -
48	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	3	Sales revenue	596,623	Based on agreement	-
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	1	Other receivables	4,646,193	Based on agreement	1
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd. Yuan Ding Company Ltd. Far Eastern Electronic Toll Collection Co., Ltd.	2 2 3	Other receivables Interest revenue Construction income	150,165 1,404 3,73,533	Based on agreement Based on agreement Based on agreement	- - -
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	2	Other receivables	220,000	Based on agreement	-

Note A: How the Company and subsidiaries are identified:

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

Note B: Flow of transaction:

- From FENC to subsidiary.
- From the subsidiary to FENC.
- Between subsidiaries.

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

(Concluded)