

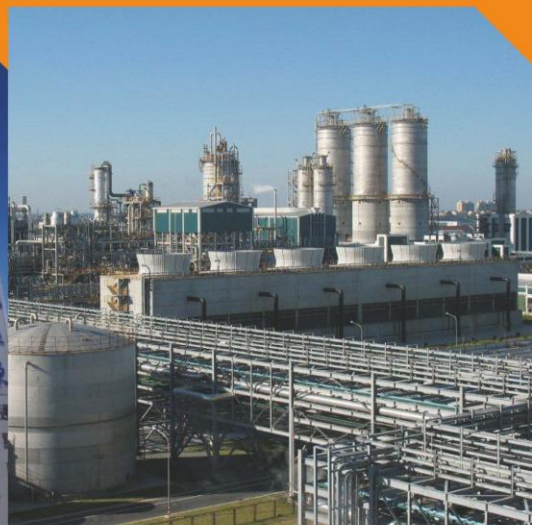


FAR EASTERN NEW CENTURY

Handbook for 2015 Annual Shareholders' Meeting



積極變革 成就未來



Contents

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| REPORTING ITEMS | 3 |
| 1. TO REPORT 2014 BUSINESS OPERATIONS | 3 |
| 2. TO REPORT 2014 FINANCIAL STATEMENTS | 3 |
| 3. TO REPORT SUPERVISORS' REVIEW OF 2014 BUSINESS OPERATIONS AND FINANCIAL STATEMENTS | 3 |
| 4. TO REPORT THE INFORMATION OF THE CORPORATE BONDS ISSUED IN 2014 | 3 |
| APPROVAL ITEMS | 4 |
| 1. TO ACCEPT 2014 BUSINESS REPORT AND FINANCIAL STATEMENTS | 4 |
| 2. TO APPROVE THE PROPOSAL FOR DISTRIBUTION OF 2014 PROFITS | 4 |
| PROPOSED RESOLUTIONS AND ELECTIONS OF DIRECTORS | 6 |
| 1. TO APPROVE THE ISSUANCE OF 2014 STOCK DIVIDENDS FROM CAPITAL SURPLUS | 6 |
| 2. TO APPROVE THE REVISIONS TO THE "ARTICLES OF INCORPORATION OF FAR EASTERN NEW CENTURY CORPORATION" | 7 |
| 3. TO APPROVE AMENDING THE COMPANY BYLAW OF "ELECTION PROCEDURES OF DIRECTOR AND SUPERVISOR FOR FAR EASTERN NEW CENTURY CORPORATION" | 7 |
| 4. TO APPROVE AMENDING THE COMPANY BYLAW OF "PROCEDURES FOR LENDING OF CAPITAL TO OTHERS OF FAR EASTERN NEW CENTURY CORPORATION" | 7 |
| 5. TO APPROVE AMENDING THE COMPANY BYLAW OF "PROCEDURES FOR ENDORSEMENTS AND GUARANTEES OF FAR EASTERN NEW CENTURY CORPORATION" | 8 |
| 6. TO APPROVE AMENDING THE COMPANY BYLAW OF "PROCEDURES FOR ACQUISITION AND DISPOSITION OF ASSETS OF FAR EASTERN NEW CENTURY CORPORATION" | 8 |
| 7. TO ELECT DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) OF FAR EASTERN NEW CENTURY CORPORATION | 8 |
| 8. TO APPROVE THE RELEASE OF THE RELEVANT DIRECTORS FROM THE NON-COMPETITION RESTRICTION UNDER ARTICLE 209 OF THE COMPANY ACT..... | 12 |
| EXTEMPORARY MOTION | 12 |
| ATTACHMENT I 2014 BUSINESS REPORT | 13 |
| ATTACHMENT II 2014 INDEPENDENT AUDITORS' REPORT | 19 |
| ATTACHMENT III SUPERVISORS' REPORT | 35 |
| ATTACHMENT IV INFORMATION ABOUT THE CORPORATE BONDS ISSUED IN YEAR 2014 | 36 |
| ATTACHMENT V AMENDMENTS TO "ARTICLES OF INCORPORATION OF FAR EASTERN NEW CENTURY CORPORATION" | 37 |
| ATTACHMENT VI AMENDMENTS TO "ELECTION PROCEDURES OF DIRECTOR AND SUPERVISOR FOR FAR EASTERN NEW CENTURY CORPORATION" | 40 |
| ATTACHMENT VII AMENDMENTS TO "PROCEDURES FOR LENDING OF CAPITAL TO OTHERS OF FAR EASTERN NEW CENTURY CORPORATION" | 41 |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| ATTACHMENT VIII AMENDMENTS TO “PROCEDURES FOR ENDORSEMENTS AND GUARANTEES OF FAR EASTERN NEW CENTURY CORPORATION” | 44 |
| ATTACHMENT IX AMENDMENTS TO “PROCEDURES FOR ACQUISITION AND DISPOSITION OF ASSETS OF FAR EASTERN NEW CENTURY CORPORATION” | 47 |
| ATTACHMENT X CURRENT SHAREHOLDING OF DIRECTORS AND SUPERVISORS..... | 51 |
| ATTACHMENT XI IMPACT OF THE STOCK DIVIDEND DISTRIBUTION ON OPERATING RESULTS, EARNINGS PER SHARE AND SHAREHOLDERS’ RETURN ON INVESTMENT | 52 |
| ATTACHMENT XII INFORMATION ABOUT THE BONUS OF EMPLOYEES AND COMPENSATION OF DIRECTORS AND SUPERVISORS | 53 |
| GENERAL INFORMATION | 54 |
| I. ARTICLES OF INCORPORATION OF FAR EASTERN NEW CENTURY CORPORATION | 54 |
| II. MEETING RULES OF STOCKHOLDERS FOR FAR EASTERN NEW CENTURY CORPORATION | 60 |
| III. ELECTION PROCEDURES OF DIRECTORS AND SUPERVISORS FOR FAR EASTERN NEW CENTURY CORPORATION | 63 |

The meeting handbook, including meeting notice, agenda, and proposed resolutions, for the upcoming 2015 annual general shareholders’ meeting will be available at <http://www.fenc.com/en/ir/index.aspx?c=66> on 26 May 2015.

If you would like to obtain a hard copy of the meeting handbook, please email to ir@fenc.com , or write to

Attn: IR team

Far Eastern New Century Corporation

34Fl, No. 207, Tun-Hwa South Road, Section 2, Taipei 106, Taiwan

(+886-2-2733-8000 ext. 8537/8470)

Far Eastern New Century Corporation(FENC)

2015 Annual General Shareholders' Meeting (Translation)

Date: Friday, 26 June 2015

Time: 9:00 a.m. Taipei time

Place: Auditorium in the Taipei Hero House, No. 20, Changsha Street, Section 1, Taipei, Taiwan

Meeting Agenda

Call the meeting to order

Chairperson takes chair

Chairperson remarks

Reporting items:

1. 2014 business operations
2. 2014 financial statements
3. Supervisors' review report of 2014 business operations and financial statements
4. Information of the corporate bonds issued in 2014

Approval items:

1. To accept 2014 business report and financial statements
2. To approve the proposal for distribution of 2014 profits

Proposed resolutions and elections of Directors:

1. To approve the issuance of 2014 stock dividends from capital surplus
2. To approve the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"
3. To approve amending the company bylaw of "Election Procedures of Director and Supervisor for Far Eastern New Century Corporation"
4. To approve amending the company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation"
5. To approve amending the company bylaw of "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation"

6. To approve amending the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”
7. To elect Directors (including Independent Directors) of Far Eastern New Century Corporation
8. To approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act.

Extemporary motion

Meeting adjourned

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

Reporting items

1. To report 2014 business operations

The 2014 business report is attached as Attachment I.

2. To report 2014 financial statements

The 2014 independent auditors' reports and financial statements by Deloitte & Touche are attached as Attachments II. (The 2014 financial report can be downloaded at <http://mops.twse.com.tw>)

3. To report Supervisors' review of 2014 business operations and financial statements

The Supervisors' review report is attached as Attachment III.

4. To report the information of the corporate bonds issued in 2014

Three corporate bonds were issued in year 2014. Pursuant to Article 246 of Company Act, the information about the issuance of such corporate bonds is disclosed as Attachment IV.

Approval items

1. To accept 2014 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2014 business report and financial statements.

Explanatory Notes:

- i. FENC's 2014 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Shih Jing-Bin and Mr. Huang Shu-Chieh of Deloitte & Touche, and have been examined by and determined to be correct and accurate by Supervisors of FENC. We thereby submit this report.
- ii. The 2014 business report, independent auditors' reports, Supervisors' report, and the aforesaid financial statements are attached as Attachments I, II, and III.
- iii. Please accept the aforesaid business report and financial statements.

2. To approve the proposal for distribution of 2014 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2014 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: Totaling NT\$6,297,500,267. Each common shareholder will be entitled to receive a cash dividend of NT\$1.2 per share.
- ii. Stock dividends from capital surplus to common shareholders: Totaling NT\$1,049,583,380. Each common shareholder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- iii. After being approved at the Annual General Shareholders' Meeting, the cash and stock dividends to common shareholders will be distributed on a record date to be determined by the Board of Directors.

iv. Please refer to the following table for the 2014 profit allocation proposal

(Unit: NT\$)

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. Net income of 2014 | 11,033,420,926 |
| 2. Legal reserve | 1,103,342,093 |
| 3. Adjustments due to changes in investees' equity in equity-method investments | 30,583,650 |
| 4. Adjustments due to changes in other comprehensive income | 331,399,473 |
| 5. Unappropriated earnings of previous years | 6,546,710,876 |
| 6. The effect of the first-time adoption of fair value model to evaluate investment properties | 80,462,245,134 |
| 7. Special reserve due to the first-time and subsequent to initial recognition of adoption of fair value model to evaluate investment properties | 84,810,828,306 |
| Earnings available for distribution as of 31 December 2014 (1-2-3-4+5+6-7) | 11,766,223,414 |
| Distribution items: | |
| 1. Cash dividends to common shareholders (NT\$1.2 /share) | 6,297,500,267 |
| 2. Stock dividends from capital surplus to common shareholders (NT\$0.2/share, i.e. 20 shares for each 1,000 shares owned) | 1,049,583,380 |
| Total distribution (NT\$ 1.4/share) | 7,347,083,647 |
| Unappropriated earnings | 5,468,723,147 |

(Note) Year 2014 profits are distributed according to the Article 26 and Article 27 of the Articles of Incorporation of Far Eastern New Century Corporation. Bonus of employees of NT\$270,860,227 and compensation for Directors and Supervisors of NT\$203,145,170 were booked as company expenses and deducted from the net income.

v. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Act and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash and stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash and stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of capital surplus resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.

vi. Please approve the aforesaid proposal for the distribution of 2014 profits.

Proposed resolutions and elections of Directors

1. To approve the issuance of 2014 stock dividends from capital surplus

The Board of Directors proposes and recommends that each shareholder vote FOR the issuance of 2014 stock dividends from capital surplus.

Explanatory Notes:

- i. For the purpose of improving the financial and capital structure, it is proposed that FENC's paid-in capital be increased by capitalizing the stock dividends from capital surplus to common shareholders of NT\$1,049,583,380. A total number of 104,958,338 common shares, at par value of NT\$10 each share, shall be issued for such capital increase. Each common shareholder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- ii. After being approved at the Annual General Shareholders' Meeting and accepted by the regulatory authority in charge, the new shares will be distributed on a record date to be determined by the Board of Directors.
- iii. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Act and other relevant regulations, the total number of common shares outstanding may change, and the ultimate numbers of stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the numbers of stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of capital surplus resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- iv. In accordance with Article 240 of the Company Act, if the stock dividends include any fractional shares which are less than one full share, the distribution will be made in the form of cash rounded to the nearest dollar amount calculated at par value. Such fractional shares will be purchased by the Employee Stock Ownership Trust (ESOT) of FENC.
- v. The shareholders' rights and obligations of the new shares are the same as those of the existing shares.
- vi. The present total authorized capital of FENC is NT\$60,000,000,000, divided into 6,000,000,000 shares of NT\$10 each. Until the end of 2014, the total paid-in capital amounted to NT\$52,479,168,890, divided into 5,247,916,889 shares of NT\$10 each. The unissued capital was NT\$7,520,831,110, divided into 752,083,111 shares of NT\$10 each.
- vii. After the capitalization of 2014 stock dividends from capital surplus, the total number of issued common shares will be 5,352,875,227 shares, at par value of NT\$10 each share. The paid-in capital will amount to NT\$53,528,752,270.
- viii. Please approve the proposal for the issuance of 2014 stock dividends from capital surplus.

2. To approve the revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the Articles of Incorporation.

Explanatory Notes:

- i. Pursuant to Articles 14-4 of the Securities and Exchange Act and the letter issued by the Financial Supervisory Commission (Letter No. FSC 10200531121) on 31 December 2013, the Supervisors will cease to function and be replaced by an Audit Committee after the re-election of the Board of Directors. The Audit Committee is responsible of executing powers relegated to Supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.
- ii. The overview table for the “Articles of Incorporation of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment V.
- iii. Please approve the proposal for the amendments of the “Articles of Incorporation of Far Eastern New Century Corporation”.

3. To approve amending the company bylaw of “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors, the Company shall amend the company bylaw of “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation” and revise the name of the election procedures to “Election Procedures of Director for Far Eastern New Century Corporation”.
- ii. The overview table for the “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VI.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

4. To approve amending the company bylaw of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors and to accommodate its operational needs, the Company shall amend the company bylaw of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VII.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

5. To approve amending the company bylaw of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors, the Company shall amend the company bylaw of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment VIII.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

6. To approve amending the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the Company’s establishment of an Audit Committee to replace the Supervisors and to accommodate its operational needs, the Company shall amend the company bylaw of “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”.
- ii. The overview table for the “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation” Before and After amendments is attached as Attachment IX.
- iii. Please approve the proposal for the amendments of the aforementioned bylaw.

7. To elect Directors (including Independent Directors) of Far Eastern New Century Corporation

The Board of Directors proposes and recommends that each shareholder to elect thirteen Directors (including three Independent Directors).

Explanatory Notes:

- i. The 21st term Directors were elected and appointed at the 2012 Annual General Shareholders’ Meeting, serving a term of three years and the tenure will expire. The Board of Directors resolved that Directors be elected at this Annual General Shareholders’ Meeting.
- ii. According to Article 16 and 17 of the “Articles of Incorporation of Far Eastern New Century Corporation”, thirteen Directors (including three Independent Directors) shall be elected, and each Director will serve a three year term beginning from the date being elected and appointed at the Annual General Shareholders’ Meeting.
- iii. Director and Independent Director candidates shall be nominated by the candidate nomination system. The Board of Directors or any shareholder with 1% shareholding or more may nominate candidates. The period for candidate nomination of Directors and Independent Directors to be elected in this coming Shareholders’ Meeting is from 21 April 2015 to 30 April 2015. During this period, the Board of Directors has received the nomination of ten Director and three Independent Director candidates from shareholder Asia Cement Corporation Limited. The Board has resolved all the candidates met requirements and qualifications of Directors and Independent Directors in the 13th Board meeting of the 21st term dated 13 May 2015. Please refer to the following table for the candidate list.
- iv. Please elect.

List of Director (including Independent Director) Candidates

| No. | Type | Candidate | Education | Major Experiences | Current position | No. of shares held | Name of Institutional Shareholders |
|-----|----------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------|
| 1 | Director | Douglas Tong Hsu | <ul style="list-style-type: none"> National Chiao Tung University, Taiwan, Honor Ph.D in Management University of Notre Dame, USA, M.S. Columbia University, USA, M.S. in Economics | <ul style="list-style-type: none"> Chairman, Far Eastern New Century Corp. Chairman, Asia Cement Corp. Chairman, Far Eastern Department Stores Ltd. Chairman, Far EasTone Telecommunications Chairman, Oriental Union Chemical Corp. Chairman, U-Ming Marine Transport Corp. Vice Chairman, Far Eastern International Bank | <ul style="list-style-type: none"> Chairman, Far Eastern New Century Corp. Chairman, Asia Cement Corp. Chairman, Far Eastern Department Stores Ltd. Chairman, Far EasTone Telecommunications Chairman, Oriental Union Chemical Corp. Chairman, U-Ming Marine Transport Corp. Vice Chairman, Far Eastern International Bank | 60,537,940 | - |
| 2 | Director | Johnny Shih | <ul style="list-style-type: none"> Columbia University, USA, Master in Computer Science | <ul style="list-style-type: none"> Vice Chairman, Far Eastern New Century Corp. Director, Asia Cement Corp. Vice Chairman, Oriental Union Chemical Corp. Chairman, Everest Textile Co., Ltd. Director, Far EasTone Telecommunications | <ul style="list-style-type: none"> Vice Chairman, Far Eastern New Century Corp. Director, Asia Cement Corp. Vice Chairman, Oriental Union Chemical Corp. Chairman, Everest Textile Co., Ltd. Director, Far EasTone Telecommunications Independent Director, CTCI Corp. | 1,247,330,476 | Asia Cement Corp. |
| 3 | Director | Peter Hsu | <ul style="list-style-type: none"> Stanford University, USA, Master in Operation Research | <ul style="list-style-type: none"> Senior Executive Vice President, Far Eastern New Century Corp. | <ul style="list-style-type: none"> Vice Chairman, Far Eastern New Century Corp. Director, Asia Cement Corp. Supervisor, U-Ming Marine Transport Corp. Director, Far EasTone Telecommunications | 1,247,330,476 | Asia Cement Corp. |

| No. | Type | Candidate | Education | Major Experiences | Current position | No. of shares held | Name of Institutional Shareholders |
|-----|----------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------|
| 4 | Director | Shaw Y. Wang | <ul style="list-style-type: none"> National Chung Hsing University, Taiwan, Business Administration Department National Taiwan University, Taiwan, the Executive Program in Business Administration | <ul style="list-style-type: none"> First Senior Executive Vice President, Far Eastern New Century Corp. | <ul style="list-style-type: none"> Director, Far Eastern New Century Corp. Executive Director, Group Foundation Executive Director, Far Eastern International Bank Supervisor, Asia Cement Corp. | 1,247,330,476 | Asia Cement Corp. |
| 5 | Director | Raymond Hsu | <ul style="list-style-type: none"> Australian Mining and Metallurgy College, Australia | <ul style="list-style-type: none"> Chief Auditor, Far Eastern New Century Corp. | <ul style="list-style-type: none"> Director, Far Eastern New Century Corp. Chief Auditor, Far Eastern New Century Corp. Chairman, Fu Kwok Knitting & Garment Co., Ltd. | 1,247,330,476 | Asia Cement Corp. |
| 6 | Director | Richard Yang | <ul style="list-style-type: none"> American Graduate School of International Management | <ul style="list-style-type: none"> Managing Director, Surfview Capital Ltd. | <ul style="list-style-type: none"> Director, Far Eastern New Century Corp. | 19,572,912 | Far Eastern Department Stores Ltd. |
| 7 | Director | Tonia Katherine Hsu | <ul style="list-style-type: none"> Sarah Lawrence College, New York, USA, BA (History, Humanities, Creative Arts) | <ul style="list-style-type: none"> Sotheby's, New York, USA (Arts Administration, Asian Liaison) | <ul style="list-style-type: none"> Director, Far Eastern New Century Corp. | 19,572,912 | Far Eastern Department Stores Ltd. |
| 8 | Director | Kwan-Tao Li | <ul style="list-style-type: none"> Kellogg-HKUST, MBA | <ul style="list-style-type: none"> Chief Senior Counselor, Lee and Li, Attorney-at-law | <ul style="list-style-type: none"> Director, Far Eastern New Century Corp. Supervisor, Asia Cement Corp. Chief Senior Counselor, Lee and Li, Attorney-at-law | 30,570,069 | U-Ming Marine Transport Corp. |
| 9 | Director | Alice Hsu | <ul style="list-style-type: none"> Sheridan College, Retail Management | <ul style="list-style-type: none"> President, Far Eastern Department Stores Ltd. | <ul style="list-style-type: none"> Supervisor, Far Eastern New Century Corp. | 30,570,069 | U-Ming Marine Transport Corp. |
| 10 | Director | Champion Lee | <ul style="list-style-type: none"> Texas A&I University, USA, Master in Business Administration | <ul style="list-style-type: none"> Senior Executive Vice President, Far Eastern New Century Corp. | <ul style="list-style-type: none"> Supervisor, Far Eastern New Century Corp. Supervisor, Asia Cement Corp. Director, Far EastTone Telecommunications Director, U-Ming Marine Transport Corp. | 8,326,703 | Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation |

| No. | Type | Candidate | Education | Major Experiences | Current position | No. of shares held | Name of Institutional Shareholders |
|-----|----------------------|-------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------|
| 11 | Independent Director | Bing Shen | <ul style="list-style-type: none"> Harvard University, USA, MBA | <ul style="list-style-type: none"> Vice President & Executive Director, Morgan Stanley Executive Vice President, China Development Industrial Bank (CDIB) President, CDIB & Partners Investment Holding | <ul style="list-style-type: none"> Independent Director, Far Eastern New Century Corp. Independent Director, Far Eastern International Bank Director, CTCI Corp. | 0 | - |
| 12 | Independent Director | Bao-Shuh Paul Lin | <ul style="list-style-type: none"> University of Illinois, Chicago, USA, Ph.D. in Computer Science | <ul style="list-style-type: none"> General Director, Computer Communications Research Division, Industrial Technology Research Institute Senior Vice President, Global Research Labs, Philips Electronics Senior Manager, Teknekron Communication Corp. USA Advanced researcher, Bell Labs of AT&T | <ul style="list-style-type: none"> Chief Director of Microelectronics and Information Systems Research Center, National Chiao Tung University, Taiwan Chair Professor, Department of Computer Science, National Chiao Tung University, Taiwan | 0 | - |
| 13 | Independent Director | Johnsee Lee | <ul style="list-style-type: none"> Illinois Institute of Technology, USA, Ph.D. | <ul style="list-style-type: none"> Chairman, Development Center for Biotechnology President, Industrial Technology Research Institute. Senior Scientist and Project Leader, Johnson Matthey Inc., West Deptford, NJ Principal Investigator, Chem. Technology Div., Argonne National Laboratory, Argonne, IL | <ul style="list-style-type: none"> Independent Director, Far Eastern New Century Corp. Independent Director, Zhen Ding Technology Holding Limited Independent Director, San Fu Chemical Co., Ltd. Director, Taiwan Semiconductor Manufacturing Corp. Honorary Chairman, Development Center for Biotechnology Honorary Chairman, Taiwan Bio Industry Organization CEO, Personal Genomics Inc. TW | 0 | - |

8. To approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act.

The Board of Directors proposes and recommends that each shareholder vote FOR the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act.

Explanatory Notes:

- i. This is processed in accordance with Paragraph 1 of Article 209 of the Company Act: “A director who acts for himself or on behalf of another person in a manner that is within the scope of the company’s business shall explain to the shareholders’ meeting the essential contents of such act and obtain the approval from shareholders’ meeting”.
- ii. The new Directors of the company are investing in or managing other companies and also acting as directors of such companies which are in the same or similar business as FENC (please refer to the following table). It is proposed to seek approval at the Shareholders’ Meeting to release new Directors and their representatives from the non-competition restriction.

| Title | Name | Serve as Director/President at other companies in the industry |
|--------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director | Douglas Tong Hsu | <ul style="list-style-type: none">• Director, Everest Textile Co., Ltd.• Vice Chairman, Freudenberg Far Eastern Spunweb Co., Ltd. |
| Director | Asia Cement Corp. Representative: Johnny Shih | <ul style="list-style-type: none">• Chairman, Everest Textile Co., Ltd.• Director, Freudenberg Far Eastern Spunweb Co., Ltd. |
| Director | U-Ming Marine Transport Corp. Representative: Kwan-Tao Li | <ul style="list-style-type: none">• Director, Tai Yuen Textile Co., Ltd. |

- iii. Please approve the above proposal.

Extemporary motion

Meeting adjourned

Attachment I

2014 Business Report

I. Preface

Last year was an unpredictable year amid economic and geopolitical uncertainties. Concerns stemming from the Ebola outbreak, Islamic State, the European debt crisis, and the sharp decline in world oil prices over the latter half of 2014 amplified the volatility of the global economy. But, as challenging and turbulent as 2014 proved to be – it has also seen significant developments. Augmented reality has blurred the line between the virtual world and the real world, and the global economy has never been more in sync. Going forward, political, religious, social, and environmental issues will continue to impact the development of modern society in various ways. Yet in the face of these forces, companies can still remain competitive, by proactively transforming themselves to achieve success in tomorrow's market.

Globally, a new economic landscape has begun to take shape as the U.S. is once again driving the growth of the global economy. While the U.S. leads, Europe remains crippled by its debt crisis and high unemployment rate. Over in Japan, Abenomics led to a significant depreciation of the Japanese Yen and thrust Japanese equities into a soaring bull market, all the while leaving behind debts that exceed more than twice of its annual GDP. Meanwhile, China embraces their change towards a slower pace of growth, away from an export & investment-led economy. This new paradigm sparked their "One Belt, One Road" initiative, aimed at increasing trade incentives and transport connectivity across Europe and Southeast Asia. And behind Prime Minister Modi, India has set in motion a plan to transform its economy into a modern and innovative one, hoping to become the world's second largest exporter behind China. At 2014's G20 Summit, world leaders gathered to push the "Brisbane Action Plan"; a plan that outlines individual and collective actions and strategies in pursuit of strong and balanced growth.

Fluctuations in oil prices, stock prices, currency exchange rates, and commodities are impacting countries and corporations globally. The plunge in oil prices towards the end of 2014 was a major threat to all oil exporting countries. The US economy has seen much improvement, marking an end to its quantitative easing (QE) policy. In contrast, the economy in other countries remain in a trough as they are struggling to see adequate growth in demand with even more facing inflation rates so low they border on deflation. The US dollar has shown considerable strength in appreciation, while other major global currencies have depreciated, leading to an influx of hot money among major equity markets. Amidst these struggles, countries have been forced to lower interest rates and implement their own monetary policies.

Last year was a year we witnessed countries fervently banding together to sign free trade agreements (FTA). This brought about a new wave of collaborative partnerships and agreements such as the Regional Comprehensive Economic Partnership (RCEP), the Free Trade Area of the Asia Pacific (FTAAP), and the Trans-Pacific Partnership (TPP). These global shifts and regional trends will generate a new paradigm for the years to come.

In regard of Taiwan's economy, the macro-economic conditions are stabilizing, and consumer demand is rebounding; however, with the uncertainty in global economic recovery and political interference, the chance of participating in economic integration within the region remains challenging.

Since we enter Industry 4.0, the world is changing as the globalization, digitalization, and science and technology revolution has begun to take shape. Technological innovations such as big-data analysis, artificial intelligence, and the Internet will propel the present into a new world of opportunities. Far Eastern New Century Corporation (FENC) is prepared for the challenges, by seizing new opportunities, and embracing changes as new momentum for growth, we will achieve success for decades to come.

II. Operating Results

The Company is now entering its 6th year of transformation under the new name of Far Eastern New Century Corporation. FENC has innovative and diversified businesses ranging from its *production business*, to *property development* and *investments*. For 2014, the Company's consolidated revenue and net income reached NT\$ 235.5 billion and NT\$ 17.19 billion, respectively. The net income attributable to shareholders of the Company is NT\$ 11.03 billion, translating into an EPS of NT\$2.25. The Board of Directors have proposed a cash dividend of NT\$ 1.20 per share and a stock dividend of NT\$ 0.20 per share from capital surplus – for a total dividend of NT\$ 1.40 per share. Operating results by business segment are outlined as below:

Production Business – Continual Integration and Transformation

The *production business* is composed of our *petrochemical*, *polyester*, and *textiles* businesses. Our products cover life necessities across the food & beverage, clothing, hospitality, and transportation industries. Our upstream petrochemicals is positioned to secure the feedstock, our midstream polyesters is one of the leaders in the industry worldwide, and our downstream textiles is a cooperation partner of international brands. In order to remain competitive in today's ever changing market place, we have a high level of vertical integration to maximize our synergies.

• Upstream Petrochemical Business – Raw Material Strategy

To ensure a sustainable supply of feedstock for our polyester business, we established Oriental Petrochemical Taiwan and Oriental Petrochemical Shanghai to secure PTA, a key raw material. Furthermore, we invested in Far Eastern Union Petrochemical (Yangzhou) and Oriental Union Chemical Corporation to produce our other feedstock – MEG. Our competitive advantage remains in our low production cost, driven by economies of scale, energy saving projects and new process technologies for less raw material consumption. Meanwhile, with the consideration of the most optimal production strategy, we adjust our capacity utilization rate to meet the volatile market demand. In order to take advantage of the next favorable market conditions, Oriental Petrochemical Taiwan has invested a new 1.5 million tons PTA capacity facility which will launch in the near future to accommodate our new product lines. With production facilities in China and Taiwan, we are able to

flexibly adjust our utilization rate to capitalize on our fully integrated supply chain.

- **Midstream Polyester Business – Global Polyester Leader**

FENC is one of the world leading producers of polyester and related products, supplying mainly PET resins and polyester fibers. Globally, we are the second largest supplier of staple fibers and among the top five largest suppliers of PET resins. In addition to our production sites in Taiwan and China, we are continually expanding our reach in Japan and Malaysia. In the coming years, we aim to enlarge our presence in South East Asia by establishing a third operational site. Meanwhile, our food-grade recycled-based (r-PET) polyester products have propelled us to the frontline of the industry. We are currently the world's largest supplier of r-PET after expanding our capacities in Taiwan & Japan and supply to major international brands such as Coca-Cola and Pepsi. Last year, Coca-Cola launched the world's first 100% bio-based PET bottle with the joint efforts of FENC. Furthermore, with the growing applications of PET heat shrinkable films, we commercialized the world's first continuous production line in 2014, to capture this profitable niche market. Our fiber division has continued to differentiate its products and upgrade its service to expand the customer bases, from clothing brands like Nike, Adidas and H&M to automobile brands like Ford and home furnishing product brands like IKEA, etc. With respect to nylon 6,6, we advanced our production technologies, such as Solution Dye and the use of the post-industrial yarn, to fulfill the development trend of our long-term brand partners like Lululemon and Victoria's Secret.

- **Downstream Textiles Business – Building Brand Equity**

Our textiles division is reorganizing and repositioning our presence in product mix to penetrate the global market. Shining at the international stage, we have been selected by Nike for the third time in a row as the fabric supplier for its World Cup jerseys. During the 2014 World Cup, we showcased our eco-friendly TopGreen™ filament recycled from used PET bottles on the jerseys of five Nike sponsored teams, including Brazil and the United States. Nike also launched its first "ColorDry" jerseys made by FENC before the opening of the FIFA World Cup using water-free dyeing technology. In the meantime, we are increasing the efficiency of our smart factories, and developing customer-oriented products with advanced technologies such as high stretch, multi-fiber, laminating & coating, etc. With regards to high denier industrial yarns, we are expanding our domain in the automobile industry by spreading our nylon 6,6 applications into air-bag yarns and tire cords. In Vietnam, we have started the yarn-forward expansion project and the follow-on vertical integration in our production lines to take advantage of the Trans Pacific Partnership (TPP).

Investments: Thriving Success and Consistent Income

FENC has transformed into an industrial holding company spanning across petrochemicals, cement, shipping, polyester, textiles, retail, telecommunications, financial services, construction and hotels. Our top investments are Far EastOne Telecommunications Co., Ltd. (FET), Asia Cement Corporation (ACC), Oriental Union Chemical Corporation (OUCC), and Far Eastern Department Stores Ltd. (FEDS). Each of our invested businesses has innovative growth strategies that are driving their successes for the years to come. FET has successfully launched its fourth-generation (4G) mobile services and had 99% coverage nationwide by year-end 2014. Its 4G subscribers have grown more than one million and it is the world's first 4G service provider to offer the network in both 700MHz and 1800MHz. Aiming for enterprise mobility business opportunities, FET expects to boost revenues by its

long-term development in the ICT convergent services and enterprise cloud services. On the other hand, ACC is seeking alliances opportunities to boost its competitive edge. Last year, Asia Cement (China) Holding Corporation, one of ACC's major subsidiaries, signed a strategic partnership agreement with Anhui Conch Cement Group, bought out Sichuan Lanfeng Cement Co., Ltd., and acquired Hubei XinLong Yuan Mining Co., Ltd in order to further increase its market position in central China and enhance its overall market planning and competitiveness. Through these efforts to raise its production capacity in China, ACC aims to become one of the top 10 China cement producers. With its in-depth expertise, FEDS has successfully become an industry leader with stores across Taiwan and China. Its landmark "Mega Tower", the new headquarters of FEDS in Banqiao District, is the tallest skyscraper in New Taipei City, and it is now in operation. In addition, phase II shopping mall of Mega City will soon be fully operated and a new mall is expected to open at A13 of Xinyi District in 2017. Moving forward, we will capitalize on our diversified portfolio, take greater advantage of group synergies, and create value for our customers, shareholders, employees, and our society.

Property Development: Monetize Land Assets by Tpark and Resort Plan

Covering over 570,000 pings of total land holdings throughout Taiwan, 210,000 pings of which are classified under investment properties, with the most valuable plots being the Taipei Far Eastern Telecom Park (Tpark) in Banqiao, the landmark Taipei Metro Tower in Taipei's central business district, and others located in Wugu, Taishan, and Ilan. Our Tpark, with the concept of combining technology, ecology and human thinking, is the first telecom park in Taiwan designed and operated by private sector. Phase I commercial project of Tpark has already been completed and has housed nearly 20 domestic and foreign companies, including the R&D center of Taiwan Ericsson. We are currently planning phase II commercial project of Tpark, with the FET headquarters, second R&D building, an internet data center (IDC), and a central park in the pipeline. Phase II project is scheduled to begin the construction by year-end 2015 and will abide by green and smart building standards. In terms of residential projects, we have begun the planning for FE New Century Residential project, located just right outside the Tpark. Meanwhile, we have another residential project within the Tpark, which can be expected to break ground upon receiving the development permit. Moreover, other than Tpark, our commercial projects have had significant progress as well. Banqiao Mega City phase II and our new A-mart hypermarket will commence operations this year, effectively increasing our asset value and bring stable rental income. Additionally, our Ilan Spa Resort project has received its development permit and is under the process for applying a construction permit. It is scheduled to begin construction in the fourth quarter of this year. In 2014, we adopted the "fair value model" to reflect the value of the investment properties. The value of the total consolidated assets has grown by nearly 30%, reflecting FENC's tremendous hidden asset value of land holdings in Taiwan.

III. Business Goals and Prospects

By innovative thinking, superior technology and excellent managerial skills, we aim to lead the polyester industry and maximize the value of our holdings in estates and equities. We are committed to bringing happiness and prosperity to our community. We will continue to transform our businesses in the following ways:

Business Roadmap – Striving for Excellence

Continuing to stay on top of developing trends, we have evolved global and diverse development

strategies. First, regarding to the production business, we aim to invest in innovative and niche products, including the expansion of 400,000 tons of bottle-grade PET capacity, nylon 6,6 yarn for industrial and apparel use, yarn forward production sites in Vietnam, r-PET capacity in Japan, and PET bottles & APET sheet capacity in Malaysia to increase our presence among the ASEAN member countries. Second, our investments are continually growing. FET is specifically focusing on the mobile media and business application development, i.e. to cooperate with Hiiir to launch “friDay”, an e-commerce platform. Through this cooperation, FET is increasing its reach into mobile commerce, mobile payment services, and digital content. Similarly, ACC will continue to grow its market through strategic alliances, and FEDS will continue to open new stores to fulfill the shopping demand of consumers. Lastly, we will continue to capitalize on our valuable land holdings by establishing teams to develop, to seek for target tenants, and to operate our resources, generating greater value for our shareholders.

Smart Management – Maximizing Core Competency

At FENC, the core lies within the smart management. For years, our Corporate Management Office was to centralize the administration of Taiwan and overseas business units, including strengthening human resource management, R&D ability, financial and risk management, legal compliance, labor safety and health, environmental sustainability, enterprise information integration, mobility management, cost control management, and to maximize energy efficiency. Led by our management team, we have elevated our corporate governance to meet the international standards. In 2014, we were awarded the highest “A++” ranking in the 11th Annual Information Disclosure and Transparency Rankings Evaluation hosted by the Taiwan Stock Exchange and the Taipei Exchange.

Green Industry – Leading the Change

To demonstrate our commitment in protecting the environment, we have invested heavily in our green polyester materials, with r-PET being our key product. We aspire to transform polyesters into a green industry through the development of bio-based feedstock (such as bio-PTA & bio-MEG), improved recycling technologies and energy-efficient production processes. With the use of “Solution Dye” and DCD (Deep-Dyeing Cationic Dyeable Polyester), we are able to reduce energy and water consumption. Additionally, we are cooperating with Nike to develop a water free dyeing technology by using liquid carbon dioxide. Through these efforts, we continue to promote “recycle, reuse and reduce” concept and minimize our environmental impact.

R&D Innovation – Developing Engines of Growth

Our in-house Far Eastern Group R&D Center has been established for 12 years, housing a group of highly talented, educated, and innovative minds. Throughout the years, our R&D Center has developed innovative products such as Bio-TopCool+® and TopLumins (glow in the dark membrane/filament), both were selected as the “ISPO selection” in the 2015 ISPO Textrends Conference. In June of 2014, our R&D Center was reorganized into four divisions, composing of 10 different teams, to align with the Company’s goal of transforming our production business. Together, the R&D Center will lead the industry with our innovative products, thinking, and mindset by working with our business division to develop and launch “future” products, and enhancing our strategic alliances and relationships with global brands as well.

Human Capital – Training the Leaders of Tomorrow

To ensure sustainable development of the Company, we have integrated our human resources to implement a “Talent Pool” program to cultivate the Company’s top managers’ successors, who are currently middle managers with high potential chosen for the program from our various business units. Additionally, to support our expansion of production sites overseas, we have onsite training and rotation programs to build management teams with broader mindset of our businesses and international vision. Meanwhile, we launched industry-university cooperative research program with Yuan Ze University and Oriental Institute of Technology to recruit talents from universities. At FENC, we continue to push forward our leadership programs to meet the Company’s vision.

Corporate Social Responsibilities – Being a Role Model within the Society

At FENC, we have been committed to developing our philanthropic endeavors to help people in need within the society. With our belief in “as we benefit from society, so we should give back” we devote efforts to public welfare and promoting Taiwan’s social development. Our efforts in Corporate Social Responsibilities (CSR) have been deeply appreciated. Taiwan Institute for Sustainable Energy granted us the “2013 Top 50 Taiwan Corporate Sustainability Award” for our first CSR report. Our philanthropic initiatives primarily focus on medical, educational, technological, cultural and environmental programs. We have established three schools, two hospitals and sponsored programs through our four non-profit Foundations. The Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation has been sponsoring the “Y. Z. Hsu Scientific Award” to support innovative industrial research and development in five distinct areas of emerging technologies. Meanwhile, the Far Eastern Memorial Foundation has been devoted to rewarding achievements in the architectural, artistic and gourmet areas, and life quality promotion. In terms of education, Yuan Ze University has been named one of the top 100 Asian Universities by “Times Higher Education” for its digital innovation, international integration, and goal setting. In terms of healthcare, phase II of the Far Eastern Memorial Hospital is now in full operation. The 40% increase in hospital beds is to provide better quality and professional medical services to the community. Through cooperation with FET, the hospital launched the “Health+” mobile application, an integration of Cloud and Internet of Things (IoT) technology across hospitals, pharmacies, and enterprises, to provide a real-time personal health-tracking service at people’s fingertips. FENC will continue to give back to society as we devote even further efforts in public welfare.

Over the past 65 years, FENC has been continuously tested by our constantly changing environment, and we have grown and thrived as a result. As we enter Industry 4.0, we are well positioned to continue to adapt to the changing operational circumstances and new business environments. We may be unable to change the external environment, but we can manage our time to change, stay our proactive mindsets, be the industry leader and value the principle of fast-movement. We aim to maximize our advantage and competitiveness by leading the industry on a path of modernization and internationalization. We have to change and lead, break away from the chaos, and continue to transform and grow our empire as a world-class corporation. We sincerely appreciate the continued trust and confidence from our shareholders and our employees, and we will strive to reward you better in the coming years.

Chairman



President



Chief Accountant



Attachment II

2014 Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Stockholders
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 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 | \$ 25,985,419 | 5 | \$ 26,645,574 | 6 | \$ 30,645,166 | 7 |
| Financial assets at fair value through profit or loss – current | 1,124,116 | - | 1,191,688 | - | 1,058,519 | - |
| Available-for-sale financial assets - current | 929,101 | - | 989,348 | - | 2,272,149 | 1 |
| Held-to-maturity financial assets - current | - | - | 99,962 | - | 100,000 | - |
| Derivative financial assets for hedging – current | - | - | 4,442 | - | 21,962 | - |
| Financial assets carried at cost - current | - | - | 42,587 | - | - | - |
| Bond investments with no active market | 4,114,651 | 1 | 2,606,689 | 1 | 3,145,035 | 1 |
| Notes and accounts receivable, net | 27,720,022 | 6 | 27,741,701 | 6 | 28,623,592 | 7 |
| Amounts due from customers for construction contracts | 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 | 1,265,765 | - | 1,258,834 | - | 1,283,844 | - |
| Current tax assets | 68,920 | - | 48,216 | - | 114,392 | - |
| Inventories | 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 | 3,661,203 | 1 | 3,946,576 | 1 | 2,874,067 | 1 |
| Guarantee deposits - current | 33,954 | - | 52,292 | - | 48,207 | - |
| Other current assets | 2,227,072 | - | 1,934,219 | 1 | 1,269,243 | - |
| Total current assets | 98,075,086 | 20 | 97,662,114 | 21 | 99,279,158 | 24 |
| NONCURRENT ASSETS | | | | | | |
| Available-for-sale financial assets - noncurrent | 4,718,618 | 1 | 5,257,220 | 1 | 4,489,491 | 1 |
| Held-to-maturity financial assets - noncurrent | - | - | - | - | 99,871 | - |
| Financial assets carried at cost - noncurrent | 1,071,152 | - | 926,908 | - | 1,130,424 | - |
| Bond investment with no active market - noncurrent | 182,583 | - | - | - | 256,508 | - |
| Investments accounted for using the equity method | 61,839,479 | 12 | 55,870,243 | 12 | 54,076,870 | 13 |
| Property, plant and equipment | 139,055,972 | 28 | 124,767,713 | 26 | 116,637,790 | 28 |
| Investment properties, net | 119,663,209 | 24 | 113,458,525 | 24 | 108,008,458 | 26 |
| Concession | 37,314,277 | 8 | 37,734,135 | 8 | 5,090,449 | 1 |
| Goodwill | 11,930,443 | 2 | 11,928,782 | 2 | 11,980,944 | 3 |
| Other intangible assets | 3,772,439 | 1 | 4,184,122 | 1 | 3,818,998 | 1 |
| Deferred tax assets | 2,737,657 | 1 | 2,812,572 | 1 | 1,834,329 | - |
| Prepayment for equipment | 4,914,856 | 1 | 6,103,204 | 1 | 2,881,210 | 1 |
| Guarantee deposits | 708,974 | - | 576,314 | - | 582,788 | - |
| Other financial assets - noncurrent | 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 noncurrent assets | 410,481 | - | 239,647 | - | 314,901 | - |
| Total noncurrent assets | 398,529,204 | 80 | 375,337,358 | 79 | 321,062,065 | 76 |
| TOTAL | \$ 496,604,290 | 100 | \$ 472,999,472 | 100 | \$ 420,341,223 | 100 |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings | \$ 27,638,660 | 6 | \$ 28,053,848 | 6 | \$ 25,807,392 | 6 |
| Short-term bills payable | 4,662,532 | 1 | 5,117,694 | 1 | 6,286,740 | 1 |
| Financial liabilities at fair value through profit or loss - current | 807 | - | 590 | - | 619 | - |
| Derivative financial liabilities for hedging - current | 14,950 | - | - | - | - | - |
| Notes and accounts payable | 13,502,368 | 3 | 17,452,151 | 4 | 19,253,330 | 5 |
| Notes and accounts payable to affiliates | 513,625 | - | 261,571 | - | 292,283 | - |
| Amounts due to customers for construction contracts | 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 | 73,289 | - | 75,977 | - | 43,119 | - |
| Current tax liabilities | 3,368,813 | 1 | 3,115,500 | 1 | 2,688,208 | 1 |
| Provisions - current | 240,197 | - | 193,328 | - | 160,425 | - |
| Guarantee deposits received - current | 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 | 14,127,895 | 3 | 8,845,696 | 2 | 3,991,578 | 1 |
| Other current liabilities | 2,293,289 | - | 2,317,709 | - | 1,807,603 | - |
| Total current liabilities | 88,076,648 | 18 | 85,777,937 | 18 | 79,900,492 | 19 |
| NONCURRENT LIABILITIES | | | | | | |
| Derivative financial liabilities for hedging - noncurrent | 535,837 | - | 421,280 | - | 287,522 | - |
| Bonds payable | 60,712,019 | 12 | 65,638,787 | 14 | 41,726,021 | 10 |
| Long-term borrowings | 63,999,210 | 13 | 43,622,704 | 9 | 32,232,012 | 8 |
| Provisions - noncurrent | 763,223 | - | 705,863 | - | 654,791 | - |
| Deferred tax liabilities | 15,110,447 | 3 | 13,329,928 | 3 | 12,429,643 | 3 |
| Accrued pension liabilities | 2,814,439 | 1 | 2,781,776 | 1 | 3,392,655 | 1 |
| Guarantee deposits received - noncurrent | 715,764 | - | 645,013 | - | 739,923 | - |
| Deferred credit - gains on related-party transactions | 149,629 | - | 150,185 | - | 150,738 | - |
| Other noncurrent liabilities | 408,320 | - | 476,788 | - | 509,628 | - |
| Total noncurrent liabilities | 145,208,888 | 29 | 127,772,324 | 27 | 92,122,933 | 22 |
| Total liabilities | 233,285,536 | 47 | 213,550,261 | 45 | 172,023,425 | 41 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | |
| Capital stock | | | | | | |
| Common stock | 52,479,168 | 11 | 51,450,165 | 11 | 50,441,338 | 12 |
| Capital surplus | 3,666,948 | 1 | 4,681,042 | 1 | 4,744,045 | 1 |
| 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 | 17,218,149 | 3 | 94,418,185 | 20 | 89,555,174 | 21 |
| Total retained earnings | 136,538,308 | 27 | 132,555,391 | 28 | 126,848,319 | 30 |
| Other equity | 6,841,068 | 1 | 4,653,726 | 1 | 2,430,425 | 1 |
| Treasury stocks | (25,063) | - | (25,063) | - | (25,063) | - |
| Total equity attributable to owners of the company | 199,500,429 | 40 | 193,315,261 | 41 | 184,439,064 | 44 |
| NONCONTROLLING INTERESTS | 63,818,325 | 13 | 66,133,950 | 14 | 63,878,734 | 15 |
| Total equity | 263,318,754 | 53 | 259,449,211 | 55 | 248,317,798 | 59 |
| TOTAL | \$ 496,604,290 | 100 | \$ 472,999,472 | 100 | \$ 420,341,223 | 100 |

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 | | | | |
| 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 | <u>9,169,405</u> | <u>4</u> | <u>8,162,553</u> | <u>3</u> |
| Total operating revenues | <u>235,506,639</u> | <u>100</u> | <u>238,840,657</u> | <u>100</u> |
| OPERATING COSTS | | | | |
| 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 | <u>5,281,188</u> | <u>3</u> | <u>3,377,950</u> | <u>2</u> |
| Total operating costs | <u>187,644,142</u> | <u>80</u> | <u>192,237,386</u> | <u>80</u> |
| GROSS PROFIT | <u>47,862,497</u> | <u>20</u> | <u>46,603,271</u> | <u>20</u> |
| REALIZED CONSTRUCTION INCOME | <u>556</u> | <u>-</u> | <u>555</u> | <u>-</u> |
| OPERATING EXPENSES | | | | |
| 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 | <u>739,094</u> | <u>-</u> | <u>675,902</u> | <u>-</u> |
| Total operating expenses | <u>35,989,788</u> | <u>15</u> | <u>33,172,015</u> | <u>14</u> |
| OPERATING INCOME | <u>11,873,265</u> | <u>5</u> | <u>13,431,811</u> | <u>6</u> |
| NONOPERATING INCOME AND EXPENSES | | | | |
| Share of the profit of associates | 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 | 282,168 | - | 402,456 | - |
| Gain on change in fair value of investment properties | 6,222,659 | 3 | 6,424,024 | 3 |
| Interest expense | (1,934,871) | (1) | (1,432,622) | (1) |
| Other expenses | (490,939) | - | (304,062) | - |
| Loss on disposal of property, plant and equipment, net | (879,765) | - | (1,356,800) | (1) |

(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 | % |
| Loss on disposal of intangible properties, net | (6,478) | - | (1,912) | - |
| Impairment loss on assets | <u>(153,155)</u> | <u>-</u> | <u>(214,451)</u> | <u>-</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 |
| Noncontrolling 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 |
| Noncontrolling 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 | | | | |
| 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

YEARS ENDED DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars; Except Dividends Per Share)

| | Equity Attributable to Owners of the Company | | | | | Other Equity | | | Unrealized Revaluation Investments | Treasury Shares | Total | Non-controlling Interests | Total Equity |
|----------------------------------------------------------------------|----------------------------------------------|-----------------|---------------|-----------------|-------------------------|--------------------------------------------------------|---------------------------------------------------------------|------------------|------------------------------------|-----------------|----------------|---------------------------|----------------|
| | Common Stock | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translating Foreign Operations | Unrealized Gain (Loss) on Available-for-sale Financial Assets | Cash Flow Hedges | | | | | |
| 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 noncontrolling 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 noncontrolling 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 | 27,070,322 | 26,775,078 |

(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 noncurrent 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 noncurrent 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)

Independent auditors' report

(English Translation of a Report Originally Issued in Chinese)

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Far Eastern New Century Corporation as of December 31, 2014, December 31, 2013 and January 1, 2013, and its financial performance and its cash flows for the years then 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 financial statements, Far Eastern New Century Corporation changed its 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 balance sheets as of December 31, 2014 and the balance sheets as of December 31, 2013 and as of January 1, 2013 have been restated.

The accompanying schedules of major accounting items of Far Eastern New Century Corporation as of and for the year ended December 31, 2014 are presented for the purpose of additional analysis. These schedules have been subjected to the auditing procedures described in the second paragraph. In our opinion, these schedules are consistent, in all material respects, with the financial statements referred to in the first paragraph.

March 19, 2015

Notice to Readers

The accompanying 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 financial statements are those generally accepted and applied in the Republic of China.

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

FAR EASTERN NEW CENTURY CORPORATION

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 | \$ 9,630,098 | 3 | \$ 9,542,173 | 4 | \$ 4,381,262 | 2 |
| Financial assets at fair value through profit or loss - current | 87,055 | - | 46,516 | - | 25,345 | - |
| Bond investments with no active market - current | 585,979 | - | 145,947 | - | - | - |
| Notes and accounts receivable, net | 8,705,703 | 3 | 8,849,369 | 3 | 9,505,874 | 4 |
| Other receivables | 52,380 | - | 220,365 | - | 210,325 | - |
| Other receivables from related parties | 4,740,209 | 2 | 4,401,485 | 2 | 338,194 | - |
| Current tax assets | 16,074 | - | 2,314 | - | 45,593 | - |
| Inventories | 6,499,650 | 2 | 6,605,481 | 2 | 6,363,829 | 2 |
| Prepayments | 180,825 | - | 467,163 | - | 275,259 | - |
| Other current assets | 210,557 | - | 352,909 | - | 188,733 | - |
| Total current assets | <u>30,708,530</u> | <u>10</u> | <u>30,633,722</u> | <u>11</u> | <u>21,334,414</u> | <u>8</u> |
| NONCURRENT ASSETS | | | | | | |
| Available-for-sale financial assets - noncurrent | 794,978 | - | 902,112 | - | 804,484 | - |
| Financial assets carried at cost - noncurrent | - | - | - | - | 53,667 | - |
| Investments accounted for using equity method | 235,549,257 | 81 | 227,000,975 | 80 | 216,820,163 | 83 |
| Property, plant and equipment, net | 24,198,238 | 8 | 21,969,289 | 8 | 19,962,782 | 8 |
| Investment properties, net | 1,455,418 | 1 | 1,429,000 | 1 | 1,343,036 | 1 |
| Other intangible assets | 21,607 | - | 16,392 | - | 20,332 | - |
| Deferred tax assets | 189,922 | - | 291,062 | - | 344,910 | - |
| Prepayments for equipment | 234,306 | - | 327,575 | - | 298,135 | - |
| Guarantee deposits | 61,249 | - | 62,792 | - | 67,515 | - |
| Other financial assets - noncurrent | 48,205 | - | 34,381 | - | 34,381 | - |
| Other noncurrent assets | 114,081 | - | 86,981 | - | 186,048 | - |
| Total noncurrent assets | <u>262,667,261</u> | <u>90</u> | <u>252,120,559</u> | <u>89</u> | <u>239,935,453</u> | <u>92</u> |
| TOTAL | <u>\$ 293,375,791</u> | <u>100</u> | <u>\$ 282,754,281</u> | <u>100</u> | <u>\$ 261,269,867</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings | \$ 2,229,422 | 1 | \$ 6,260,388 | 2 | \$ 6,116,442 | 2 |
| Financial liabilities at fair value through profit or loss - current | - | - | 272 | - | 619 | - |
| Notes and accounts payable | 2,596,714 | 1 | 4,145,447 | 2 | 3,449,797 | 1 |
| Notes and accounts payable to related parties | 748,460 | - | 948,175 | - | 933,977 | 1 |
| Payables to suppliers of machinery and equipment | 2,113 | - | 1,173 | - | 790 | - |
| Other payable | 3,797,299 | 2 | 3,644,611 | 1 | 3,783,002 | 2 |
| Provisions - current | 8,340 | - | 12,171 | - | 2,581 | - |
| Receipts in advance | 344,143 | - | 328,753 | - | 374,931 | - |
| Current portion of long-term liabilities | 8,743,734 | 3 | 7,246,540 | 3 | 2,380,000 | 1 |
| Other current liabilities | 739,966 | - | 754,607 | - | 677,080 | - |
| Total current liabilities | <u>19,210,191</u> | <u>7</u> | <u>23,342,137</u> | <u>8</u> | <u>17,719,219</u> | <u>7</u> |
| NONCURRENT LIABILITIES | | | | | | |
| Bonds payable | 31,453,279 | 11 | 34,790,061 | 12 | 32,343,579 | 12 |
| Long-term borrowings | 39,864,033 | 13 | 27,961,684 | 10 | 22,860,463 | 9 |
| Deferred tax liabilities | 1,986,224 | 1 | 2,045,892 | 1 | 2,072,008 | 1 |
| Accrued pension liabilities | 1,322,578 | - | 1,245,392 | 1 | 1,777,425 | - |
| Guarantee deposits received | 3,059 | - | 3,059 | - | 2,259 | - |
| Deferred credit - gain on inter-related parties accounts | 35,998 | - | 50,795 | - | 55,850 | - |
| Total noncurrent liabilities | <u>74,665,171</u> | <u>25</u> | <u>66,096,883</u> | <u>24</u> | <u>59,111,584</u> | <u>22</u> |
| Total liabilities | <u>93,875,362</u> | <u>32</u> | <u>89,439,020</u> | <u>32</u> | <u>76,830,803</u> | <u>29</u> |
| EQUITY | | | | | | |
| Capital stock | | | | | | |
| Common stock | 52,479,168 | 18 | 51,450,165 | 18 | 50,441,338 | 19 |
| Capital surplus | 3,666,948 | 1 | 4,681,042 | 2 | 4,744,045 | 2 |
| Retained earnings | | | | | | |
| Legal reserve | 13,408,217 | 5 | 12,687,509 | 5 | 11,820,720 | 5 |
| Special reserve | 105,911,942 | 36 | 25,449,697 | 9 | 25,472,425 | 10 |
| Unappropriated earnings | 17,218,149 | 6 | 94,418,185 | 33 | 89,555,174 | 34 |
| Total retained earnings | <u>136,538,308</u> | <u>47</u> | <u>132,555,391</u> | <u>47</u> | <u>126,848,319</u> | <u>49</u> |
| Other equity | 6,841,068 | 2 | 4,653,726 | 1 | 2,430,425 | 1 |
| Treasury shares | (25,063) | - | (25,063) | - | (25,063) | - |
| Total equity | <u>199,500,429</u> | <u>68</u> | <u>193,315,261</u> | <u>68</u> | <u>184,439,064</u> | <u>71</u> |
| TOTAL | <u>\$ 293,375,791</u> | <u>100</u> | <u>\$ 282,754,281</u> | <u>100</u> | <u>\$ 261,269,867</u> | <u>100</u> |

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

(With Deloitte & Touche audit report dated March 19, 2015)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

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

| | For the Years Ended December 31 | | | |
|----------------------------------------------------------------------------------|---------------------------------|------------|-------------------|------------|
| | 2014 | | 2013 (Restated) | |
| | Amount | % | Amount | % |
| OPERATING REVENUE | | | | |
| Net sales | \$ 58,095,688 | 100 | \$ 61,905,623 | 100 |
| Other operating revenue | <u>12,786</u> | <u>-</u> | <u>13,459</u> | <u>-</u> |
| Total operating revenue | <u>58,108,474</u> | <u>100</u> | <u>61,919,082</u> | <u>100</u> |
| OPERATING COSTS | | | | |
| Cost of goods sold | 53,289,077 | 92 | 57,691,879 | 93 |
| Other operating cost | <u>17,294</u> | <u>-</u> | <u>12,609</u> | <u>-</u> |
| Total operating costs | <u>53,306,371</u> | <u>92</u> | <u>57,704,488</u> | <u>93</u> |
| GROSS PROFIT | <u>4,802,103</u> | <u>8</u> | <u>4,214,594</u> | <u>7</u> |
| OPERATING EXPENSES | | | | |
| Selling and marketing | 2,850,667 | 5 | 2,786,486 | 5 |
| General and administrative | 1,216,581 | 2 | 1,204,129 | 2 |
| Research and development | <u>704,130</u> | <u>1</u> | <u>664,283</u> | <u>1</u> |
| Total operating expenses | <u>4,771,378</u> | <u>8</u> | <u>4,654,898</u> | <u>8</u> |
| PROFIT (LOSS) FROM OPERATIONS | <u>30,725</u> | <u>-</u> | <u>(440,304)</u> | <u>(1)</u> |
| NONOPERATING INCOME AND EXPENSES | | | | |
| Share of profit of associates | 11,196,928 | 19 | 13,934,413 | 22 |
| Interest income | 129,615 | - | 82,448 | - |
| Rental income | 22,728 | - | 21,954 | - |
| Dividend income | 18,115 | - | 15,883 | - |
| Other income - other | 332,956 | 1 | 580,288 | 1 |
| Gain on disposal of property plant and equipment | 12,902 | - | 20,181 | - |
| Gain on disposal of investment | 48 | - | 5,626 | - |
| Gain on financial assets (liabilities) at fair value through profit or loss, net | 211,806 | - | 189,620 | - |
| Gain on change in fair value of investment properties | 26,418 | - | 66,510 | - |
| Interest expense | (929,809) | (2) | (860,591) | (1) |
| Other expense | (199,931) | - | (240,896) | - |
| Exchange gain (loss), net | 287,254 | 1 | (89,281) | - |
| Impairment loss on assets | <u>(1,334)</u> | <u>-</u> | <u>(8,546)</u> | <u>-</u> |
| Total nonoperating income and expenses | <u>11,107,696</u> | <u>19</u> | <u>13,717,609</u> | <u>22</u> |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

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

| | For the Years Ended December 31 | | | |
|-----------------------------------------------------------------------------|---------------------------------|-----------|----------------------|-----------|
| | 2014 | | 2013 (Restated) | |
| | Amount | % | Amount | % |
| INCOME BEFORE INCOME TAX | \$ 11,138,421 | 19 | \$ 13,277,305 | 21 |
| INCOME TAX (EXPENSE) BENEFIT | <u>(105,000)</u> | <u>-</u> | <u>(61,551)</u> | <u>-</u> |
| NET INCOME | <u>11,033,421</u> | <u>19</u> | <u>13,215,754</u> | <u>21</u> |
| OTHER COMPREHENSIVE INCOME | | | | |
| Unrealized gain on available-for-sale financial assets | (107,134) | - | 97,628 | - |
| Revaluation gain | - | - | 5,544 | - |
| Actuarial gain (loss) arising from defined benefit plans | (373,695) | (1) | 60,778 | - |
| Share of other comprehensive income (loss) of associates | 2,273,244 | 4 | 2,199,898 | 4 |
| Income tax (loss) gain relating to components of other comprehensive income | <u>63,528</u> | <u>-</u> | <u>(10,948)</u> | <u>-</u> |
| Other comprehensive income (loss), net of income tax | <u>1,855,943</u> | <u>3</u> | <u>2,352,900</u> | <u>4</u> |
| TOTAL COMPREHENSIVE INCOME | <u>\$ 12,889,364</u> | <u>22</u> | <u>\$ 15,568,654</u> | <u>25</u> |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS) | | | | |
| 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 financial statements.

(With Deloitte & Touche audit report dated March 19, 2015)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

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

| | Common Stock | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Other Equity | | | | Treasury Stocks | Total Equity |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------|-------------------------|--------------------------------------------------------|---------------------------------------------------------------|------------------------------------|--------------------------------|--------------------|-----------------------|
| | | | | | | Exchange Differences on Translating Foreign Operations | Unrealized Gain (Loss) on Available-for-sale Financial Assets | Unrealized Loss on Cash Flow Hedge | Unrealized Revaluation Surplus | | |
| 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 |
| Effect of retrospective and retrospection restatement | - | - | - | 831 | 74,454,402 | - | - | - | - | - | 74,455,233 |
| BALANCE AT JANUARY 1, 2013 A RESTATED | <u>50,441,338</u> | <u>4,744,045</u> | <u>11,820,720</u> | <u>25,472,425</u> | <u>89,555,174</u> | <u>(2,534,967)</u> | <u>5,038,679</u> | <u>(73,287)</u> | - | <u>(25,063)</u> | <u>184,439,064</u> |
| Appropriation of the 2012 earnings | | | | | | | | | | | |
| Legal reserve | - | - | 866,789 | - | (866,789) | - | - | - | - | - | - |
| Cash dividends - NT\$1.3 per share | - | - | - | - | (6,557,374) | - | - | - | - | - | (6,557,374) |
| Stock dividends - NT\$0.2 per share | 1,008,827 | - | - | - | (1,008,827) | - | - | - | - | - | - |
| Net income for the year ended December 31, 2013 | - | - | - | - | 13,215,754 | - | - | - | - | - | 13,215,754 |
| Other comprehensive income for the year ended December 31, 2013 | - | - | - | - | 129,599 | 2,826,163 | (565,947) | (45,076) | 8,161 | - | 2,352,900 |
| 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 |
| Change in equity in associates | - | (63,958) | - | (9,952) | (62,128) | - | - | - | - | - | (136,038) |
| Change in capital surplus from dividends distributed to subsidiaries | - | 955 | - | - | - | - | - | - | - | - | 955 |
| Reversal of special reserve | - | - | - | (12,776) | 12,776 | - | - | - | - | - | - |
| BALANCE, 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 |
| 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) |
| Stock dividends - NT\$0.2 per share | 1,029,003 | (1,029,003) | - | - | - | - | - | - | - | - | - |
| Net income for the year ended December 31, 2014 | - | - | - | - | 11,033,421 | - | - | - | - | - | 11,033,421 |
| Other comprehensive loss for the year ended December 31, 2014 | - | - | - | - | (331,399) | 2,580,664 | (843,080) | (54,688) | 504,446 | - | 1,855,943 |
| 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 |
| Change in equity in associates | - | 13,935 | - | - | (30,548) | - | - | - | - | - | (16,613) |
| Net changes from subscription for new shares of the associate at a percentage different from its existing ownership percentage | - | - | - | - | (35) | - | - | - | - | - | (35) |
| Change in capital surplus from dividends distributed to subsidiaries | - | 974 | - | - | - | - | - | - | - | - | 974 |
| BALANCE, DECEMBER 31, 2014 | <u>\$ 52,479,168</u> | <u>\$ 3,666,948</u> | <u>\$ 13,408,217</u> | <u>\$ 105,911,942</u> | <u>\$ 17,218,149</u> | <u>\$ 2,871,860</u> | <u>\$ 3,629,652</u> | <u>\$ (173,051)</u> | <u>\$ 512,607</u> | <u>\$ (25,063)</u> | <u>\$ 199,500,429</u> |

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

(With Deloitte & Touche audit report dated March 19, 2015)

FAR EASTERN NEW CENTURY CORPORATION

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 | \$ 11,138,421 | \$ 13,277,305 |
| Adjustments for: | | |
| Depreciation | 1,795,070 | 1,610,693 |
| Amortization | 12,692 | 9,223 |
| Interest expenses | 929,809 | 860,591 |
| Interest income | (129,615) | (82,448) |
| Dividend income | (18,115) | (15,883) |
| Share of the profit of associates | (11,196,928) | (13,934,413) |
| Gain on disposal of property, plant and equipment | (12,902) | (20,181) |
| Gain on disposal of investments, net | (48) | (5,626) |
| Impairment loss recognized on assets | 1,334 | 8,546 |
| Net loss on unrealized foreign currency exchange | 20,500 | - |
| Revaluation gain on investment properties | (26,418) | (66,510) |
| Reversal of write-down | (10,549) | - |
| Net changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss | (40,539) | (21,171) |
| Notes and accounts receivable | 154,215 | 656,505 |
| Other receivables | 50,891 | (10,040) |
| Other receivables from affiliates | (365,923) | (97,288) |
| Inventories | 105,831 | (241,652) |
| Prepayments | 286,338 | (191,904) |
| Other current assets | 142,352 | (164,176) |
| Financial liabilities at fair value through profit or loss | (272) | (347) |
| Notes and accounts payable | (1,548,733) | 695,650 |
| Notes and accounts payable to affiliates | (199,715) | 14,198 |
| Other payables | 188,289 | (178,426) |
| Receipts in advance | 15,390 | (46,178) |
| Other current liabilities | (14,641) | 77,527 |
| Accrued pension liabilities | (296,508) | (471,255) |
| Cash generated from operations | 980,226 | 1,662,740 |
| Interest received | 129,033 | 15,445 |
| Dividend received | 8,602,565 | 9,900,829 |
| Interest paid | (945,544) | (816,980) |
| Income tax paid | (13,760) | (1,488) |
| Net cash generated from operating activities | <u>8,752,520</u> | <u>10,760,546</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in bond investments with no active market | (440,032) | (145,947) |
| Proceeds of the disposal of financial assets carried at cost | - | 36,953 |
| Proceeds of capital reduction from financial assets carried at cost | - | 17,285 |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

| | For the Years Ended December 31 | |
|------------------------------------------------------------------------|---------------------------------|---------------------|
| | 2014 | 2013 (Restated) |
| Acquisition of investments accounted for using the equity-method | \$ (3,560,110) | \$ (4,066,530) |
| Acquisition of property, plant, equipment and prepayment for equipment | (3,933,612) | (3,688,496) |
| Proceeds of the disposal of property, plant and equipment | 1,955 | 48,510 |
| Decrease in guarantee deposits | 1,543 | 4,723 |
| (Increase) decrease in other receivable from related parties | 1,250 | (3,870,000) |
| Acquisition of intangible assets | (17,907) | (5,283) |
| Increase in other financial assets | (13,824) | - |
| Increase in other noncurrent assets | <u>(28,434)</u> | <u>90,521</u> |
| Net cash used in investing activities | <u>(7,989,171)</u> | <u>(11,578,264)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Decrease) increase in short-term borrowings | (4,030,966) | 143,946 |
| Proceeds of the issue of bonds | 5,400,000 | 9,670,000 |
| Repayments of bonds payable | (7,250,000) | (2,380,000) |
| Proceeds of long-term borrowings | 167,007,094 | 132,077,235 |
| Repayment of long-term borrowings | (155,104,745) | (126,976,014) |
| Increase in guarantee deposits received | - | 800 |
| Dividends paid | <u>(6,696,807)</u> | <u>(6,557,338)</u> |
| Net cash generated from (used in) financing activities | <u>(675,424)</u> | <u>5,978,629</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 87,925 | 5,160,911 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>9,542,173</u> | <u>4,381,262</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 9,630,098</u> | <u>\$ 9,542,173</u> |

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

(With Deloitte & Touche audit report dated March 19, 2015)

(Concluded)

Attachment III

Supervisors' Report

To the 2015 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 219 of the Company Act, we have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2014 which had been audited by Deloitte & Touche, and found them in order.

T. H. Chang



Alice Hsu



Champion Lee



20 May 2015

Attachment IV

Information about the Corporate Bonds Issued in Year 2014

| Offering Type | | Domestic unsecured bonds (1 st of Year 2014) | Domestic unsecured bonds (2 nd of Year 2014) | Domestic unsecured bonds (3 rd of Year 2014) |
|----------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Amount | | NT\$ 3.2 billion | NT\$ 2.2 billion | NT\$ 2.6 billion |
| Maturity | | 5 years | 5 years | 5 years |
| Coupon rate | | 1.47% p.a. | 1.47% p.a. | 1.38% p.a. |
| Repayment | | 50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond. | 50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond. | 50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond. |
| Authority | Guarantor | None | None | None |
| | Approval Authority | Financial Supervisory Commission | Financial Supervisory Commission | Financial Supervisory Commission |
| | Approved Date | 9 June 2014 | 10 September 2014 | 19 December 2014 |
| Approval Letter No. | | FSC -1030021859 | FSC -1030036234 | FSC -1030051162 |
| Use of proceeds | | To payback short-term borrowings and improve the financial structure | To payback short-term borrowings and improve the financial structure | To payback short-term borrowings and improve the financial structure |
| Remark | | To be issued at par value on 21 August 2014 | To be issued at par value on 4 December 2014 | To be issued at par value on 6 February 2015 |

Attachment V

Amendments to “Articles of Incorporation of Far Eastern New Century Corporation”

| Section | Proposed Changes | Current Articles |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 10 | <p>The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings: General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.</p> <p><u>Extraordinary Shareholders' Meeting shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.</u></p> | <p>The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings: General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.</p> <p><u>Extraordinary Shareholders' Meeting shall be convened by the Board of Directors where it thinks necessary or by way of written request by shareholders who have held continuously the Company's total issued shares for more than 1 year and whose shareholdings are greater than 3% of the Company's issued shares.</u> <u>Other than where the Board of Directors has not convened or is unable to convene shareholders' meeting, the Supervisor may also convene shareholders' meeting for the benefit of the Company.</u></p> |
| | Chapter 4 Directors and Managers | Chapter 4 Directors, <u>Supervisors</u> and Managers |
| Article 16 | <p>There shall be 10 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".</p> <p>3 Independent Directors shall be elected from the list of persons with legal capacity.</p> <p>Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent <u>and</u> non-Independent Directors should be held together. Moreover, in order to ensure the election of at least two Independent Directors of each election, the Independent and</p> | <p>There shall be 10 to 15 Directors <u>and 3 Supervisors</u> of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors <u>and Supervisors</u> shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".</p> <p>3 Independent Directors shall be elected from the list of persons with legal capacity.</p> <p>Directors <u>and Supervisors</u> shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent, non-Independent Directors <u>and Supervisors</u> should be held together. Moreover, in order to ensure the election of at least two Independent Directors of</p> |

| Section | Proposed Changes | Current Articles |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | non-Independent Directors elected should be calculated separately. | each election, the Independent and non-Independent Directors elected should be calculated separately. |
| Article 16-1 | <p>Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors, is responsible of executing powers relegated to supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.</p> <p>The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.</p> | <p>Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors, is responsible of executing powers relegated to supervisors by the Company Act, Securities and Exchange Act and other laws and regulations. <u>The Supervisors will cease to function and be ipso facto dismissed on the date of instituting of the Audit Committee.</u></p> <p>The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.</p> |
| Article 17 | The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election. | The respective appointments of Directors <u>and Supervisors</u> are for a period of 3 years. They may be reappointed following their re-election. |
| Article 20 | (deleted) | <u>The Supervisors shall perform their supervising duties in accordance with law; furthermore Supervisors may attend meetings of the Board of Directors and present their views, but may not have voting rights. Supervisors may elect from among them a Resident Supervisor to perform the daily supervisory duty.</u> |
| Article 21 | The remuneration of Directors shall be decided by the shareholders' meeting. | The remuneration of Directors <u>and Supervisors</u> shall be decided by the shareholders' meeting. |
| Article 23-1 | The Company shall take out liability insurance for Directors and officers with respect to their liabilities resulting from exercising their duties during their terms of occupancy. | The Company shall take out liability insurance for Directors, <u>Supervisors</u> and officers with respect to their liabilities resulting from exercising their duties during their terms of occupancy. |
| Article 25 | <p>The Board of Directors shall in accordance with law furnish various documents and statements and submit for approval at the General Shareholders' Meeting.</p> <p>The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.</p> | <p>The Board of Directors shall in accordance with law furnish various documents and statements and <u>forward the same to the Supervisors for review 30 days prior to the General Shareholders' Meeting, following which the said statements reviewed by the Supervisors and their reports shall be submitted</u> for approval at the General Shareholders' Meeting.</p> <p>The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.</p> |

| Section | Proposed Changes | Current Articles |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 27 | <p>Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in the following manner :</p> <p>60% as share interest, to be distributed based on shareholdings. However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>33% as shareholders' bonuses to be distributed based on shareholdings. However in the case of increase in the Company's share capital, the shareholders' bonus to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>4% as employees' bonuses.</p> <p>3% as remuneration for Directors, the manner in which it is to be distributed shall be decided by the Board of Directors.</p> <p>In the case of employees' bonuses in the form of stock dividends, the manner in which it is to be distributed shall be decided by the Board of Directors.</p> | <p>Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in the following manner :</p> <p>60% as share interest, to be distributed based on shareholdings. However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>33% as shareholders' bonuses to be distributed based on shareholdings. However in the case of increase in the Company's share capital, the shareholders' bonus to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;</p> <p>4% as employees' bonuses.</p> <p>3% as remuneration for Directors <u>and Supervisors</u>, the manner in which it is to be distributed shall be decided by the Board of Directors.</p> <p>In the case of employees' bonuses in the form of stock dividends, the manner in which it is to be distributed shall be decided by the Board of Directors.</p> |
| Article 29 | <p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-fifth amendment on June 26, 2015</u></p> | <p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-fourth amendment on June 26, 2014</u></p> |

Attachment VI

Amendments to “Election Procedures of Director and Supervisor for Far Eastern New Century Corporation”

| Section | Proposed Changes | Current Articles |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Election Procedures of Director for Far Eastern New Century Corporation | Election Procedures of Director <u>and Supervisor</u> for Far Eastern New Century Corporation |
| Article 1 | The election of Directors shall be pursued in accordance with the procedures herein. | The election of Directors <u>and Supervisors</u> shall be pursued in accordance with the procedures herein. |
| Article 2 | The election of Directors adopts the method of accumulated vote-counts. The attendance card number of the voters shall be used on the ballot instead of the name of the voters. The ballots shall be prepared by the Board of Directors, numbered according to the attendance card numbers and noted with share number represented for voting. | The election of Directors <u>and Supervisors</u> adopts the method of accumulated vote-counts. The attendance card number of the voters shall be used on the ballot instead of the name of the voters. The ballots shall be prepared by the Board of Directors, numbered according to the attendance card numbers and noted with share number represented for voting. |
| Article 3 | The election of <u>Directors and Independent Directors</u> shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent <u>and</u> non-Independent Directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent. Directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC. | The election of Directors, Independent Directors, <u>and Supervisors</u> shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent, non-Independent Directors, <u>and Supervisors</u> elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent. <u>Directors and Supervisors</u> shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC. |
| Article 8 | <u>The ballot box is prepared by the Company, and examined publicly by the scrutineers before voting.</u> | <u>There shall be one ballot box for Director and Supervisor elections respectively. The ballot counting shall be pursued separately for the two elections.</u> |
| Article 13 | The elected Directors shall be given the election notification by the Board of Directors. | The elected Directors <u>and Supervisors</u> shall be given the election notification by the Board of Directors. |

Attachment VII

Amendments to “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”

| Section | Proposed Changes | Current Articles |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 2 Paragraph 2</p> <p>Paragraph 4</p> | <p>The total amount of loans extended by the Company to the Business Partners shall not exceed <u>the thirty-five percent (35%) of the Company's Latest Net Worth</u>; the separate amount shall not exceed the business transactions between both parties. Total amount involved in the business transactions refers to the value represented by orders placed, sales or transactions contemplated by the parties in the most recent year.</p> <p>The accumulated balance of short-term loan of funds provided by the Company to any overseas subsidiary, over which the Company owns directly or indirectly 100% voting shares, <u>the separate and total amount of loans of funds to the Company seeking need short-term financing, shall comply with the lender's procedures for lending of capital to others.</u></p> | <p>The amount of loans extended by the Company to the Business Partners shall not exceed the total amount involved in the business transactions between both parties. Total amount involved in the business transactions refers to the value represented by orders placed, sales or transactions contemplated by the parties in the most recent year.</p> <p>The accumulated balance of short-term loan of funds provided by the Company to any overseas subsidiary, over which the Company owns directly or indirectly 100% voting shares, <u>shall not exceed the forty percent (40%) of the Company's Latest Net Worth.</u></p> |
| <p>Article 4 Paragraph 1</p> | <p>When handling a loan by the Company, the Borrowers are required to present requisite financial information and the application to the Company's finance department for limits of loans. The finance department shall evaluate such application in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations") as well as these Procedures including the following items and prepare and submit <u>the evaluation report to the Audit Committee for approval, then submit to the Board of Directors for approval without authorizing any other persons to undertake the abovementioned Procedures:</u></p> <p>(1) necessity and rationale of the loan; (2) the Borrowers' credit standing and risk evaluation; (3) impact on the Company's operation, financial condition and shareholders' interests; and (4) whether collaterals are required and appraised values of such collaterals.</p> | <p>When handling a loan by the Company, the Borrowers are required to present requisite financial information and the application to the Company's finance department for limits of loans. The finance department shall evaluate such application in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations") as well as these Procedures including the following items and prepare and submit to the Board of Directors the evaluation report for approval without authorizing any other persons to undertake the abovementioned Procedures:</p> <p>(1) necessity and rationale of the loan; (2) the Borrowers' credit standing and risk evaluation; (3) impact on the Company's operation, financial condition and shareholders' interests; and (4) whether collaterals are required and appraised values of such collaterals.</p> |

| Section | Proposed Changes | Current Articles |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paragraph 6 | The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing these Procedures or extending loans hereunder. | <u>In the event that the Company has Independent Directors,</u> the Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing these Procedures or extending loans hereunder. |
| Paragraph 7 | Where the balance of loans has exceeded the limits, or the Borrower fails to comply with these Procedures, as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to the <u>Audit Committee</u> . Rectification shall be completed within the time frame stipulated in improvement plans. | Where the balance of loans has exceeded the limits, or the Borrower fails to comply with these Procedures, as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to the <u>Supervisors</u> . Rectification shall be completed within the time frame stipulated in improvement plans. |
| Paragraph 8 | <u>According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.</u> | |
| Article 5 Paragraph 3 | Interest for short term financing shall be calculated on the <u>agreed</u> rate basis which rate is subject to adjustment depending on the costs of fund of the Company. Adjustments in interest rate shall be implemented after the finance department has submitted the application to the General Manager for approval. Interest receivable shall be settled and paid <u>by the agreed terms</u> . | Interest for short term financing shall be calculated on <u>a floating</u> rate basis which rate is subject to adjustment depending on the costs of fund of the Company. Adjustments in interest rate shall be implemented after the finance department has submitted the application to the General Manager for approval. Interest receivable shall be settled <u>once a month</u> . |
| Article 6 Paragraph 1 | The Company shall maintain accounts books for loan extension setting out in details the subjects of loans, their amount, <u>date of approval by the Audit Committee</u> , date of approval by the Board of Directors, loan drawdown date and results of evaluation as required under Article 4 (1) above. | The Company shall maintain accounts books for loan extension setting out in details the subjects of loans, their amount, date of approval by the Board of Directors, loan drawdown date and results of evaluation as required under Article 4 (1) above. |
| Paragraph 2 | The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and | The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and |

| Section | Proposed Changes | Current Articles |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | make written records in details. In the event of major irregularities, the internal audit department shall inform the <u>Audit Committee</u> of the same. | make written records in details. In the event of major irregularities, the internal audit department shall inform all <u>supervisory persons</u> of the same. |
| Article 9 Paragraph 4 | Subsidiaries of the Company shall on their own <u>evaluation</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self- <u>evaluation</u> reports of the said subsidiaries. | Subsidiaries of the Company shall on their own <u>examine</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self- <u>examination</u> reports of the said subsidiaries. |
| Article 10 | The amendment of these Procedures shall be <u>approved by the Audit Committee, then resolved by the Board of Directors, then forwarded to the Shareholders' Meeting for approval.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Audit Committee</u> and Shareholders' Meeting for discussion. | These Procedures shall be forwarded to the <u>Supervisors and Shareholders' Meeting for approval upon resolved by the Board of Directors.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Supervisors</u> and Shareholders' Meeting for discussion. <u>The same procedure shall also apply to amendments hereof.</u> |

Attachment VIII

Amendments to “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation”

| Section | Proposed Changes | Current Articles |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 4 Paragraph 1 | <p>Prior to the provision of endorsements or guarantees, the Company's finance department shall carefully evaluate its compliance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations"), these Procedures, including the following items and prepare and submit the evaluation report <u>to the Audit Committee for approval, then</u> submit to the Board of Directors for approval; provided that, due to the time-constraints, the Board of Directors may authorize the Chairman to approve such provision subject to ratification by the Board of Directors in the upcoming meeting:</p> <p>(1) necessity and rationale of the endorsements /guarantees;</p> <p>(2) credit standing and risk evaluation of the party to be secured under such endorsements/guarantees;</p> <p>(3) impact on the Company's operation, financial condition and shareholders' interests; and</p> <p>(4) whether collaterals are required and appraised values of such collaterals.</p> | <p>Prior to the provision of endorsements or guarantees, the Company's finance department shall carefully evaluate its compliance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ("Regulations"), these Procedures, including the following items and prepare and submit to the Board of Directors the evaluation report for approval; provided that, due to the time-constraints, the Board of Directors may authorize the Chairman to approve such provision subject to ratification by the Board of Directors in the upcoming meeting:</p> <p>(1) necessity and rationale of the endorsements/guarantees;</p> <p>(2) credit standing and risk evaluation of the party to be secured under such endorsements/guarantees;</p> <p>(3) impact on the Company's operation, financial condition and shareholders' interests; and</p> <p>(4) whether collaterals are required and appraised values of such collaterals.</p> |
| Paragraph 2 | <p>Subsidiaries, whose voting shares are 90% owned, directly or indirectly, by the Company, shall <u>submit to the Audit Committee for approval, then</u> report to the Board of Directors of the Company for approval, prior to the provision of endorsements or guarantees being issued according to the paragraph 2 of Article 2 in the Procedures. The aforesaid requirement shall not apply to the subsidiaries, whose voting shares are 100% owned, directly or indirectly, by the Company.</p> | <p>Subsidiaries, whose voting shares are 90% owned, directly or indirectly, by the Company, shall report to the Board of Directors of the Company for approval, prior to the provision of endorsements or guarantees being issued according to the paragraph 2 of Article 2 in the Procedures. The aforesaid requirement shall not apply to the subsidiaries, whose voting shares are 100% owned, directly or indirectly, by the Company.</p> |
| Paragraph 4 | <p>Where the Company proposes to provide an endorsement and/or guarantees as a result of business transactions which is in conformity with the conditions set out herein but exceed the limit as stipulated above as a result of business needs, it shall <u>submit to the Audit Committee, then acquire</u> the approval of the Board of</p> | <p>Where the Company proposes to provide an endorsement and/or guarantees as a result of business transactions which is in conformity with the conditions set out herein but exceed the limit as stipulated above as a result of business needs, it shall <u>require</u> the approval of the Board of Directors and the joint guarantee</p> |

| Section | Proposed Changes | Current Articles |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paragraph 5 | <p>Directors and the joint guarantee by more than half of the Directors in respect of the possible loss incurred by the excessive guarantee, as well as amendment to these Procedures subject to ratification by the Shareholders' Meeting. In the event that the Shareholders' Meeting raises objection, the Company shall formulate a proposal to cancel the excess within stipulated time limit.</p> | <p>by more than half of the Directors in respect of the possible loss incurred by the excessive guarantee, as well as amendment to these Procedures subject to ratification by the Shareholders' Meeting. In the event that the Shareholders' Meeting raises objection, the Company shall formulate a proposal to cancel the excess within stipulated time limit.</p> |
| Paragraph 6 | <p>The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the conditions abovementioned, these Procedures or providing endorsements and/or guarantees.</p> | <p><u>In the event that the Company has Independent Directors,</u> the Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the conditions abovementioned, these Procedures or providing endorsements and/or guarantees.</p> |
| Paragraph 8 | <p>Where the parties secured by such endorsements/guarantees fail to comply with these Procedures or the amounts have exceeded the limits as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to <u>the Audit Committee</u>. Rectification shall be completed within the time frame stipulated in improvement plans.</p> | <p>Where the parties secured by such endorsements/guarantees fail to comply with these Procedures or the amounts have exceeded the limits as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to <u>the Supervisors</u>. Rectification shall be completed within the time frame stipulated in improvement plans.</p> |
| Paragraph 8 | <p><u>According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.</u></p> | |
| Article 7 Paragraph 1 | <p>The Company's endorsements and guarantees shall be made based on the "Application for Endorsements and/or Guarantees" duly filled by the company requiring the same. The Company shall set up specific files and record in details of the name of the company secured by endorsements /guarantees provided, the relevant amount, <u>the date of resolved by the Audit Committee,</u> the date of resolved by the</p> | <p>The Company's endorsements and guarantees shall be made based on the "Application for Endorsements and/or Guarantees" duly filled by the company requiring the same. The Company shall set up specific files and record detailing the name of the company secured by endorsements/guarantees provided, the relevant amount, the date of resolved by the Board or that on which the Chairman had</p> |

| Section | Proposed Changes | Current Articles |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paragraph 2 | <p>Board or that on which the Chairman had approved, the date of endorsements and guarantees, and matters of due diligence as required under Article 4 (1) herein.</p> <p>The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and make written records on the status of implementation in details. In the event of major irregularities, the internal audit department shall inform <u>the Audit Committee</u> of the same in writing.</p> | <p>approved, the date of endorsement and guarantee, and matters of due diligence as required under Article 4 (1) herein.</p> <p>The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and make written records in details. In the event of major irregularities, the internal audit department shall inform <u>all Supervisors</u> of the same in writing.</p> |
| Article 9 Paragraph 4 | <p>Subsidiaries of the Company shall on their own <u>evaluation</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self-<u>evaluation</u> reports of the said subsidiaries.</p> | <p>Subsidiaries of the Company shall on their own <u>examine</u> whether their procedures in relation to capital of lending to others are in compliance with the Regulations and whether their loans extended to others are in compliance with their procedures. The Company's internal audit department shall review the self-<u>examination</u> reports of the said subsidiaries.</p> |
| Article 11 | <p><u>The amendment of these Procedures shall be approved by the Audit Committee, then resolved by the Board of Directors, then forwarded to the Shareholders' Meeting for approval.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Audit Committee</u> and Shareholders' Meeting for discussion.</p> | <p><u>These Procedures shall be forwarded to the Supervisors and Shareholders' Meeting for approval upon resolved by the Board of Directors.</u> Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Supervisors</u> and Shareholders' Meeting for discussion. <u>The same procedure shall also apply to amendments hereof.</u></p> |

Attachment IX

Amendments to “Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation”

| Section | Proposed Changes | Current Articles |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 4 Paragraph 1</p> <p>Paragraph 2</p> <p>Paragraph 3</p> | <p>Where the approval of the Board of Directors is required in respect of acquisition or disposition of assets pursuant to these Procedures or by virtue of other law, Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the <u>Audit Committee</u>. The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the acquisition and disposition of assets as required herein.</p> <p><u>Material assets or derivative transactions shall be approved by more than half of all Audit Committee members, and approved by a resolution of the Board of Directors.</u></p> <p><u>According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.</u></p> | <p>Where the approval of the Board of Directors is required in respect of acquisition or disposition of assets pursuant to these Procedures or by virtue of other law, Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the <u>Supervisors</u>. <u>In the event that the Company has Independent Directors</u>, the Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the acquisition and disposition of assets as required herein.</p> |
| <p>Article 8 Paragraph 2</p> | <p>Transactions of Real Property with Related Parties</p> <p>(2) Evaluation and Procedures</p> <p>The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or above, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of</p> | <p>Transactions of Real Property with Related Parties</p> <p>(2) Evaluation and Procedures</p> <p>The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption</p> |

| Section | Proposed Changes | Current Articles |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paragraph 3 | <p>domestic money market funds, <u>submit to the Audit Committee and the Board of Directors for approval</u> of the following information prior to the signing of the transaction contract and making payments:</p> <p>(a)~(f) (omitted)</p> <p>(g) Restrictions on this transaction and other key contractual issues.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration of each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</p> <p>(3) Evaluation of the Fairness of Transaction Costs</p> <p>(a)~(e) (omitted)</p> <p>(f) Where the appraisal results pursuant to the preceding items are all lower than the transaction price, the Company shall undertake the following:</p> <p>i) With respect to the difference between the transaction price for the real property and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;</p> <p>ii) The <u>Independent Directors</u> shall undertake measures in compliance with Article 218 of the Company Act;</p> <p>iii) The shareholders' meeting shall be informed of measures under items i) and ii) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.</p> <p>(g)~(h) (omitted)</p> | <p>of domestic money market funds, <u>submit the Board of Directors for approval and Supervisors for recognition</u> the following information prior to the signing of the transaction contract and making payments:</p> <p>(a)~(f) (omitted)</p> <p>(g) Restrictions on this transaction and other key contractual issues.</p> <p><u>Where the position of Independent Director has been created</u>, when a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</p> <p>(3) Evaluation of the Fairness of Transaction Costs</p> <p>(a)~(e) (omitted)</p> <p>(f) Where the appraisal results pursuant to the preceding items are all lower than the transaction price, the Company shall undertake the following:</p> <p>i) With respect to the difference between the transaction price for the real property and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;</p> <p>ii) The <u>Supervisors</u> shall undertake measures in compliance with Article 218 of the Company Act;</p> <p>iii) The shareholders' meeting shall be informed of measures under items i) and ii) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.</p> <p>(g)~(h) (omitted)</p> |

| Section | Proposed Changes | Current Articles |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 9-1 Paragraph 2 | The calculation of the dollar amount of the transactions referred to in the paragraph 2 of Article 8 be made in accordance with Article 12, paragraph 1-(f) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>approved by the Audit Committee and Board of Directors</u> need not be counted toward the dollar amount of transactions. | The calculation of the dollar amount of the transactions referred to in the paragraph 2 of Article 8 be made in accordance with Article 12, paragraph 1-(f) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>approved by the Board of Directors and recognized by the Supervisors</u> need not be counted toward the dollar amount of transactions. |
| Article 10 Paragraph 1 | Acquisition or Disposition of Derivative Products (1) Principles and Policies for Transactions (a)~(e) (omitted) (f) Limit on losses i) "For transaction purposes": <u>The upper limit of losses of individual contract is less than 5% of that contract's amount. The upper limit of losses of all the contracts is less than 5% of total amount of all contracts.</u> ii) "For non-transactional purposes": The upper limit of losses of individual contract is less than 25% of that contract's amount. The upper limit of losses of all the contracts is less than 25% of total amount of all contracts. | Acquisition or Disposition of Derivative Products (1) Principles and Policies for Transactions (a)~(e) (omitted) (f) Limit on losses i) "For transaction purposes": <u>No pre-set limit on individual contracts; however the limits shall apply to those contracts of the same subject matter, and the limits for total contractual loss are formulated according to different tools:</u> A. <u>Forward contracts or futures: five per cent (5%) of average costs;</u> B. <u>Options: Where the Company is the purchaser, the limit for purchasing price shall be five per cent (5%) of the total contract amount. Where the Company is the seller, the limit shall be the sale price plus five per cent (5%) of the total contract amount.</u> C. <u>Swaps or other composite tools: The amount of loss shall not exceed five per cent (5%) of the total contract amount.</u> ii) "For non-transactional purposes": The upper limit of losses of individual contract is less than 25% of that contract's amount. The upper limit of losses of all the contracts is less than 25% of total amount of all contracts. |
| Paragraph 3 | (3) Internal Audit System The Company's internal auditors shall regularly review the appropriateness of internal controls for derivative product trading, and shall on a monthly basis conduct compliance of these Procedures by the Trading Department, with audit reports to be compiled thereafter; where major irregularities are discovered, <u>the Audit Committee</u> shall be notified by writing. | (3) Internal Audit System The Company's internal auditors shall regularly review the appropriateness of internal controls for derivative product trading, and shall on a monthly basis conduct compliance of these Procedures by the Trading Department, with audit reports to be compiled thereafter; where major irregularities are discovered, <u>all Supervisors</u> shall be notified by writing. |

| Section | Proposed Changes | Current Articles |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paragraph 4 | <p>(4) Regular Appraisal and Measures In the Event of Irregularities</p> <p>(a)~(b) (omitted)</p> <p>(c) The director of the Audit Department shall regularly review the suitability of the existing risk management measures and whether the procedures set out in this Article have been complied with; This person shall furthermore monitor the trades and profits/losses status, and shall take the necessary measures and immediately report to the Board of Directors where irregularities are discovered; the Independent Directors shall attend meetings of the Board of Directors and shall express their opinions.</p> <p>(d)(omitted)</p> | <p>(4) Regular Appraisal and Measures In the Event of Irregularities</p> <p>(a)~(b) (omitted)</p> <p>(c) The director of the Audit Department shall regularly review the suitability of the existing risk management measures and whether the procedures set out in this Article have been complied with; This person shall furthermore monitor the trades and profits/losses status, and shall take the necessary measures and immediately report to the Board of Directors where irregularities are discovered; <u>where the Company has appointed Independent Directors, who</u> shall attend meetings of the Board of Directors and shall express their opinions.</p> <p>(d)(omitted)</p> |
| Article 14 | <p>Subsidiaries of the Company shall comply with the following:</p> <p>(5) Subsidiaries of the Company shall on their own <u>evaluation</u> whether their procedures in relation to Acquisition and Disposition of Assets are in compliance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and whether acquisition and disposition of assets are in compliance with their procedures. The Company's internal audit department shall review the <u>self-evaluation</u> reports of the said subsidiaries.</p> | <p>Subsidiaries of the Company shall comply with the following:</p> <p>(5) Subsidiaries of the Company shall on their own <u>examine</u> whether their procedures in relation to Acquisition and Disposition of Assets are in compliance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and whether acquisition and disposition of assets are in compliance with their procedures. The Company's internal audit department shall review the <u>self-examination</u> reports of the said subsidiaries.</p> |
| <p>Article 16 Paragraph 1</p> <p>Paragraph 2</p> | <p><u>The amendment of these Procedures shall be approved by the Audit Committee and the Board of Directors, and shall furthermore be submitted for approval at the shareholders' meeting.</u> The same procedure shall apply in the case of amendments. The directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the <u>Audit Committee.</u></p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting</p> | <p><u>Following the approval by the Board of Directors of these Procedures, the same shall be forwarded to the respective Supervisors and shall furthermore be submitted for approval at the shareholders' meeting.</u> The same procedure shall apply in the case of amendments. The directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to <u>the Supervisors.</u></p> <p><u>Where the position of Independent Director has been created,</u> when a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting</p> |

Attachment X

Current Shareholding of Directors and Supervisors

The list of the 21st term of Board of Directors and the 24th term of Supervisors of Far Eastern New Century Corporation

Book closure date: 27 April 2015

| Title | Name of persons or companies | Representatives appointed | Number of shares held | Percentage of shares held |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------|-----------------------|---------------------------|
| Chairman | Douglas Tong Hsu | - | 60,537,940 | 1.15% |
| Director | Yue Ding Industry Company | Johnny Shih | 13,065,472 | 0.25% |
| | Asia Cement Corporation | Peter Hsu | 1,247,330,476 | 23.77% |
| | | Raymond Hsu | | |
| | | Shaw Y. Wang | | |
| | | Richard Yang | | |
| | Far Eastern Department Stores Ltd. | Kwan-Tao Li | 19,572,912 | 0.37% |
| Tonia Katherine Hsu | | | | |
| Independent Director | Bing Shen | - | - | - |
| | Bao-Shuh Paul Lin | | | |
| | Johnsee Lee | | | |
| The combined shareholding of all directors on the book closure date | | | 1,340,506,800 | 25.54% |
| The minimum required combined shareholding of all directors by law | | | 83,966,670 | 1.60% |
| Supervisor | U-Ming Marine Transport Corporation | T. H. Chang | 30,570,069 | 0.58% |
| | | Alice Hsu | | |
| | Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation Representative | Champion Lee | 8,326,703 | 0.16% |
| The combined shareholding of all supervisors on the book closure date | | | 38,896,772 | 0.74% |
| The minimum required combined shareholding of all supervisors by law | | | 8,396,667 | 0.16% |

Note: The holdings of individual representatives are excluded from total shareholding calculations.

Attachment XI

Impact of the Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment

Not applicable.

Attachment XII

Information about the Bonus of Employees and Compensation of Directors and Supervisors

The bonus of employees and compensation of Directors and Supervisors were resolved by the Board of Directors on 19 March 2015. Pursuant to the rule issued by Financial Supervisory Commission (Letter No. FSC 1010059296) on 28 December 2012, the relevant information is disclosed below:

- a. Cash bonus to employees: NT\$270,860,227
- b. Cash compensation to Directors and Supervisors: NT\$203,145,170
- c. Bonus and compensation in shares, options, warranties, and other equity-linked forms: None
- d. Discrepancy between the amount estimated as expense in Year 2014 financial statements and the amount actually paid, and reasons for such discrepancy: Not applicable

General information

I. Articles of Incorporation of Far Eastern New Century Corporation

Chapter 1 General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called: Far Eastern New Century Corporation

Article 2 The Company's businesses are as follows :

1. C301010 Yarn spinning mills
2. C302010 Knit fabric mills
3. C303010 Non woven fabric mills
4. C305010 Printing dyeing and finishing mills
5. C306010 Outerwear knitting mills
6. C307010 Apparel, clothing accessories and other textile product manufacturing
7. C399990 Other textile products
8. C801120 Manmade fiber manufacturing
9. C801990 Other chemical material manufacturing
10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures
12. F106020 Wholesale of articles for daily use
13. F107990 Wholesale of other chemical products
14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures
16. F206020 Retail sale of articles for daily use
17. F207990 Retail sale of other chemical products
18. F301010 Department stores
19. F401010 International trade
20. F501060 Restaurants
21. J701020 Amusement parks
22. J801030 Athletics and recreational sport stadium
23. H701010 Residence and buildings lease construction and development
24. H701020 Industrial factory buildings lease construction and development
25. H701040 Specialized field construction and development
26. H701050 Public works construction and investment
27. G202010 Parking garage business
28. G801010 Warehousing and storage
29. IZ06010 Cargos packaging
30. C802120 Industrial catalyst manufacturing
31. F102040 Wholesale of nonalcoholic beverages
32. F107030 Wholesale of cleaning preparations

33. F113070 Wholesale of telecom instruments
34. F213060 Retail sale of telecom instruments
35. CC01080 Electronic part and component manufacturing
36. CF01011 Medical materials and equipment manufacturing
37. F108031 Wholesale of drugs and medical goods
38. F208031 Retail sale of medical equipments
39. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations

- Article 3 The Company may provide guarantees for third parties in accordance with the Company bylaw of "Procedures for Endorsements and Guarantees".
- Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Act, subject to approval of the Board of Directors.
- Article 5 The Company is incorporated in Taipei, the Republic of China; the Board of Directors may by resolution approve the establishment of domestic and international branches where it deems necessary.

Chapter 2 Share Capital

- Article 6 The Company's total capital shall be Sixty Billion New Taiwan Dollar (NT\$60,000,000,000) divided into 6,000,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate trenches.
- Out of the above total capital amount, One Hundred Million New Taiwan Dollar (NT\$100,000,000) shall be divided into 10,000,000 shares of NT\$10 each, to be issued as warrants for employees to subscribe.
- Article 7 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.
- The Company can issue special stock.
- In the event of the Company merging with another company, matters relating to the merger need not be approved by way of a resolution of the special shareholders meeting.
- Article 8 Matters relating to the Company's shares shall be dealt with according to the provisions of "Regulations Governing Handling of Stock Affairs by Public Companies" and the relevant laws and regulations.
- Article 9 Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or with 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3 Shareholders' Meeting

- Article 10 The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings:
- General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.
- Extraordinary Shareholders' Meeting shall be convened by the Board of Directors where it thinks necessary or by way of written request by shareholders who have held continuously the Company's total issued shares for more than 1 year and whose shareholdings are greater than 3% of the Company's issued shares.
- Other than where the Board of Directors has not convened or is unable to convene shareholders' meeting, the Supervisor may also convene shareholders' meeting for the benefit of the Company.
- Article 11 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place

and reasons for calling the shareholders' meeting.

- Article 12 Unless otherwise stipulated by the Company Act, a quorum shall be present at the shareholders' meeting if shareholders representing more than half of the shares issued by the Company are in attendance and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance.
- Article 13 Shareholders may by way of power of attorney appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.
- Unless otherwise stipulated by the Company Act, attendance of shareholder's proxies shall be in accordance with the provisions of "Regulation Governing the Use of Proxies For Attendance of Shareholders' Meeting of Public Companies".
- Article 14 Unless otherwise stipulated by the Company Act and the Articles of Incorporation, shareholders' meeting shall be conducted in accordance with the Company's regulations for shareholders' meeting.
- Article 15 Minutes and resolutions of shareholders' meeting shall be recorded and signed by or affixed with the seal of the chairman of the meeting. The said minutes and resolutions shall specify the date and place of the shareholders' meeting, number of shares represented by the shareholders (or proxies) present at the meeting; number of voting rights represented; name of the chairman of the shareholders' meeting; resolutions and the manner in which they are passed. The said minutes and resolutions shall be kept, together with the register of shareholders' attendance and the proxies' powers of attorney, in compliance with the law.

Chapter 4 Directors, Supervisors and Managers

- Article 16 There shall be 10 to 15 Directors and 3 Supervisors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors and Supervisors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".

3 Independent Directors shall be elected from the list of persons with legal capacity.

Directors and Supervisors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent, non-Independent Directors and Supervisors should be held together. Moreover, in order to ensure the election of at least two Independent Directors of each election, the Independent and non-Independent Directors elected should be calculated separately.

- Article 16-1 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of Independent Directors, is responsible of executing powers relegated to Supervisors by the Company Act, Securities and Exchange Act and other laws and regulations. The Supervisors will cease to function and be ipso facto dismissed on the date of instituting of the Audit Committee.

The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.

- Article 17 The respective appointments of Directors and Supervisors are for a period of 3 years. They may be reappointed following their re-election.

- Article 18 The Board of Directors of the Company shall comprise the Directors. A Chairman and a Vice Chairman shall be elected from among the Directors to represent the Company. Where the Chairman has taken leave or is unable to perform his duties for any reasons, the Vice Chairman shall act in his place. Where the Vice Chairman is also unavailable, the Chairman

shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

Article 19 Meetings of the Board of Directors, which shall be held quarterly, shall be convened by the Chairman. Unless otherwise stipulated by the Company Act, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance. The Chairman may when urgent matters occur convene meetings of the Board at any time.

When a Director is unable to personally attend the meeting of the Board of Directors, he may entrust another Director to represent him in accordance with law.

A notice to convene a Board meeting shall be sent to all Directors via postal mail, email or fax.

Article 20 The Supervisors shall perform their supervising duties in accordance with law; furthermore Supervisors may attend meetings of the Board of Directors and present their views, but may not have voting rights. Supervisors may elect from among them a Resident Supervisor to perform the daily supervisory duty.

Article 21 The remuneration of Directors and Supervisors shall be decided by the shareholders' meeting.

Article 22 The Company shall have a number of General Managers, Chief Operating Officers and Deputy General Managers, Executive Vice Presidents Managers and Factory Managers, a Chief Auditor and a Deputy Chief Auditor.

The appointment and dismissal of the above staff shall be by way of a majority at the meetings of the Board of Directors, subject to more than half of the Directors are in attendance of the said meetings.

Article 23 The Chairman, the Vice Chairman and the General Manager shall handle the daily affairs of the Company in compliance with the resolution of the Board of the Directors.

Article 23-1 The Company shall take out liability insurance for Directors, Supervisors and officers with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

Chapter 5 Accounting

Article 24 The Company's fiscal year shall commence on the First of January of each year, and ends on the Thirty-first of December of the same year. The final accounts are settled at the end of the Company's fiscal year.

Article 25 The Board of Directors shall in accordance with law furnish various documents and statements and forward the same to the Supervisors for review 30 days prior to the General Shareholders' Meeting, following which the said statements reviewed by the Supervisors and their reports shall be submitted for approval at the General Shareholders' Meeting. The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.

Article 26 The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends is not less than 10% of the aggregate sum of dividends and bonus distributed in the same year.

Article 27 Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in the following manner :

1. 60% as share interest, to be distributed based on shareholdings. However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;

2. 33% as shareholders' bonuses to be distributed based on shareholdings. However in the case of increase in the Company's share capital, the shareholders' bonus to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;
3. 4% as employees' bonuses
4. 3% as remuneration for Directors and Supervisors, the manner in which it is to be distributed shall be decided by the Board of Directors.

In the case of employees' bonuses in the form of stock dividends, the manner in which it is to be distributed shall be decided by the Board of Directors.

Article 28 All matters not covered herein shall be undertaken in accordance with the Company Act of the Republic of China and the other relevant law and regulations.

Article 29 These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.

First amendment on July 1, 1953;

Second amendment on January 22, 1954;

Third amendment on September 1, 1956;

Fourth amendment on January 15, 1957;

Fifth amendment on June 13, 1959;

Sixth amendment on August 25, 1959;

Seventh amendment on March 31, 1960;

Eighth amendment on October 26, 1960;

Ninth amendment on February 25, 1961;

Tenth amendment on May 25, 1961;

Eleventh amendment on May 2, 1962;

Twelfth amendment on August 7, 1964;

Thirteenth amendment on December 19, 1964;

Fourteenth amendment on January 20, 1966;

Fifteenth amendment on June 22, 1966;

Sixteenth amendment on June 24, 1967;

Seventeenth amendment on December 23, 1967;

Eighteenth amendment on June 8, 1968;

Nineteenth amendment on May 31, 1969;

Twentieth amendment on June 17, 1970;

Twenty-first amendment on January 25, 1972;

Twenty-second amendment on June 20, 1972;

Twenty-third amendment on April 30, 1973;

Twenty-fourth amendment on October 17, 1973;

Twenty-fifth amendment on May 8, 1974;

Twenty-sixth amendment on May 19, 1975;

Twenty-seventh amendment on April 14, 1976;
Twenty-eighth amendment on September 15, 1976;
Twenty-ninth amendment on April 6, 1977;
Thirtieth amendment on April 18, 1978;
Thirty-first amendment on February 9, 1979;
Thirty-second amendment on April 14, 1979;
Thirty-third amendment on April 28, 1980;
Thirty-fourth amendment on April 15, 1981;
Thirty-fifth amendment on April 21, 1982;
Thirty-sixth amendment on April 21, 1982;
Thirty-seventh amendment on May 5, 1983;
Thirty-eighth amendment on May 2, 1984;
Thirty-ninth amendment on May 10, 1985;
Fortieth amendment on April 23, 1987;
Forty-first amendment on April 20, 1988;
Forty-second amendment on April 20, 1989;
Forty-third amendment on April 23, 1990;
Forty-fourth amendment on April 26, 1991;
Forty-fifth amendment on May 12, 1992;
Forty-sixth amendment on May 14, 1993;
Forty-seventh amendment on May 9, 1994;
Forty-eighth amendment on May 4, 1995;
Forty-ninth amendment on May 27, 1996;
Fiftieth amendment on May 23, 1997;
Fifty-first amendment on May 22, 1998;
Fifty-second amendment on May 21, 1999;
Fifty-third amendment on May 15, 2000;
Fifty-fourth amendment on May 18, 2001;
Fifty-fifth amendment on June 12, 2002;
Fifty-sixth amendment on June 9, 2003;
Fifty-seventh amendment on June 4, 2004;
Fifty-eighth amendment on June 14, 2005;
Fifty-ninth amendment on June 13, 2006;
Sixtieth amendment on October 13, 2009.
Sixty-first amendment on June 22, 2010
Sixty-second amendment on June 24, 2011
Sixty-third amendment on June 25, 2013
Sixty-fourth amendment on June 26, 2014

II. Meeting Rules of Stockholders for Far Eastern New Century Corporation

Came to effect on June 24, 1967

1st amendment on May 23, 1997

2nd amendment on May 22, 1998

3rd amendment on June 12, 2002

4th amendment on June 28, 2012

5th amendment on June 25, 2013

Article 1 The stockholders' meeting of the Company shall be held according to the rules herein.

Article 2 The location for stockholders' meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

The meeting notice of the shareholders' meeting shall state the registration time, location and other important information. The aforesaid registration time shall start at least thirty minutes before the beginning of the meeting. The registration desk shall be featured with clear instructions and competent staffs.

When convening stockholders' meeting, the Company shall incorporate electronic vote casting as one of the alternative ways to cast the vote, and the procedure of electronic casting shall be written in the notice of stockholders' meeting. Shareholders who vote via electronic casting is deemed as presented in person. With respect to extemporary motions, amendments of the original proposals, and substitute proposals raised in the stockholders' meeting, those who vote via electronic casting shall be considered as abstain.

Shareholders (or by proxies) attending the meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The proxy solicitor shall provide ID document for verification purpose. The stockholders (or by proxies) when attending the meeting shall hand in signed attendance form.

Number of stockholders in attendance shall be calculated based on the number of attending shares, which equals to the sum of number of shares shown on the signed attended forms and the number of voting shares via electronic casting.

The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.

The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.

For a stockholders' meeting convened by the Board of Directors, the chairman of the Board of Directors shall preside at the meeting. If the chairman of the Board of Directors is on leave or unable to exert the rights, the vice-chairman of the Board of Directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights, the chairman of the Board of Directors shall designate a Director to preside at the meeting. If no Director is so designated, the chairman of the meeting shall be elected by the Board of Directors from among themselves. If a Director presides at the meeting including the representative of an institutional director, shall be appointed at least 6 months and familiar with the financial performance and operations of the Company. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If a shareholder files lawsuit pursuant to Article 189 of the Company Act, the video and audio records shall be retained until the conclusion of the litigation.

Article 3 The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present.

After proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.

Article 4 If the stockholders' meeting is convened by the Board of Directors, the agenda shall be designated by the Board of Directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the Board of Directors, having the convening right, the provision set out in the preceding paragraph shall apply mutatis mutandis.

Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded. During the meeting, if the chairperson declares adjournment of the meeting in violation of the preceding rule, a new chairperson may be elected by a resolution passed by majority of the attending stockholders to continue the meeting.

When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue.

Article 5 The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the stockholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

Article 6 Any proposal for the agendas shall be submitted in written form. Except for the proposals set out in the agenda, any proposal by the stockholders (or proxies) to amend, substitute or to initiate extemporary motions with respect to the original proposal shall be seconded by other stockholders (or proxies). The same rule shall apply to any proposal to amend the agenda and motion to adjourn the meeting. The shares represented by the proponents and the seconders shall reach 100,000.

Article 7 The explanation of proposal shall be limited to 5 minutes. The statement of inquiry and reply shall be limited to 3 minutes per person. The time may be extended for 3 minutes with the chairperson's permission.

The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal. When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson. Article 15 of this meeting rule shall apply if the disobedient do not follow the chairperson's instructions.

Article 8 For the same proposal, each person shall not speak more than 2 times.

When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting.

If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak.

Article 9 After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.

Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed.

Article 10 For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.

No discussion or voting shall proceed for matters unrelated to the proposal.

The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson with the consent of the stockholders (or proxies). The person responsible for vote overseeing shall be of the stockholder status.

Article 11 In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.

The proposal for a resolution shall be deemed approved if no objection expressed by stockholders casting their votes via electronic casting, and if the chairperson inquires and receives no objection from stockholders in attendance in person. The validity of such approval has the same effect as if the resolution has been put to vote.

Should objection of a proposal be expressed, such proposal shall be put to vote. All proposals may be put to vote one after the other by its sequence, or may be put to vote together and numbers of votes for each proposal are counted separately. Whichever way of the voting procedures shall be decided by the chairperson.

If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.

The results of voting and election shall be announced after the vote calculation on the spot and kept for records.

Article 12 During the meeting, the chairperson may at his/her discretion declare time for break.

Article 13 The meeting shall be adjourned if encountering an air-raid alarm during the meeting. The meeting shall resume one hour after the alarm is lifted.

Article 14 The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.

Article 15 The stockholders (or proxies) shall obey the instructions of the chairperson and security guards in terms of maintaining the order. The chairperson or security guards may exclude the persons disturbing the stockholders' meeting from the meeting.

Article 16 For matters not governed by the rules specified herein, shall be governed according to Company Act, Stock Exchange Law and the other related laws and regulations.

Article 17 The rules herein take effect after approval at the stockholders' meeting, the same apply for any amendments.

III. Election Procedures of Directors and Supervisors for Far Eastern New Century Corporation

The latest amendment on June 25, 2013

- 1) The election of Directors and Supervisors shall be pursued in accordance with the procedures herein.
- 2) The election of Directors and Supervisors adopts the method of accumulated vote-counts. The attendance card number of the voters shall be used on the ballot instead of the name of the voters. The ballots shall be prepared by the Board of Directors, numbered according to the attendance card numbers and noted with share number represented for voting.
- 3) The election of Directors, Independent Directors, and Supervisors shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent and non-Independent Directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.

Directors and Supervisors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations of ROC.

- 4) In the beginning of the election, the chairperson shall assign two personnel for vote overseeing and vote counting respectively. The personnel for vote overseeing shall be of the stockholder status.
- 5) The responsibility of the vote-overseeing personnel’s responsibility shall be as follows:
 - Check and seal the ballot box in public before ballot casting.
 - Maintain the order and check for any negligence and illegality for voting.
 - Unseal the ballot box and check the ballot number after ballot casting.
 - Check for any invalid ballots and hand in the valid ballots to the vote-counting personnel.
 - Oversee the vote-counting personnel recording the ballot numbers received by each candidate.
- 6) If the candidate is a natural person with the stockholder status, the voters shall fill out the ballot with the name and stockholder number of the candidate. If the candidate is not of the stockholder status, the ballot shall be filled out with the name and the number of identity document of the candidate. If the candidate is the government or juristic stockholder, the ballot shall be filled out with the number, the name of government or juristic person and the representative name. If there are more than one representative, all the representative names shall be listed.
- 7) The ballot shall be considered invalid in any of the following situations:
 - Not the ballot provided under the rules herein
 - One ballot with more than two candidate names listed
 - Blank ballot
 - Ballot not filled out according to article 6 or ballot with unrelated writing to this election
 - Written characters blurred and not legible
 - Incorrect candidate information on the ballot

- 8) There shall be one ballot box for Director and Supervisor elections respectively. The ballot counting shall be pursued separately for the two elections.
- 9) When all the ballots are cast in the box, the personnel of vote overseeing and counting shall simultaneously unseal the ballot boxes.
- 10) The vote-overseeing personnel shall be present for vote counting.
- 11) If there is any question about the ballot, the vote-overseeing personnel shall check whether it is invalid. The invalid ballots shall be collected and kept separately. The vote-overseeing personnel shall designate them as the invalid with signature and seal after ballot counting.
- 12) For the results of ballot counting, the vote-overseeing personnel shall make sure of correctness of the total ballot number after combining the numbers of the valid and invalid ballots. The numbers of the valid and invalid ballots shall be recorded separately and the chairperson shall announce the elected.
- 13) The elected Directors and Supervisors shall be given the election notification by the Board of Directors.
- 14) The rules herein take effect after approval at the stockholders' meeting. The same apply for any amendments.



FAR EASTERN NEW CENTURY

36F, Taipei Metro Tower 207, Tun Hwa South Rd., Sec.2, Taipei, Taiwan, R.O.C
Tel +886 2 2733-8000