

**Far Eastern New Century Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2019 and 2018 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Far Eastern New Century Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Far Eastern New Century Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2019 and 2018, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the six months ended, and related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 1 and Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and joint operations included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2019 and 2018, combined total assets of these non-significant subsidiaries were NT\$243,995,158 thousand and NT\$214,361,093 thousand, respectively, representing 41.92% and 36.68%, respectively, of the consolidated total assets, and combined total liabilities of these non-significant subsidiaries were NT\$93,157,635 thousand and NT\$86,257,164 thousand, respectively, representing 29.34% and 29.41%, respectively, of the consolidated total liabilities; for the three months and six months ended June 30, 2019 and 2018, the combined comprehensive income of these non-significant subsidiaries were NT\$1,265,833 thousand, NT\$3,533,376 thousand, NT\$3,133,927 thousand and NT\$4,499,426 thousand, respectively, representing 25.38%, 43.46%, 29.48% and 35.87%, respectively, of the consolidated total comprehensive income. In addition, as stated in Note 14 to the consolidated financial statements, the investments accounted for using equity-method as of June 30, 2019 and 2018, with carrying values of NT\$33,064,303 thousand and NT\$31,323,802 thousand, respectively, and the related shares of the comprehensive income of these investees amounting to NT\$1,335,672

thousand, NT\$1,580,829 thousand, NT\$1,921,896 thousand and NT\$1,899,870 thousand, for the three months and six months ended June 30, 2019 and 2018, respectively. These amounts referring to the investments accounted for using equity-method were based on unreviewed financial statements of associates. Related information on subsidiaries, joint operations, and associates stated above and investments shown in Note 39 to the consolidated financial statements was also unreviewed.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries, joint operations, and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ching-Pin Shih and Cheng-Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 9, 2019

### Notice to Readers

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

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

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| ASSETS   | June 30, 2019 (Reviewed) |            | December 31, 2018 (Audited) |            | June 30, 2018 (Reviewed) |            |
|--|--------------------------|------------|-----------------------------|------------|--------------------------|------------|
|  | Amount                   | %          | Amount                      | %          | Amount                   | %          |
| <b>CURRENT ASSETS</b>  |                          |            |                             |            |                          |            |
| Cash and cash equivalents (Notes 6 and 34)   | \$ 38,757,640            | 7          | \$ 35,342,560               | 6          | \$ 40,122,920            | 7          |
| Financial assets at fair value through profit or loss - current (Notes 7, 34 and 35)     | 4,572,184                | 1          | 6,075,604                   | 1          | 4,900,580                | 1          |
| Financial assets at fair value through other comprehensive income - current (Note 8)     | 80,587                   | -          | 75,346                      | -          | 78,266                   | -          |
| Financial assets at amortized cost - current (Notes 9 and 34)                            | 1,238,260                | -          | 2,090,355                   | -          | 3,161,546                | 1          |
| Financial assets for hedging - current (Notes 33 and 34)                                 | -                        | -          | 1,868                       | -          | -                        | -          |
| Contact assets - current (Note 26)   | 6,035,213                | 1          | 5,828,641                   | 1          | 5,663,022                | 1          |
| Notes and accounts receivable, net (Notes 11, 26 and 34)                                 | 31,866,629               | 5          | 29,347,392                  | 5          | 30,494,958               | 5          |
| Other receivables (Note 34)  | 6,321,954                | 1          | 2,507,639                   | 1          | 9,682,249                | 2          |
| Current tax assets (Note 4)  | 12,901                   | -          | 25,338                      | -          | 59,851                   | -          |
| Inventories (Notes 12 and 35)  | 28,737,766               | 5          | 34,072,652                  | 6          | 26,661,701               | 5          |
| Prepayments  | 5,769,412                | 1          | 5,082,995                   | 1          | 6,289,934                | 1          |
| Other financial assets - current (Notes 34 and 35)                                       | 4,336,451                | 1          | 5,746,927                   | 1          | 3,102,402                | 1          |
| Refundable deposits - current  | 65,997                   | -          | 65,377                      | -          | 47,986                   | -          |
| Other current assets   | 3,788,725                | 1          | 2,926,177                   | 1          | 2,038,937                | -          |
| Total current assets   | <u>131,583,719</u>       | <u>23</u>  | <u>129,188,871</u>          | <u>23</u>  | <u>132,304,352</u>       | <u>24</u>  |
| <b>NON-CURRENT ASSETS</b>  |                          |            |                             |            |                          |            |
| Financial assets at fair value through other comprehensive income - non-current (Note 8) | 2,025,864                | -          | 2,014,802                   | 1          | 1,434,386                | -          |
| Financial assets at amortized cost - non-current (Notes 9, 10 and 34)                    | 631,000                  | -          | 431,290                     | -          | -                        | -          |
| Financial assets for hedging - non-current (Note 33)                                     | -                        | -          | 65,356                      | -          | 58,971                   | -          |
| Investments accounted for using the equity method (Notes 14 and 35)                      | 66,672,350               | 12         | 66,378,437                  | 12         | 64,820,831               | 12         |
| Contract assets - non-current (Note 26)  | 1,903,790                | -          | 1,535,757                   | -          | 1,582,287                | -          |
| Property, plant and equipment (Notes 15 and 35)  | 163,435,664              | 28         | 164,557,019                 | 29         | 151,902,038              | 27         |
| Right-of-use assets (Notes 4, 16 and 34)   | 18,837,717               | 3          | -                           | -          | -                        | -          |
| Investment properties (Notes 17 and 35)  | 125,958,078              | 22         | 124,816,527                 | 22         | 124,711,887              | 23         |
| Concessions (Notes 19 and 35)  | 39,606,528               | 7          | 41,136,801                  | 7          | 42,851,069               | 8          |
| Goodwill (Note 18)   | 12,777,741               | 2          | 11,862,742                  | 2          | 11,865,515               | 2          |
| Other intangible assets (Note 19)  | 5,137,366                | 1          | 4,997,476                   | 1          | 4,206,585                | 1          |
| Deferred tax assets (Note 4)   | 3,280,138                | 1          | 3,318,140                   | 1          | 2,422,335                | 1          |
| Prepayments for equipment (Note 15)  | 2,522,134                | -          | 1,406,581                   | -          | 2,229,863                | -          |
| Refundable deposits - non-current  | 1,173,552                | -          | 1,130,010                   | -          | 1,011,753                | -          |
| Long-term other receivables (Note 34)  | 518,642                  | -          | 524,861                     | -          | 1,307,767                | -          |
| Incremental costs of obtaining a contract - non-current (Note 26)                        | 2,806,427                | 1          | 1,802,163                   | -          | 1,421,216                | -          |
| Other financial assets - non-current (Note 35)   | 2,489,956                | -          | 2,718,063                   | 1          | 2,851,784                | 1          |
| Long-term prepayments for lease  | -                        | -          | 7,247,623                   | 1          | 6,685,342                | 1          |
| Other non-current assets   | 708,055                  | -          | 456,901                     | -          | 577,493                  | -          |
| Total non-current assets   | <u>450,485,002</u>       | <u>77</u>  | <u>436,400,549</u>          | <u>77</u>  | <u>421,941,122</u>       | <u>76</u>  |
| <b>TOTAL</b>   | <u>\$ 582,068,721</u>    | <u>100</u> | <u>\$ 565,589,420</u>       | <u>100</u> | <u>\$ 554,245,474</u>    | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>  |                          |            |                             |            |                          |            |
| <b>CURRENT LIABILITIES</b>   |                          |            |                             |            |                          |            |
| Short-term borrowings (Notes 20 and 34)  | \$ 38,765,823            | 7          | \$ 47,833,445               | 8          | \$ 38,795,549            | 7          |
| Short-term bills payable (Note 20)   | 4,841,935                | 1          | 6,717,712                   | 1          | 6,208,985                | 1          |
| Financial liabilities at fair value through profit or loss - current (Notes 7 and 34)    | 3,333                    | -          | 6,848                       | -          | 84,093                   | -          |
| Financial liabilities for hedging - current (Notes 33 and 34)                            | -                        | -          | -                           | -          | 4,013                    | -          |
| Contract liabilities - current (Note 26)   | 4,905,042                | 1          | 4,647,210                   | 1          | 5,822,139                | 1          |
| Notes and accounts payable   | 18,915,248               | 3          | 16,805,506                  | 3          | 17,527,066               | 3          |
| Notes and accounts payable to related parties (Note 34)                                  | 279,359                  | -          | 365,517                     | -          | 470,648                  | -          |
| Lease liabilities - current (Notes 4, 16 and 34)   | 3,225,179                | 1          | -                           | -          | -                        | -          |
| Payables to suppliers of machinery and equipment   | 3,971,446                | 1          | 7,534,766                   | 1          | 1,642,074                | -          |
| Other payables   | 31,990,890               | 6          | 16,752,125                  | 3          | 29,750,617               | 5          |
| Current tax liabilities (Note 4)   | 1,431,053                | -          | 3,615,154                   | 1          | 3,502,481                | 1          |
| Provisions - current (Note 22)   | 281,914                  | -          | 293,364                     | -          | 379,372                  | -          |
| Guarantee deposits received - current (Note 34)  | 281,503                  | -          | 230,984                     | -          | 291,625                  | -          |
| Current portion of long-term liabilities (Notes 20 and 21)                               | 25,270,563               | 4          | 20,640,059                  | 4          | 21,012,238               | 4          |
| Other current liabilities  | 2,741,832                | -          | 3,437,413                   | 1          | 3,882,751                | 1          |
| Total current liabilities  | <u>136,905,120</u>       | <u>24</u>  | <u>128,880,103</u>          | <u>23</u>  | <u>129,373,651</u>       | <u>23</u>  |
| <b>NON-CURRENT LIABILITIES</b>   |                          |            |                             |            |                          |            |
| Financial liabilities for hedging - non-current (Note 33)                                | 45,485                   | -          | -                           | -          | -                        | -          |
| Contract liabilities - non-current (Note 26)   | 223,012                  | -          | 208,272                     | -          | 220,696                  | -          |
| Lease liabilities - non-current (Notes 4, 16 and 34)                                     | 7,359,600                | 1          | -                           | -          | -                        | -          |
| Bonds payable (Note 21)  | 79,202,740               | 14         | 78,903,315                  | 14         | 81,905,002               | 15         |
| Long-term borrowings (Note 20)   | 72,892,056               | 13         | 68,719,309                  | 12         | 60,236,058               | 11         |
| Provisions - non-current (Note 22)   | 937,049                  | -          | 911,333                     | -          | 842,862                  | -          |
| Deferred tax liabilities (Note 4)  | 17,575,491               | 3          | 17,552,448                  | 3          | 17,547,294               | 3          |
| Net defined benefit liabilities - non-current (Notes 4 and 23)                           | 1,608,704                | -          | 1,868,362                   | 1          | 2,408,823                | 1          |
| Guarantee deposits received - non-current (Note 34)                                      | 547,081                  | -          | 555,712                     | -          | 522,085                  | -          |
| Deferred credit-gains on related-party transactions (Note 34)                            | 122,803                  | -          | 123,081                     | -          | 123,360                  | -          |
| Other non-current liabilities  | 90,945                   | -          | 138,048                     | -          | 150,706                  | -          |
| Total non-current liabilities  | <u>180,604,966</u>       | <u>31</u>  | <u>168,979,880</u>          | <u>30</u>  | <u>163,956,886</u>       | <u>30</u>  |
| Total liabilities  | <u>317,510,086</u>       | <u>55</u>  | <u>297,859,983</u>          | <u>53</u>  | <u>293,330,537</u>       | <u>53</u>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>                            |                          |            |                             |            |                          |            |
| Share capital  |                          |            |                             |            |                          |            |
| Common stock   | 53,528,751               | 9          | 53,528,751                  | 9          | 53,528,751               | 10         |
| Capital surplus  | 3,255,083                | -          | 2,908,631                   | 1          | 2,860,321                | -          |
| Retained earnings  |                          |            |                             |            |                          |            |
| Legal reserve  | 17,955,250               | 3          | 16,752,421                  | 3          | 16,752,421               | 3          |
| Special reserve  | 115,531,749              | 20         | 114,443,170                 | 20         | 114,443,170              | 21         |
| Unappropriated earnings  | 11,308,209               | 2          | 17,996,558                  | 3          | 14,526,538               | 2          |
| Total retained earnings  | <u>144,795,208</u>       | <u>25</u>  | <u>149,192,149</u>          | <u>26</u>  | <u>145,722,129</u>       | <u>26</u>  |
| Other equity   | 57,135                   | -          | (2,069,331)                 | -          | (2,446,520)              | -          |
| Treasury shares  | (25,063)                 | -          | (25,063)                    | -          | (25,063)                 | -          |
| Total equity attributable to owners of the Company                                       | <u>201,611,114</u>       | <u>34</u>  | <u>203,535,137</u>          | <u>36</u>  | <u>199,639,618</u>       | <u>36</u>  |
| <b>NON-CONTROLLING INTERESTS (Note 25)</b>   | <u>62,947,521</u>        | <u>11</u>  | <u>64,194,300</u>           | <u>11</u>  | <u>61,275,319</u>        | <u>11</u>  |
| Total equity   | <u>264,558,635</u>       | <u>45</u>  | <u>267,729,437</u>          | <u>47</u>  | <u>260,914,937</u>       | <u>47</u>  |
| <b>TOTAL</b>   | <u>\$ 582,068,721</u>    | <u>100</u> | <u>\$ 565,589,420</u>       | <u>100</u> | <u>\$ 554,245,474</u>    | <u>100</u> |

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

(With Deloitte & Touche review report dated August 9, 2019)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

|  | For the Three Months Ended June 30 |            |                   |            | For the Six Months Ended June 30 |            |                    |            |
|--|------------------------------------|------------|-------------------|------------|----------------------------------|------------|--------------------|------------|
|  | 2019                               |            | 2018              |            | 2019                             |            | 2018               |            |
|  | Amount                             | %          | Amount            | %          | Amount                           | %          | Amount             | %          |
| <b>OPERATING REVENUE</b>   |                                    |            |                   |            |                                  |            |                    |            |
| (Notes 26 and 34)  |                                    |            |                   |            |                                  |            |                    |            |
| Net sales  | \$ 49,060,999                      | 74         | \$ 36,104,452     | 67         | \$ 94,970,654                    | 74         | \$ 70,867,317      | 67         |
| Telecommunications service revenue   | 11,991,871                         | 18         | 12,696,285        | 23         | 23,896,059                       | 19         | 26,013,330         | 25         |
| Construction revenue   | 2,181,835                          | 3          | 1,564,648         | 3          | 3,222,625                        | 2          | 2,255,436          | 2          |
| Other operating revenue  | <u>3,491,877</u>                   | <u>5</u>   | <u>3,573,200</u>  | <u>7</u>   | <u>6,557,161</u>                 | <u>5</u>   | <u>6,260,386</u>   | <u>6</u>   |
| Total operating revenue  | <u>66,726,582</u>                  | <u>100</u> | <u>53,938,585</u> | <u>100</u> | <u>128,646,499</u>               | <u>100</u> | <u>105,396,469</u> | <u>100</u> |
| <b>OPERATING COSTS</b> (Notes 12, 27 and 34)                                       |                                    |            |                   |            |                                  |            |                    |            |
| Cost of goods sold   | 44,158,116                         | 66         | 32,224,737        | 60         | 86,678,423                       | 67         | 64,567,420         | 61         |
| Cost of telecommunications services  | 6,166,530                          | 9          | 6,709,579         | 12         | 12,369,524                       | 10         | 13,100,168         | 13         |
| Loss on disposal of investments, net   | 5,499                              | -          | 4,124             | -          | 7,284                            | -          | 5,995              | -          |
| Construction costs   | 2,136,093                          | 3          | 1,526,348         | 3          | 3,144,002                        | 3          | 2,196,326          | 2          |
| Other operating costs  | <u>1,675,927</u>                   | <u>3</u>   | <u>1,211,942</u>  | <u>2</u>   | <u>2,989,117</u>                 | <u>2</u>   | <u>2,498,654</u>   | <u>2</u>   |
| Total operating costs  | <u>54,142,165</u>                  | <u>81</u>  | <u>41,676,730</u> | <u>77</u>  | <u>105,188,350</u>               | <u>82</u>  | <u>82,368,563</u>  | <u>78</u>  |
| <b>GROSS PROFIT</b>  | <u>12,584,417</u>                  | <u>19</u>  | <u>12,261,855</u> | <u>23</u>  | <u>23,458,149</u>                | <u>18</u>  | <u>23,027,906</u>  | <u>22</u>  |
| <b>REALIZED CONSTRUCTION INCOME</b>  | <u>278</u>                         | <u>-</u>   | <u>277</u>        | <u>-</u>   | <u>278</u>                       | <u>-</u>   | <u>277</u>         | <u>-</u>   |
| <b>OPERATING EXPENSES</b>  |                                    |            |                   |            |                                  |            |                    |            |
| (Notes 27 and 34)  |                                    |            |                   |            |                                  |            |                    |            |
| Selling and marketing  | 4,925,769                          | 7          | 4,131,459         | 8          | 9,196,125                        | 7          | 8,255,635          | 8          |
| General and administrative   | 2,993,452                          | 5          | 2,851,026         | 5          | 5,831,675                        | 5          | 5,751,236          | 6          |
| Research and development   | 267,840                            | 1          | 204,949           | 1          | 518,453                          | -          | 392,345            | -          |
| Expected credit loss   | <u>112,043</u>                     | <u>-</u>   | <u>69,477</u>     | <u>-</u>   | <u>191,242</u>                   | <u>-</u>   | <u>132,044</u>     | <u>-</u>   |
| Total operating expenses   | <u>8,299,104</u>                   | <u>13</u>  | <u>7,256,911</u>  | <u>14</u>  | <u>15,737,495</u>                | <u>12</u>  | <u>14,531,260</u>  | <u>14</u>  |
| <b>OPERATING INCOME</b>  | <u>4,285,591</u>                   | <u>6</u>   | <u>5,005,221</u>  | <u>9</u>   | <u>7,720,932</u>                 | <u>6</u>   | <u>8,496,923</u>   | <u>8</u>   |
| <b>NON-OPERATING INCOME AND EXPENSES</b>   |                                    |            |                   |            |                                  |            |                    |            |
| Share of the profit or loss of associates  | 2,049,528                          | 3          | 1,839,728         | 3          | 3,412,328                        | 2          | 3,232,802          | 3          |
| Interest income  | 90,353                             | -          | 53,067            | -          | 170,618                          | -          | 126,732            | -          |
| Other income - other   | 205,794                            | -          | 139,609           | -          | 409,584                          | -          | 405,165            | -          |
| Gain on disposal of investment properties (Note 17)                                | -                                  | -          | 12,619            | -          | -                                | -          | 12,619             | -          |
| Gain (loss) on financial (liabilities) assets at fair value through profit or loss | 74,997                             | -          | (141,872)         | -          | 188,399                          | -          | (94,824)           | -          |
| Gain on change in fair value of investment properties (Note 17)                    | 165,406                            | -          | 272,525           | 1          | 313,804                          | -          | 441,852            | -          |
| Interest expense (Notes 27 and 34)   | (877,052)                          | (1)        | (605,022)         | (1)        | (1,688,045)                      | (1)        | (1,223,792)        | (1)        |
| Other expenses   | (177,348)                          | -          | (25,393)          | -          | (362,948)                        | -          | (208,949)          | -          |
| (Loss) gain on disposal of property, plant and equipment (Note 15)                 | (202,852)                          | -          | 1,899,676         | 4          | (421,489)                        | -          | 1,778,806          | 2          |
| Loss on disposal of concessions (Note 19)  | (305)                              | -          | -                 | -          | (205)                            | -          | -                  | -          |
| Loss on disposal of intangible assets (Note 19)                                    | 280                                | -          | (125)             | -          | (192)                            | -          | (3,967)            | -          |

(Continued)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

|  | For the Three Months Ended June 30 |            |                     |           | For the Six Months Ended June 30 |          |                      |           |
|--|------------------------------------|------------|---------------------|-----------|----------------------------------|----------|----------------------|-----------|
|  | 2019                               |            | 2018                |           | 2019                             |          | 2018                 |           |
|  | Amount                             | %          | Amount              | %         | Amount                           | %        | Amount               | %         |
| Exchange gain, net   | \$ 189,437                         | -          | \$ 258,717          | -         | \$ 224,975                       | -        | \$ 374,043           | -         |
| Impairment loss (Notes 14 and 15)  | (40,284)                           | -          | (366,384)           | (1)       | (84,088)                         | -        | (367,101)            | -         |
| Total non-operating incomes and expenses   | <u>1,477,954</u>                   | <u>2</u>   | <u>3,337,145</u>    | <u>6</u>  | <u>2,162,741</u>                 | <u>1</u> | <u>4,473,386</u>     | <u>4</u>  |
| INCOME BEFORE INCOME TAX   | 5,763,545                          | 8          | 8,342,366           | 15        | 9,883,673                        | 7        | 12,970,309           | 12        |
| INCOME TAX EXPENSE (Notes 4 and 28)  | (721,031)                          | (1)        | (1,631,684)         | (3)       | (1,399,470)                      | (1)      | (2,157,259)          | (2)       |
| NET INCOME   | <u>5,042,514</u>                   | <u>7</u>   | <u>6,710,682</u>    | <u>12</u> | <u>8,484,203</u>                 | <u>6</u> | <u>10,813,050</u>    | <u>10</u> |
| OTHER COMPREHENSIVE INCOME, NET  |                                    |            |                     |           |                                  |          |                      |           |
| Items that will not be reclassified subsequently to profit or loss:  |                                    |            |                     |           |                                  |          |                      |           |
| Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income | 17,215                             | -          | (3,193)             | -         | 5,081                            | -        | (11,678)             | -         |
| Gain on property revaluation (Note 15)   | -                                  | -          | -                   | -         | 331,557                          | -        | -                    | -         |
| Share of the other comprehensive income of associates accounted for using the equity method                                | 455,318                            | 1          | 1,342,221           | 3         | 936,123                          | 1        | 989,359              | 1         |
| Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 28)                 | (69)                               | -          | 10,790              | -         | (35,016)                         | -        | 22,473               | -         |
|  | <u>472,464</u>                     | <u>1</u>   | <u>1,349,818</u>    | <u>3</u>  | <u>1,237,745</u>                 | <u>1</u> | <u>1,000,154</u>     | <u>1</u>  |
| Items that may be reclassified subsequently to profit or loss:   |                                    |            |                     |           |                                  |          |                      |           |
| Exchange differences on translating foreign operations   | (427,988)                          | (1)        | (139,488)           | -         | 756,309                          | 1        | 483,834              | 1         |
| Gain on hedging instruments  | (20,784)                           | -          | 49,394              | -         | (110,841)                        | -        | 23,427               | -         |
| Share of the other comprehensive income of associates accounted for using the equity method                                | (77,787)                           | -          | 159,782             | -         | 263,126                          | -        | 222,149              | -         |
|  | <u>(526,559)</u>                   | <u>(1)</u> | <u>69,688</u>       | <u>-</u>  | <u>908,594</u>                   | <u>1</u> | <u>729,410</u>       | <u>1</u>  |
| Other comprehensive income, net of income tax  | <u>(54,095)</u>                    | <u>-</u>   | <u>1,419,506</u>    | <u>3</u>  | <u>2,146,339</u>                 | <u>2</u> | <u>1,729,564</u>     | <u>2</u>  |
| TOTAL COMPREHENSIVE INCOME   | <u>\$ 4,988,419</u>                | <u>7</u>   | <u>\$ 8,130,188</u> | <u>15</u> | <u>\$ 10,630,542</u>             | <u>8</u> | <u>\$ 12,542,614</u> | <u>12</u> |
| NET INCOME ATTRIBUTABLE TO:  |                                    |            |                     |           |                                  |          |                      |           |
| Owners of the Company  | \$ 3,505,296                       | 5          | \$ 4,906,169        | 9         | \$ 5,521,083                     | 4        | \$ 7,375,615         | 7         |
| Non-controlling interests  | <u>1,537,218</u>                   | <u>3</u>   | <u>1,804,513</u>    | <u>3</u>  | <u>2,963,120</u>                 | <u>3</u> | <u>3,437,435</u>     | <u>3</u>  |
|  | <u>\$ 5,042,514</u>                | <u>8</u>   | <u>\$ 6,710,682</u> | <u>12</u> | <u>\$ 8,484,203</u>              | <u>7</u> | <u>\$ 10,813,050</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) (Reviewed, Not Audited)

|  | For the Three Months Ended June 30 |          |                     |           | For the Six Months Ended June 30 |          |                      |           |
|--|------------------------------------|----------|---------------------|-----------|----------------------------------|----------|----------------------|-----------|
|  | 2019                               |          | 2018                |           | 2019                             |          | 2018                 |           |
|  | Amount                             | %        | Amount              | %         | Amount                           | %        | Amount               | %         |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:      |                                    |          |                     |           |                                  |          |                      |           |
| Owners of the Company                            | \$ 3,507,029                       | 5        | \$ 6,283,161        | 12        | \$ 7,650,397                     | 6        | \$ 9,013,394         | 9         |
| Non-controlling interests                        | <u>1,481,390</u>                   | <u>2</u> | <u>1,847,027</u>    | <u>3</u>  | <u>2,980,145</u>                 | <u>2</u> | <u>3,529,220</u>     | <u>3</u>  |
|  | <u>\$ 4,988,419</u>                | <u>7</u> | <u>\$ 8,130,188</u> | <u>15</u> | <u>\$ 10,630,542</u>             | <u>8</u> | <u>\$ 12,542,614</u> | <u>12</u> |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29) |                                    |          |                     |           |                                  |          |                      |           |
| Basic  | <u>\$ 0.70</u>                     |          | <u>\$ 0.98</u>      |           | <u>\$ 1.10</u>                   |          | <u>\$ 1.48</u>       |           |
| Diluted  | <u>\$ 0.70</u>                     |          | <u>\$ 0.98</u>      |           | <u>\$ 1.10</u>                   |          | <u>\$ 1.47</u>       |           |

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

(With Deloitte & Touche review report dated August 9, 2019)

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars; Except Dividends Per Share)  
(Reviewed, Not Audited)

|  | Equity Attributable to Owners of the Company |                           |                         |                           |  |  |   |   |                           |  |   | Total Equity Attributable to Owners of the Company | Non-controlling Interests (Note 25) | Total Equity  |                           |
|--|--|---------------------------|-------------------------|---------------------------|--|--|---|---|---------------------------|--|---|--|-------------------------------------|---------------|---------------------------|
|  | Common Stock (Note 25)                       | Capital Surplus (Note 25) | Retained Earnings       |                           |  | Exchange Differences on Translating Foreign Operations (Note 25) | Unrealized Gain (Loss) on Available-for-sale Financial Assets (Note 25) | Other Equity  |                           |  |   |  |                                     |               |                           |
|  |  |                           | Legal Reserve (Note 25) | Special Reserve (Note 25) | Unappropriated Earnings (Notes 4 and 25) |  |   | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 25) | Cash Flow Hedge (Note 25) | Gain/(Loss) on Hedging Instruments (Note 25) | Unrealized Revaluation Increments (Note 25) |  |                                     |               | Treasury Shares (Note 25) |
| BALANCE AT JANUARY 1, 2018   | \$ 53,528,751                                | \$ 2,859,569              | \$ 15,945,807           | \$ 112,928,355            | \$ 12,819,238                            | \$ (3,077,371)   | \$ (1,357,319)  | \$ -  | \$ 35,642                 | \$ -   | \$ 702,778                                  | \$ (25,063)  | \$ 194,360,387                      | \$ 61,178,706 | \$ 255,539,093            |
| Effect of retrospective application and retrospective restatement  | -  | -                         | -                       | -                         | 3,067,233                                | -  | 1,357,319   | (1,725,866)   | (35,642)                  | 35,642                                       | -   | -  | 2,698,686                           | 3,926,063     | 6,624,749                 |
| BALANCE AT JANUARY 1, 2018, AS RESTATED  | 53,528,751                                   | 2,859,569                 | 15,945,807              | 112,928,355               | 15,886,471                               | (3,077,371)  | -   | (1,725,866)   | -                         | 35,642                                       | 702,778                                     | (25,063)   | 197,059,073                         | 65,104,769    | 262,163,842               |
| Appropriation of the 2017 earnings   | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Legal reserve  | -  | -                         | 806,614                 | -                         | (806,614)                                | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Special reserve  | -  | -                         | -                       | 1,520,493                 | (1,520,493)                              | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Cash dividends - NTS1.2 per share  | -  | -                         | -                       | -                         | (6,423,450)                              | -  | -   | -   | -                         | -  | -   | -  | (6,423,450)                         | -             | (6,423,450)               |
| Cash dividends distributed by subsidiaries   | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | (7,794,632)   | (7,794,632)               |
| Net income for the six months ended June 30, 2018  | -  | -                         | -                       | -                         | 7,375,615                                | -  | -   | -   | -                         | -  | -   | -  | 7,375,615                           | 3,437,435     | 10,813,050                |
| Other comprehensive income (loss) for the six months ended June 30, 2018   | -  | -                         | -                       | -                         | 19,482                                   | 646,767  | -   | 964,427   | -                         | 7,103  | -   | -  | 1,637,779                           | 91,785        | 1,729,564                 |
| Total comprehensive income (loss) for the six months ended June 30, 2018   | -  | -                         | -                       | -                         | 7,395,097                                | 646,767  | -   | 964,427   | -                         | 7,103  | -   | -  | 9,013,394                           | 3,529,220     | 12,542,614                |
| Change in associates accounted for using the equity method   | -  | 752                       | -                       | -                         | 20,243                                   | -  | -   | -   | -                         | -  | -   | -  | 20,995                              | 211           | 21,206                    |
| Partial acquisition (disposal) of interests in subsidiaries  | -  | -                         | -                       | -                         | (17,440)                                 | -  | -   | -   | -                         | -  | -   | -  | (17,440)                            | (153,820)     | (171,260)                 |
| Change in ownership interest of subsidiaries   | -  | -                         | -                       | -                         | (12,954)                                 | -  | -   | -   | -                         | -  | -   | -  | (12,954)                            | 12,556        | (398)                     |
| Increase in non-controlling interests  | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | 577,375       | 577,375                   |
| Reversal of special reserve  | -  | -                         | -                       | (5,678)                   | 5,678                                    | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Return of cash capital due to subsidiary's liquidation   | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | (360)         | (360)                     |
| BALANCE, JUNE 30, 2018   | \$ 53,528,751                                | \$ 2,860,321              | \$ 16,752,421           | \$ 114,443,170            | \$ 14,526,538                            | \$ (2,430,604)   | \$ -  | \$ (761,439)  | \$ -                      | \$ 42,745                                    | \$ 702,778                                  | \$ (25,063)  | \$ 199,639,618                      | \$ 61,275,319 | \$ 260,914,937            |
| BALANCE AT JANUARY 1, 2019   | \$ 53,528,751                                | \$ 2,908,631              | \$ 16,752,421           | \$ 114,443,170            | \$ 17,996,558                            | \$ (3,589,901)   | \$ -  | \$ 771,912  | \$ -                      | \$ 45,880                                    | \$ 702,778                                  | \$ (25,063)  | \$ 203,535,137                      | \$ 64,194,300 | \$ 267,729,437            |
| Effect of retrospective application and retrospective restatement  | -  | -                         | -                       | -                         | (331,352)                                | -  | -   | -   | -                         | -  | -   | -  | (331,352)                           | (94,653)      | (426,005)                 |
| BALANCE AT JANUARY 1, 2019, AS RESTATED  | 53,528,751                                   | 2,908,631                 | 16,752,421              | 114,443,170               | 17,665,206                               | (3,589,901)  | -   | 771,912   | -                         | 45,880                                       | 702,778                                     | (25,063)   | 203,203,785                         | 64,099,647    | 267,303,432               |
| Appropriation of the 2018 earnings   | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Legal reserve  | -  | -                         | 1,202,829               | -                         | (1,202,829)                              | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Special reserve  | -  | -                         | -                       | 1,088,579                 | (1,088,579)                              | -  | -   | -   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Cash dividends - NTS1.8 per share  | -  | -                         | -                       | -                         | (9,635,175)                              | -  | -   | -   | -                         | -  | -   | -  | (9,635,175)                         | -             | (9,635,175)               |
| Cash dividends distributed by subsidiaries   | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | (7,758,030)   | (7,758,030)               |
| Net income for the six months ended June 30, 2019  | -  | -                         | -                       | -                         | 5,521,083                                | -  | -   | -   | -                         | -  | -   | -  | 5,521,083                           | 2,963,120     | 8,484,203                 |
| Other comprehensive income (loss) for the six months ended June 30, 2019   | -  | -                         | -                       | -                         | -  | 862,790  | -   | 1,008,247   | -                         | (38,779)                                     | 297,056                                     | -  | 2,129,314                           | 17,025        | 2,146,339                 |
| Total comprehensive income (loss) for the six months ended June 30, 2019   | -  | -                         | -                       | -                         | 5,521,083                                | 862,790  | -   | 1,008,247   | -                         | (38,779)                                     | 297,056                                     | -  | 7,650,397                           | 2,980,145     | 10,630,542                |
| Change in associates accounted for using the equity method   | -  | 3                         | -                       | -                         | 45,655                                   | -  | -   | -   | -                         | -  | -   | -  | 45,658                              | 475           | 46,133                    |
| Acquisition of a subsidiary  | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | 163,092       | 163,092                   |
| Increase in non-controlling interests  | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | 384,917       | 384,917                   |
| Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income | -  | -                         | -                       | -                         | 2,848                                    | -  | -   | (2,848)   | -                         | -  | -   | -  | -                                   | -             | -                         |
| Disposal of a subsidiary   | -  | -                         | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | -                                   | (11,276)      | (11,276)                  |
| Changes in percentage of ownership interests in subsidiaries   | -  | 346,449                   | -                       | -                         | -  | -  | -   | -   | -                         | -  | -   | -  | 346,449                             | 3,088,551     | 3,435,000                 |
| BALANCE, JUNE 30, 2019   | \$ 53,528,751                                | \$ 3,255,083              | \$ 17,955,250           | \$ 115,531,749            | \$ 11,308,209                            | \$ (2,727,111)   | \$ -  | \$ 1,777,311  | \$ -                      | \$ 7,101                                     | \$ 999,834                                  | \$ (25,063)  | \$ 201,611,114                      | \$ 62,947,521 | \$ 264,558,635            |

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

(With Deloitte & Touche review report dated August 9, 2019)



# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|  | For the Six Months Ended<br>June 30 |                  |
|--|-------------------------------------|------------------|
|  | 2019                                | 2018             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |                                     |                  |
| Income before income tax                                   | \$ 9,883,673                        | \$ 12,970,309    |
| Adjustments for:   |                                     |                  |
| Depreciation   | 11,038,152                          | 7,901,536        |
| Amortization   | 2,221,932                           | 2,452,089        |
| Expected credit loss                                       | 191,242                             | 132,044          |
| Interest expense   | 1,688,045                           | 1,223,792        |
| Interest income  | (170,618)                           | (126,732)        |
| Dividend income  | (17,640)                            | (13,211)         |
| Share of the profit of associates                          | (3,412,328)                         | (3,232,802)      |
| Loss (gain) on disposal of property, plant and equipment   | 421,489                             | (1,778,806)      |
| Gain on disposal of investment properties                  | -                                   | (12,619)         |
| Loss on disposal of intangible assets                      | 192                                 | 3,967            |
| Loss on disposal of concessions                            | 205                                 | -                |
| Impairment loss  | 84,088                              | 367,101          |
| Write-down (reversal) of inventories                       | (428,280)                           | 73,892           |
| Realized gain on the transactions with associates          | (278)                               | (277)            |
| Gain on change in fair value of investment properties      | (313,804)                           | (441,852)        |
| Loss on disposal of a subsidiary                           | 773                                 | -                |
| Gain on modifications of lease                             | (986)                               | -                |
| Deferred loss on derivative assets for hedging             | 45,485                              | 4,013            |
| Net changes in operating assets and liabilities            |                                     |                  |
| Financial assets at fair value through profit or loss      | 1,503,420                           | (444,854)        |
| Financial assets for hedging                               | (43,617)                            | 1,700            |
| Contract assets  | (574,605)                           | 630,969          |
| Notes and accounts receivable                              | (2,474,442)                         | (5,182,076)      |
| Other receivables  | 2,631                               | (586,006)        |
| Inventories  | 5,758,353                           | (318,980)        |
| Prepayments  | (1,272,904)                         | (2,864,136)      |
| Other current assets                                       | (847,408)                           | (351,062)        |
| Incremental cost of obtaining a contract                   | (1,004,264)                         | 144,974          |
| Financial liabilities at fair value through profit or loss | (3,515)                             | 71,106           |
| Contract liabilities                                       | 223,076                             | 1,041,114        |
| Notes and accounts payable                                 | 1,849,554                           | (1,656,337)      |
| Notes and accounts payable to related parties              | (86,158)                            | 130,930          |
| Other payables   | (2,520,355)                         | 1,162,283        |
| Provisions   | 14,266                              | 26,148           |
| Other current liabilities                                  | (663,183)                           | 1,376,141        |
| Net defined benefit liabilities                            | <u>(260,663)</u>                    | <u>(195,114)</u> |
| Cash generated from operations                             | 20,831,528                          | 12,509,244       |
| Interest received  | 142,434                             | 135,246          |
| Dividend received  | 596,746                             | 511,782          |

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|  | For the Six Months Ended<br>June 30 |                     |
|--|-------------------------------------|---------------------|
|  | 2019                                | 2018                |
| Interest paid  | \$ (1,784,341)                      | \$ (1,212,918)      |
| Income tax paid  | <u>(3,524,665)</u>                  | <u>(1,733,180)</u>  |
| Net cash generated from operating activities                                     | <u>16,261,702</u>                   | <u>10,210,174</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                      |                                     |                     |
| Increase in prepayments for investments  | (100,000)                           | -                   |
| Acquisition of financial assets at fair value through other comprehensive income | (5,207)                             | -                   |
| Decrease (increase) in financial assets at amortized cost                        | 634,985                             | (1,117,393)         |
| Acquisition of investments accounted for using the equity method                 | (19,520)                            | (1,348,394)         |
| Net cash outflow on acquisition of subsidiaries                                  | (436,659)                           | -                   |
| Net cash outflow on disposal of a subsidiary                                     | (39,803)                            | -                   |
| Acquisition of property, plant, equipment and prepayments for equipment          | (13,034,400)                        | (9,339,118)         |
| Proceeds from disposal of property, plant and equipment                          | 19,291                              | 350,371             |
| Increase in refundable deposits  | (42,775)                            | (167,456)           |
| (Increase) decrease in other receivables   | (788,990)                           | 434,080             |
| Acquisition of intangible assets   | (401,877)                           | (867,543)           |
| Acquisition of right-of-use assets   | (568,827)                           | -                   |
| Acquisition of investment properties   | (10,564)                            | -                   |
| Proceeds from the disposal of investment properties                              | 540,000                             | 199,227             |
| Decrease in prepayments for lease  | -                                   | 95,828              |
| Increase in concessions  | (27,562)                            | (59,697)            |
| Proceeds from disposal of concessions  | 7,987                               | -                   |
| Decrease in other financial assets   | 1,638,583                           | 1,426,147           |
| Increase in other non-current assets   | <u>(150,206)</u>                    | <u>(30,200)</u>     |
| Net cash used in investing activities  | <u>(12,785,544)</u>                 | <u>(10,424,148)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                      |                                     |                     |
| (Decrease) increase in short-term borrowings                                     | (9,067,622)                         | 7,850,962           |
| Decrease in short-term bills payables  | (1,877,000)                         | (1,435,000)         |
| Proceeds from issue of bonds   | 13,000,000                          | 17,000,000          |
| Repayments of bonds payables   | (6,800,000)                         | (4,000,000)         |
| Proceeds from long-term borrowings   | 122,405,280                         | 109,080,398         |
| Repayments of long-term borrowings   | (119,553,322)                       | (113,775,229)       |
| Repayment of the principal portion of lease liabilities                          | (1,992,440)                         | -                   |
| Increase in guarantee deposits received  | 40,711                              | 15,545              |
| (Decrease) increase in other non-current liabilities                             | 157                                 | (2,946)             |
| Cash capital increase by subsidiaries  | 384,917                             | 577,375             |
| Cash capital reduction by subsidiaries   | -                                   | (360)               |

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|  | For the Six Months Ended |                      |
|--|--------------------------|----------------------|
|  | June 30                  |                      |
|  | 2019                     | 2018                 |
| Dividends paid to non-controlling interest                                     | \$ (1,728)               | \$ (1,710)           |
| Increase in non-controlling interests  | 3,435,000                | -                    |
| Partial acquisition of interest in subsidiaries from non-controlling interests | <u>-</u>                 | <u>(171,658)</u>     |
| Net cash (used in) generated from financing activities                         | <u>(26,047)</u>          | <u>15,137,377</u>    |
| EFFECTS OF EXCHANGE RATE CHANGES   | <u>(35,031)</u>          | <u>(264,706)</u>     |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                                      | 3,415,080                | 14,658,697           |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD                                 | <u>35,342,560</u>        | <u>25,464,223</u>    |
| CASH AND CASH EQUIVALENTS, END OF PERIOD                                       | <u>\$ 38,757,640</u>     | <u>\$ 40,122,920</u> |

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

(With Deloitte & Touche review report dated August 9, 2019)

(Concluded)

# **FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)**

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### **1. GENERAL INFORMATION**

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

On October 13, 2009, the shareholders resolved to change the Company’s name from its former name, Far Eastern Textile Co., Ltd., to Far Eastern New Century Corporation; thus, the original ticker symbol of FETL was changed to FENC.

On March 21, 2018, the Group formed a joint venture with Indorama Ventures Holdings LP and Alpek S.A.B. de C.V. to establish a new associate, Corpus Christi Polymers LLC. On December 21, 2018, Corpus Christi Polymers LLC acquired M&G Chemicals’ PTA and PET plants and other assets in Texas, USA, and the acquisition was approved by the US Federal Trade Commission. The projected main operations for Corpus Christi Polymers LLC is going to be petrochemical materials and chemical fiber productions. From December 21, 2018, the Group shared and assumed the assets, liabilities, revenue and expenses of the joint operation by recognizing its equity.

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

### **2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were reported to the board of directors on August 9, 2019.

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

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

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

- 1) IFRS 16 “Leases”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

### Definition of a lease

The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

### The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights in China were recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the aforementioned incremental borrowing rate. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

- a) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- c) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- d) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

For leases previously classified as finance leases under IAS 17, the carrying amounts of right-of-use assets and lease liabilities on January 1, 2019 are determined as at the carrying amounts of the respective leased assets and finance lease payables on December 31, 2018.

The lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 0.73%-4.35%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

|   |                      |
|---|----------------------|
| The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018 | \$ 11,543,539        |
| Less: Recognition exemption items   | <u>(253,544)</u>     |
| Undiscounted amounts on January 1, 2019   | <u>\$ 11,289,995</u> |
| Discounted amounts using the incremental borrowing rate on January 1, 2019                            | \$ 10,837,592        |
| Add: Finance lease liabilities on December 31, 2018   | <u>96,845</u>        |
| Lease liabilities recognized on January 1, 2019   | <u>\$ 10,934,437</u> |

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

|   | <b>As Originally<br/>Stated on<br/>January 1, 2019</b> | <b>Adjustments<br/>Arising from<br/>Initial<br/>Application</b> | <b>Restated on<br/>January 1, 2019</b> |
|---|--|---|--|
| <u>Current assets</u>                             |  |   |  |
| Prepayments                                       | \$ 4,870,309   | \$ (388,714)  | \$ 4,481,595                           |
| Prepayments for leases - current                  | 212,686  | (212,686)   | -                                      |
| <u>Non-current assets</u>                         |  |   |  |
| Prepayments for leases - non-current              | 7,247,623  | (7,247,623)   | -                                      |
| Property, plant and equipment                     | 164,557,019  | (218,668)   | 164,338,351                            |
| Right-of-use assets                               | -  | 18,672,835  | 18,672,835                             |
| Investments accounted for using the equity method | 66,378,437   | (231,951)   | 66,146,486                             |
| Total effect on assets                            | 565,589,420  | 10,373,193  | 575,962,613                            |
| <u>Current liabilities</u>                        |  |   |  |
| Lease liabilities - current                       | -  | 3,978,873   | 3,978,873                              |
| Other payables                                    | 16,752,125   | (24,996)  | 16,727,129                             |
| Current tax liabilities                           | 3,615,154  | (13,398)  | 3,601,756                              |
| Other current liabilities                         | 3,437,413  | (49,585)  | 3,387,828                              |
| <u>Non-current liabilities</u>                    |  |   |  |
| Lease liabilities - non-current                   | -  | 6,955,564   | 6,955,564                              |
| Other non-current liabilities                     | 138,048  | (47,260)  | 90,788                                 |
| Total effect on liabilities                       | 297,859,983  | 10,799,198  | 308,659,181                            |

(Continued)

|                           | <b>As Originally<br/>Stated on<br/>January 1, 2019</b> | <b>Adjustments<br/>Arising from<br/>Initial<br/>Application</b> | <b>Restated on<br/>January 1, 2019</b> |
|---------------------------|--|---|--|
| <u>Equity</u>             |  |   |  |
| Retained earnings         | \$ 149,192,149   | \$ (331,352)  | \$ 148,860,797                         |
| Non-controlling interests | 64,194,300   | (94,653)  | 64,099,647                             |
| Total effect on equity    | 267,729,437  | (426,005)   | 267,303,432<br>(Concluded)             |

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty.

The Group doesn’t have significant impact upon initial application of IFRIC 23.

3) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group will apply the above amendments prospectively.

The Group doesn’t have significant impact upon initial application of IAS 19.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2020

| <b>New IFRSs</b>                                       | <b>Effective Date<br/>Announced by IASB</b> |
|--|---|
| Amendments to IFRS 3 “Definition of a Business”        | January 1, 2020 (Note 1)                    |
| Amendments to IAS 1 and IAS 8 “Definition of Material” | January 1, 2020 (Note 2)                    |

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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

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

| <b>New IFRSs</b>   | <b>Effective Date<br/>Announced by IASB (Note)</b> |
|--|--|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture” | To be determined by IASB                           |
| IFRS 17 “Insurance Contracts”  | January 1, 2021                                    |

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

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a. Statement of compliance

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

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties that are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

- c. Basis of consolidation

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



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

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

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

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

See Note 13, Table 12 and Table 13 for the detailed information of subsidiaries, including the percentages of ownership and main businesses.

d. Other significant accounting policies

Except for Leases' relevant accounting policies and the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2018. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2018.

1) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. Before January 1, 2019, property, plant and equipment also included assets held under finance leases.

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. For assets which were held under finance leases before January 1, 2019, if their respective lease terms are shorter than their useful lives, such assets are depreciated over their lease terms. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Leases

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

a) The Group as lessor

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

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

b) The Group as lessor

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

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

a) The Group as lessor

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

b) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

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

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

Contingent rentals are recognized as expenses in the period in which they are incurred.

### 3) Retirement benefits

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

### 4) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized in a manner which is consistent with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the critical accounting judgments and key sources of estimation uncertainty of the consolidated financial statements, refer to the consolidated financial statements for the year ended December 31, 2018.

## 6. CASH AND CASH EQUIVALENTS

|   | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|---|----------------------|------------------------------|----------------------|
| Cash  |                      |                              |                      |
| Cash on hand and petty cash   | \$ 45,609            | \$ 32,854                    | \$ 34,550            |
| Demand and checking accounts  | <u>27,348,703</u>    | <u>24,460,700</u>            | <u>27,398,080</u>    |
|   | <u>27,394,312</u>    | <u>24,493,554</u>            | <u>27,432,630</u>    |
| Cash equivalents (investments with original maturities of less than three months) |                      |                              |                      |
| Time deposits   | 9,305,629            | 3,504,987                    | 7,933,956            |
| Commercial paper and corporate bonds purchased under resale agreements            | <u>1,896,546</u>     | <u>7,188,264</u>             | <u>4,490,574</u>     |
|   | <u>11,202,175</u>    | <u>10,693,251</u>            | <u>12,424,530</u>    |
| Management discretionary accounts   |                      |                              |                      |
| Demand accounts   | <u>161,153</u>       | <u>155,755</u>               | <u>265,760</u>       |
|   | <u>\$ 38,757,640</u> | <u>\$ 35,342,560</u>         | <u>\$ 40,122,920</u> |

The Group's members individually contracted and fully authorized an "other related party", Oriental Securities Investment Advisory Co., Ltd. (OSIAC, trustee) to manage discretionary funds. Deposits that were entrusted to OSIAC's full management amounted to \$161,153 thousand, \$155,755 thousand and \$265,760 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.

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

|  | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--|----------------------|------------------------------|----------------------|
| Time deposits  | 0.20%-2.83%          | 0.40%-3.90%                  | 0.07%-3.95%          |
| Commercial paper and corporate bonds purchased under resale agreements | 0.39%-2.80%          | 0.33%-2.60%                  | 0.38%-1.50%          |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--|----------------------|------------------------------|----------------------|
| <u>Financial assets mandatorily classified as at fair value through profit or loss (FVTPL)</u> |                      |                              |                      |
| Non-derivative financial assets  |                      |                              |                      |
| Mutual funds - beneficial certificates   | \$ 4,324,664         | \$ 5,854,330                 | \$ 4,542,484         |
| Listed shares  | 243,774              | 219,164                      | 334,737              |
| Derivative financial assets (not under hedge accounting)                                       |                      |                              |                      |
| Guarantee deposits - cotton futures contracts  | -                    | -                            | 18,298               |
| Forward exchange contracts   | <u>3,746</u>         | <u>2,110</u>                 | <u>5,061</u>         |
|  | <u>\$ 4,572,184</u>  | <u>\$ 6,075,604</u>          | <u>\$ 4,900,580</u>  |
| <u>Financial liabilities held for trading - current</u>  |                      |                              |                      |
| Derivative financial liabilities (not under hedge accounting)                                  |                      |                              |                      |
| Forward exchange contracts   | \$ 3,333             | \$ 6,848                     | \$ 31,241            |
| Option contracts   | -                    | -                            | 1,868                |
| Combined foreign exchange options  | <u>-</u>             | <u>-</u>                     | <u>50,984</u>        |
|  | <u>\$ 3,333</u>      | <u>\$ 6,848</u>              | <u>\$ 84,093</u>     |

### a. Cotton futures contracts

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

The Group had no outstanding cotton futures contracts as of June 30, 2019, December 31, 2018 and June 30, 2018.

b. Forward exchange contracts

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

As of June 30, 2019, December 31, 2018 and June 30, 2018, the Group had outstanding forward exchange contracts, which were stated as follows:

|                          | <b>Currency</b> | <b>Maturity</b>       | <b>Contract Amount<br/>(Thousands)</b> |
|--------------------------|-----------------|-----------------------|--|
| <u>June 30, 2019</u>     |                 |                       |  |
| Sell                     | USD/NTD         | 2019.07.05-2019.09.03 | USD32,000/NTD1,001,509                 |
| Buy                      | USD/JPY         | 2019.07.10-2019.09.05 | USD23,000/JPY2,493,110                 |
| Buy                      | USD/RMB         | 2019.07.29-2019.08.28 | USD12,000/RMB82,790                    |
| Buy                      | USD/NTD         | 2019.07.04-2019.08.02 | USD1,500/NTD46,867                     |
| Sell                     | USD/JPY         | 2019.07.26-2019.08.27 | USD6,100/JPY666,369                    |
| Sell                     | USD/RMB         | 2019.07.11-2019.08.22 | USD24,000/RMB164,590                   |
| Sell                     | EUR/USD         | 2019.07.29-2019.08.28 | EUR7,000/USD7,909                      |
| <u>December 31, 2018</u> |                 |                       |  |
| Sell                     | USD/NTD         | 2019.01.07-2019.02.20 | USD27,680/NTD850,613                   |
| Sell                     | EUR/USD         | 2019.02.25-2019.02.26 | EUR3,000/USD3,441                      |
| Buy                      | USD/JPY         | 2019.01.04-2019.02.20 | USD13,000/JPY1,459,230                 |
| Buy                      | USD/RMB         | 2019.02.26-2019.03.27 | USD5,000/RMB34,429                     |
| Buy                      | USD/NTD         | 2019.01.02-2019.02.01 | USD6,350/NTD194,798                    |
| Sell                     | USD/JPY         | 2019.01.28-2019.03.26 | USD4,200/JPY469,371                    |
| Sell                     | SGD/MYR         | 2019.01.28-2019.02.26 | SGD400/MYR1,213                        |
| <u>June 30, 2018</u>     |                 |                       |  |
| Buy                      | USD/RMB         | 2018.07.27-2018.08.28 | USD5,000/RMB32,829                     |
| Sell                     | USD/RMB         | 2018.07.12-2018.07.24 | USD5,000/RMB31,813                     |
| Buy                      | USD/NTD         | 2018.07.05-2018.08.01 | USD5,350/NTD159,806                    |
| Sell                     | USD/NTD         | 2018.07.06-2018.08.24 | USD34,803/NTD1,034,755                 |
| Buy                      | USD/JPY         | 2018.07.25-2018.08.29 | USD17,000/JPY1,862,850                 |
| Sell                     | USD/JPY         | 2018.07.25-2018.09.27 | USD9,600/JPY1,049,478                  |
| Sell                     | EUR/USD         | 2018.07.24-2018.09.26 | EUR13,000/USD15,150                    |
| Sell                     | EUR/RMB         | 2018.07.12            | EUR500/RMB3,757                        |

c. Option contracts

The Group sold option contracts to profit from royalties and prevent the exchange rate fluctuation risks.

As of June 30, 2018, the Group had outstanding option contracts, which was stated as follows:

|                       | <b>Currency</b> | <b>Maturity</b> | <b>Contract Amount<br/>(Thousands)</b> |
|-----------------------|-----------------|-----------------|--|
| <u>June 30, 2018</u>  |                 |                 |  |
| Sell USD call options | USD/NTD         | 2018.07.12      | USD6,000/NTD181,150                    |

The Group had no outstanding option contracts as of June 30, 2019 and December 31, 2018.

d. Combined foreign exchange options

The Group entered into combined foreign exchange options to hedge against the exchange risks on foreign currency assets or liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as financial instruments at FVTPL.

As of June 30, 2018, the Group had outstanding combined foreign exchange options, which were stated as follows:

|                       | <b>Currency</b> | <b>Maturity</b>       | <b>Contract Amount<br/>(Thousands)</b> |
|-----------------------|-----------------|-----------------------|--|
| <u>June 30, 2018</u>  |                 |                       |  |
| Buy USD put options   | USD/NTD         | 2018.07.13-2018.07.31 | USD52,000/NTD1,557,984                 |
| Sell USD call options | USD/NTD         | 2018.07.13-2018.07.31 | USD104,000/NTD3,115,968                |

The Group had no outstanding combined foreign exchange options as of June 30, 2019 and December 31, 2018.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|   | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|---|----------------------|------------------------------|----------------------|
| <u>Financial assets at fair value through<br/>other comprehensive income (FVTOCI)</u> |                      |                              |                      |
| Domestic listed shares  | \$ 401,343           | \$ 381,431                   | \$ 396,215           |
| Domestic unlisted shares  | 908,195              | 916,725                      | 774,810              |
| Real estate investment trust mutual funds -<br>beneficial certificates                | 300,000              | 301,500                      | -                    |
| Overseas shares   | <u>496,913</u>       | <u>490,492</u>               | <u>341,627</u>       |
|   | <u>\$ 2,106,451</u>  | <u>\$ 2,090,148</u>          | <u>\$ 1,512,652</u>  |
| Current   | \$ 80,587            | \$ 75,346                    | \$ 78,266            |
| Non-current   | <u>2,025,864</u>     | <u>2,014,802</u>             | <u>1,434,386</u>     |
|   | <u>\$ 2,106,451</u>  | <u>\$ 2,090,148</u>          | <u>\$ 1,512,652</u>  |

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Kaohsiung Rapid Transit Corporation, the entity in which the Group invested, is the BOT Concession Company under the BOT concession contract that it entered into with the Kaohsiung City Government. When the concession period expires (concession expires in October 2037), the assets shall be transferred to the Kaohsiung City Government and the BOT Concession Company will be eliminated.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|  | June 30, 2019       | December 31,<br>2018 | June 30, 2018       |
|--|---------------------|----------------------|---------------------|
| <u>Current</u>   |                     |                      |                     |
| Domestic investments   |                     |                      |                     |
| Time deposits with original maturities of more than 3 months (a.)              | <u>\$ 1,238,260</u> | <u>\$ 2,090,355</u>  | <u>\$ 3,161,546</u> |
| <u>Non-current</u>   |                     |                      |                     |
| Domestic investments   |                     |                      |                     |
| Time deposits with original maturities of more than 3 months (a.)              | \$ 131,000          | \$ 28,490            | \$ -                |
| Subordinated perpetual corporate bonds of Taiwan Life Insurance Co., Ltd. (b.) | -                   | 402,800              | -                   |
| Subordinated corporate bonds of Cathay Life Insurance Co., Ltd. (c.)           | <u>500,000</u>      | <u>-</u>             | <u>-</u>            |
|  | <u>\$ 631,000</u>   | <u>\$ 431,290</u>    | <u>\$ -</u>         |

- a. The interest rates for time deposits with original maturity of more than 3 months were from 0.67% to 2.90%, 0.22% to 3.10% and 0.22% to 2.30% as of June 30, 2019, December 31, 2018 and June 30, 2018.
- b. In November 2018, the Group purchased corporate bonds which were issued by Taiwan Life Insurance Co., Ltd. The coupon rate is 4.000%, and the effective interest rate is 3.972%.
- c. In June 2019, the Group purchased corporate bonds which were issued by Cathay Life Insurance Co., Ltd. the coupon rate and the effective interest rate are both 3.000%.
- d. Refer to Note 35 for information related to investments in financial assets at amortized cost pledged as collateral or for security.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The Group invested in subordinated corporate bonds of Cathay Life Insurance Co., Ltd. and subordinated perpetual corporate bonds of Taiwan Life Insurance Co., Ltd., and they were classified as at amortized cost.

June 30, 2019

|                                     | At Amortized<br>Cost |
|-------------------------------------|----------------------|
| Gross carrying amount               | \$ 500,000           |
| Less: Allowance for impairment loss | <u>-</u>             |
| Amortized cost                      | <u>\$ 500,000</u>    |

December 31, 2018

|                                     |                              |
|-------------------------------------|------------------------------|
|                                     | <b>At Amortized<br/>Cost</b> |
| Gross carrying amount               | \$ 402,800                   |
| Less: Allowance for impairment loss | <u>          -</u>           |
| Amortized cost                      | <u>\$ 402,800</u>            |

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to degree of risk of default. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors.

## 11. NOTES AND ACCOUNTS RECEIVABLE

|                                       | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|---------------------------------------|----------------------|------------------------------|----------------------|
| <u>Notes and accounts receivable</u>  |                      |                              |                      |
| At amortized cost                     |                      |                              |                      |
| Notes and accounts receivable         | \$ 33,095,722        | \$ 30,458,896                | \$ 31,716,343        |
| Less: Allowance for doubtful accounts | (1,227,889)          | (1,110,203)                  | (1,220,547)          |
| Less: Unrealized interest income      | <u>(1,204)</u>       | <u>(1,301)</u>               | <u>(838)</u>         |
|                                       | <u>\$ 31,866,629</u> | <u>\$ 29,347,392</u>         | <u>\$ 30,494,958</u> |

At the end of the reporting period, accounts receivable from sales with payment by installments of the Group were as follows:

|                                      | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--------------------------------------|----------------------|------------------------------|----------------------|
| Gross amounts of accounts receivable | \$ 85,407            | \$ 92,104                    | \$ 59,322            |
| Unrealized interest income           | <u>(4,535)</u>       | <u>(5,210)</u>               | <u>(2,902)</u>       |
|                                      | <u>\$ 80,872</u>     | <u>\$ 86,894</u>             | <u>\$ 56,420</u>     |

Accounts receivable expected to be recovered after one year are classified as non-current assets. The above accounts receivable are expected to be recovered before 2028.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.



The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group recognizes 100% of an allowance for doubtful accounts when there is information indicating that a debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. Furthermore, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivables.

June 30, 2019

|                               | <b>1 to 90 Days</b>  | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>         |
|-------------------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
| Gross carrying amount         | \$ 30,281,031        | \$ 2,132,692          | \$ 304,507             | \$ 376,288           | \$ 33,094,518        |
| Loss allowance (Lifetime ECL) | <u>(606,496)</u>     | <u>(265,042)</u>      | <u>(32,246)</u>        | <u>(324,105)</u>     | <u>(1,227,889)</u>   |
| Amortized cost                | <u>\$ 29,674,535</u> | <u>\$ 1,867,650</u>   | <u>\$ 272,261</u>      | <u>\$ 52,183</u>     | <u>\$ 31,866,629</u> |

December 31, 2018

|                               | <b>1 to 90 Days</b>  | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>         |
|-------------------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
| Gross carrying amount         | \$ 27,780,310        | \$ 2,175,345          | \$ 127,784             | \$ 374,156           | \$ 30,457,595        |
| Loss allowance (Lifetime ECL) | <u>(551,846)</u>     | <u>(207,962)</u>      | <u>(29,761)</u>        | <u>(320,634)</u>     | <u>(1,110,203)</u>   |
| Amortized cost                | <u>\$ 27,228,464</u> | <u>\$ 1,967,383</u>   | <u>\$ 98,023</u>       | <u>\$ 53,522</u>     | <u>\$ 29,347,392</u> |

June 30, 2018

|                               | <b>1 to 90 Days</b>  | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>         |
|-------------------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
| Gross carrying amount         | \$ 28,905,308        | \$ 2,323,565          | \$ 144,495             | \$ 342,137           | \$ 31,715,505        |
| Loss allowance (Lifetime ECL) | <u>(496,116)</u>     | <u>(376,950)</u>      | <u>(46,018)</u>        | <u>(301,463)</u>     | <u>(1,220,547)</u>   |
| Amortized cost                | <u>\$ 28,409,192</u> | <u>\$ 1,946,615</u>   | <u>\$ 98,477</u>       | <u>\$ 40,674</u>     | <u>\$ 30,494,958</u> |

The above aging schedule was based on the invoice date.

The movements of the loss allowance of accounts receivables were as follows:

|  | <b>For the Six Months Ended<br/>June 30</b> |                     |
|--|---|---------------------|
|  | <b>2019</b>                                 | <b>2018</b>         |
| Balance at January 1, 2019                       | \$ 1,110,203                                | \$ 1,425,253        |
| Acquisitions through business combinations       | 5,205                                       | -                   |
| Add: Bad debt recovered                          | 106,462                                     | 136,207             |
| Add: Impairment losses recognized on receivables | 191,242                                     | -                   |
| Less: Amounts written off                        | (186,110)                                   | (320,209)           |
| Less: Impairment losses reversed on receivables  | -   | (20,663)            |
| Foreign exchange gains and losses                | <u>887</u>                                  | <u>(41)</u>         |
| Balance at June 30, 2019                         | <u>\$ 1,227,889</u>                         | <u>\$ 1,220,547</u> |

## 12. INVENTORIES

|   | June 30, 2019        | December 31,<br>2018 | June 30, 2018        |
|---|----------------------|----------------------|----------------------|
| Merchandise inventories                 | \$ 4,345,360         | \$ 6,263,724         | \$ 4,277,558         |
| Finished goods                          | 7,999,069            | 9,144,979            | 6,548,517            |
| Work in progress                        | 3,622,398            | 3,404,405            | 3,318,683            |
| Raw materials                           | 7,046,591            | 9,588,576            | 7,031,530            |
| Supplies                                | 1,118,372            | 1,160,457            | 1,081,639            |
| Available-for-sale - buildings and land | 1,137,351            | 1,300,227            | 1,542,808            |
| Available-for-construction - land       | 208,384              | 208,384              | 208,384              |
| Construction in progress                | <u>3,260,241</u>     | <u>3,001,900</u>     | <u>2,652,582</u>     |
|   | <u>\$ 28,737,766</u> | <u>\$ 34,072,652</u> | <u>\$ 26,661,701</u> |

The cost of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2019 and 2018 were \$44,158,116 thousand, \$32,224,737 thousand, \$86,678,423 thousand, \$64,567,420 thousand, respectively. The cost of goods sold included reversal of write-downs (inventory write-downs) \$(265,967) thousand, \$69,842 thousand, \$428,280 thousand, \$(73,892) thousand for the three months and six months ended June 30, 2019 and 2018. Previous write-downs were reversed as a result of increased selling prices in certain markets.

## 13. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

| Investor                            | No | Investee  | Nature of Activities                        | Proportion of Ownership |                      |               |
|-------------------------------------|----|---|---|-------------------------|----------------------|---------------|
|                                     |    |   |   | June 30, 2019           | December 31,<br>2018 | June 30, 2018 |
| Far Eastern New Century Corporation | 1  | Far EasTone Telecommunications Co., Ltd. (Note 1) | Telecommunications                          | 38.29                   | 38.29                | 38.29         |
|                                     | 2  | Yuan Ding Investment Co., Ltd.                    | Investment                                  | 99.70                   | 99.70                | 99.70         |
|                                     | 3  | Far Eastern Resources Development Co., Ltd        | Real estate leasing and development service | 100.00                  | 100.00               | 100.00        |
|                                     | 4  | Yuan Tong Investment Co., Ltd.                    | Investment                                  | 100.00                  | 100.00               | 100.00        |
|                                     | 5  | Far Eastern Polychem Industries Ltd. (FEPI)       | Investment and chemical fiber sales         | 100.00                  | 100.00               | 100.00        |
|                                     | 6  | Oriental Petrochemical (Taiwan) Co., Ltd.         | Petrochemical materials production          | 80.76                   | 80.76                | 80.76         |
|                                     | 7  | Far Eastern Investment (Holding) Ltd.             | Investment and petrochemical sales          | 100.00                  | 100.00               | 100.00        |
|                                     | 8  | PET Far Eastern (Holding) Ltd. (PETH)             | Investment                                  | 100.00                  | 100.00               | 100.00        |
|                                     | 9  | Kai Yuan International Investment Co., Ltd.       | Investment                                  | 100.00                  | 100.00               | 100.00        |
|                                     | 10 | Far Eastern Polytex (Holding) Ltd.                | Investment                                  | 100.00                  | 100.00               | 100.00        |
|                                     | 11 | Yuan Ding Co., Ltd. (Note 2)                      | Real estate leasing and hotel               | 49.99                   | 49.99                | 49.99         |
|                                     | 12 | Far Eastern Construction Co., Ltd.                | Real estate construction and sale           | 65.11                   | 65.11                | 65.11         |
|                                     | 13 | Ding Yuan International Investment Co., Ltd.      | Investment                                  | 100.00                  | 100.00               | 100.00        |
|                                     | 14 | An Ho Garment Co., Ltd.                           | Garment production and investment           | 100.00                  | 100.00               | 100.00        |
|                                     | 15 | FEDP (Holding) Ltd. (FEDP)                        | Investment                                  | 100.00                  | 100.00               | 100.00        |
|                                     | 16 | Fu Kwok Garment Manufacturing Co., Ltd.           | Garment production                          | 100.00                  | 100.00               | 100.00        |
|                                     | 17 | Far Eastern Textile Ltd.                          | Textile production                          | 100.00                  | 100.00               | 100.00        |
|                                     | 18 | Far Eastern Electronic Toll Collection Co., Ltd.  | Electronic toll collection service          | 66.33                   | 66.33                | 66.33         |
|                                     | 19 | Yuan Hsin Digital Payment Co., Ltd.               | Digital payment                             | 65.01                   | 65.01                | 65.01         |
|                                     | 20 | Malaysia Garment Manufactures Pte. Ltd.           | Clothing production and investment          | 50.92                   | 50.92                | 50.92         |

(Continued)

| Investor   | No | Investee   | Nature of Activities  | Proportion of Ownership |                   |               |
|--|----|--|---|-------------------------|-------------------|---------------|
|  |    |  |   | June 30, 2019           | December 31, 2018 | June 30, 2018 |
| Yuan Ding Investment Co., Ltd.                       | 21 | Oriental Textile (Holding) Ltd. (OTTI)                     | Investment and textile sales  | 100.00                  | 100.00            | 100.00        |
|  | 22 | Far Eastern Apparel (Holding) Ltd. (FEAH)                  | Investment and textile sales  | 100.00                  | 100.00            | 100.00        |
|  | 23 | Far Eastern Fibertech Ltd.                                 | Nylon production  | 100.00                  | 100.00            | 100.00        |
|  | 24 | Far Eastern Apparel Co., Ltd.                              | Sales of textile, garments, and clothing  | 100.00                  | 100.00            | 100.00        |
|  | 25 | Oriental Resources Development Co., Ltd. (Note 5 and 14)   | Production and wholesale of medical supplies; waste recycling and re-processing   | 100.00                  | 100.00            | 100.00        |
| Far Eastern Investment (Holding) Ltd. (FEIH)         | 26 | Yuan Faun Co., Ltd.  | Consulting  | 100.00                  | 100.00            | 100.00        |
|  | 27 | FETG Investment Antilles N.V.                              | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 28 | PET Far Eastern (M) Sdn. Bhd.                              | Bottle production   | 100.00                  | 100.00            | 100.00        |
|  | 29 | Far Eastern Apparel (Vietnam) Ltd.                         | Clothing production   | 100.00                  | 100.00            | 100.00        |
|  | 30 | Worldwide Polychem (HK) Ltd. (WWPI)                        | Foreign trade   | 100.00                  | 100.00            | 100.00        |
|  | 31 | Far Eastern Polytex (Vietnam) Ltd.                         | Chemical fiber and textile production   | 100.00                  | 100.00            | 100.00        |
| Far Eastern Polychem Industries Ltd. (FEPI)          | 32 | Far Eastern New Apparel (Vietnam) Ltd.                     | Clothing production   | 100.00                  | 100.00            | 100.00        |
|  | 33 | Magna View Sdn. Bhd.                                       | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 34 | APG Polytech USA Holdings, Inc. (Note 8)                   | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 35 | Far Eastern Industries (Shanghai) Ltd.                     | Chemical fiber production   | 100.00                  | 100.00            | 100.00        |
| Far Eastern Construction Co., Ltd.                   | 36 | Far Eastern Industries (Yangzhou) Ltd.                     | Production and sales of polyester products  | 100.00                  | 100.00            | 100.00        |
|  | 37 | Far Eastern Ishizuka Green Pet Corporation (FIGP)          | Recycled PET production and sales   | 90.00                   | 90.00             | 90.00         |
|  | 38 | Far Eastern General Contractor Inc.                        | Construction  | 99.95                   | 99.95             | 99.95         |
| Far Eastern Apparel (Holding) Ltd. (FEAH)            | 39 | Far Eastern Dyeing & Finishing (Suzhou) Ltd.               | Garment production  | 100.00                  | 100.00            | 100.00        |
|  | 40 | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. (Note 3) | Garment production  | 100.00                  | 100.00            | -             |
| FETG Investment Antilles N.V.                        | 41 | Waldorf Services B.V. (Note 9)                             | Investment  | -                       | 100.00            | 100.00        |
| Yuan Faun Co., Ltd.                                  | 42 | Yuan Cheng Human Resources Consultant Corporation          | Personnel recruitment   | 55.19                   | 55.19             | 55.19         |
| Yuan Tong Investment Co., Ltd.                       | 43 | Sino Belgium (Holding) Ltd.                                | Investment  | 90.88                   | 90.88             | 90.88         |
| Far Eastern Electronic Toll Collection Co., Ltd.     | 44 | FETC International Co., Ltd.                               | Human services and equipment procurement and product sales agency services  | 100.00                  | 100.00            | 100.00        |
| Far Eastern Apparel (Suzhou) Co., Ltd.               | 45 | Suzhou An Ho Apparel Ltd.                                  | Garment production  | 100.00                  | 100.00            | 100.00        |
| PET Far Eastern (Holding) Ltd. (PETH)                | 46 | Oriental Petrochemical (Shanghai) Corporation              | PTA production and sales  | 61.35                   | 61.35             | 61.35         |
| Oriental Textile (Holding) Ltd. (OTTI)               | 47 | Far Eastern Industries (Wuxi) Ltd.                         | Fiber and textile productions   | 100.00                  | 100.00            | 100.00        |
|  | 48 | Oriental Industries (Suzhou) Ltd.                          | Production and sales of polyester resins and industrial fabrics   | 100.00                  | 100.00            | 100.00        |
| FEDP (Holding) Ltd. (FEDP)                           | 49 | Far Eastern Industries (Suzhou) Ltd.                       | Production and sales of polyester products  | 100.00                  | 100.00            | 100.00        |
| Far Eastern Polytex (Holding) Ltd.                   | 50 | Wuhan Far Eastern New Material Ltd.                        | Production and sales of PET sheet, chip, filament, staple fibers, and apparel   | 100.00                  | 100.00            | 100.00        |
|  | 51 | Far Eastern Apparel (Suzhou) Ltd.                          | Garment production  | 100.00                  | 100.00            | 100.00        |
|  | 52 | Far Eastern Yihua Petrochemical (Yangzhou) Corporation     | PTA and by-product production and sale  | 60.00                   | 60.00             | 60.00         |
| Far Eastern New Century (China) Investment Co., Ltd. | 53 | Far Eastern New Century (China) Investment Co., Ltd.       | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 54 | Shanghai Yuan Zi Information Technology Co., Ltd.          | Internet software development services  | 100.00                  | 100.00            | 100.00        |
| Sino Belgium (Holding) Ltd.                          | 55 | Yuan Ding Enterprise (Shanghai) Limited (Note 10)          | Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses | 100.00                  | 100.00            | 100.00        |
|  | 56 | Sino Belgium Beer (Suzhou) Ltd.                            | Beer brewing  | 100.00                  | 100.00            | 100.00        |
| Oriental Petrochemical (Shanghai) Corporation        | 57 | Martens Beers Trading (Shanghai) Ltd.                      | Beer sale   | 100.00                  | 100.00            | 100.00        |
|  | 58 | Shanghai Far Eastern Petrochemical Logistic Corporation    | Transportation  | 100.00                  | 100.00            | 100.00        |

(Continued)

| Investor                                 | No | Investee  | Nature of Activities  | Proportion of Ownership |                   |               |
|--|----|---|---|-------------------------|-------------------|---------------|
|  |    |   |   | June 30, 2019           | December 31, 2018 | June 30, 2018 |
| Yuan Ding Co., Ltd.                      | 59 | Ding Ding Hotel Co., Ltd.   | Hotel   | 99.26                   | 99.26             | 99.26         |
|  | 60 | YDT Technology International Co., Ltd.                                    | Electronic materials and by-product sale                                      | 100.00                  | 100.00            | 100.00        |
|  | 61 | Far Eastern Technical Consultants Co., Ltd.                               | Real estate development business consulting and management                    | 100.00                  | 100.00            | 100.00        |
|  | 62 | FET Consulting Engineers Co., Ltd.  | Corporate management consulting, pipe & cable installment and replacement     | 100.00                  | 100.00            | 100.00        |
|  | 63 | Ding Ding Integrated Marketing Services Co., Ltd.                         | Market research and general advertisement                                     | 80.00                   | 80.00             | 80.00         |
| FET Consulting Engineers Co., Ltd.       | 64 | DDIM (Virgin Islands) Ltd.  | Investment  | 100.00                  | 100.00            | 100.00        |
| YDT Technology International Co., Ltd.   | 65 | YDC (Virgin Islands) Ltd.   | Investment  | 100.00                  | 100.00            | 100.00        |
| YDC (Virgin Islands) Ltd.                | 66 | Speedy (Shanghai) Digital Tech. Co., Ltd.                                 | Intelligent control equipment and security monitoring products                | 100.00                  | 100.00            | 100.00        |
| DDIM (Virgin Islands) Ltd.               | 67 | Yuan Ding Integrated Information Service (Shanghai) Inc.                  | Internet software development services  | 100.00                  | 100.00            | 100.00        |
| Malaysia Garment Manufactures Pte. Ltd.  | 68 | PT Malaysia Garment Bintan (PTMG)   | Clothing production   | 99.00                   | 99.00             | 99.00         |
| APG Polytech USA Holdings, Inc.          | 69 | APG Polytech, LLC (Note 8)  | Chemical fiber production   | 100.00                  | 100.00            | 100.00        |
|  | 70 | Phoenix Technologies International, LLC (Note 13)                         | Recycled PET production and sales   | 90.00                   | -                 | -             |
| Far EasTone Telecommunications Co., Ltd. | 71 | New Century InfoComm Tech Co., Ltd.                                       | Types I and II telecommunications services                                    | 100.00                  | 100.00            | 100.00        |
|  | 72 | ARCOA Communication Co., Ltd.   | Sale of communications products and office equipment                          | 61.63                   | 61.63             | 61.63         |
|  | 73 | KGEx.com Co., Ltd.  | Type II telecommunications services   | 99.99                   | 99.99             | 99.99         |
|  | 74 | Yuan Cing Co., Ltd.   | Call center services  | 100.00                  | 100.00            | 100.00        |
|  | 75 | Far Eastern Info Service Holding Ltd. (FEIS)                              | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 76 | O-music Co., Ltd. (Note 15)   | Electronic information providing services                                     | -                       | 50.00             | 50.00         |
|  | 77 | Q-Ware Communication Corporation (Note 6)                                 | Type II telecommunications services   | -                       | -                 | -             |
|  | 78 | Yuanshi Digital Technology Co., Ltd.                                      | Electronic information providing services                                     | 93.62                   | 93.62             | 93.62         |
| ARCOA Communication Co., Ltd.            | 79 | DataExpress Infotech Co., Ltd.  | Sale of communications products   | 70.00                   | 70.00             | 70.00         |
| New Century InfoComm Tech Co., Ltd.      | 80 | New Diligent Co., Ltd.  | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 81 | Information Security Service Digital United Inc.                          | Security and monitoring service via Internet                                  | 100.00                  | 100.00            | 100.00        |
|  | 82 | Digital United (Cayman) Ltd.  | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 83 | Prime Ecopower Co., Ltd. (Note 7)   | Energy technology service   | 100.00                  | 100.00            | -             |
|  | 84 | Nextlink Technology Co., Ltd. (Note 11)                                   | Electronic information service  | 70.00                   | -                 | -             |
| Digital United (Cayman) Ltd.             | 85 | Digital United Information Technology (Shanghai) Ltd.                     | Design and research of computer system  | 100.00                  | 100.00            | 100.00        |
| New Diligent Co., Ltd.                   | 86 | Sino Lead Enterprise Limited  | Telecommunications services   | 100.00                  | 100.00            | 100.00        |
|  | 87 | Far East New Diligent Company Ltd.  | Investment  | 100.00                  | 100.00            | 100.00        |
| Far Eastern New Diligent Company Ltd.    | 88 | New Diligent Hong Kong Co., Ltd.  | Investment  | 100.00                  | 100.00            | 100.00        |
|  | 89 | Far Eastern Tech-info Ltd. (Shanghai)                                     | Computer software, data processing and network information providing services | 100.00                  | 100.00            | 100.00        |
|  | 90 | Far Eastern New Century Information Technology (Beijing) Limited (Note 4) | Electronic information providing services                                     | -                       | -                 | -             |
| DataExpress Infotech Co., Ltd.           | 91 | Linkwell Tech. Co., Ltd.  | Sale of communications products   | 100.00                  | 100.00            | 100.00        |
|  | 92 | Home Master Technology Ltd.   | Sale of communications products   | 100.00                  | 100.00            | 100.00        |
| Nextlink Technology Co., Ltd.            | 93 | Microfusion Technology Co., Ltd. (Note 11)                                | Electronic information service  | 100.00                  | -                 | -             |
|  | 94 | Nextlink (HK) Technology Co., Ltd. (Note 11)                              | Electronic information service  | 100.00                  | -                 | -             |
| Microfusion Technology Co., Ltd.         | 95 | Microfusion Technology (HK) Co., Ltd. (Note 12)                           | Electronic information service  | -                       | -                 | -             |
| Nextlink (HK) Technology Co., Ltd.       | 96 | Nextlink (SH) Technology Co., Ltd. (Note 11)                              | Electronic information service  | 100.00                  | -                 | -             |

(Concluded)

- Note 1: Even though the Company and its subsidiaries' consolidated ownership of Far EasTone was not over 50%, over half of the board of directors of Far EasTone were appointed by the Group. Thus, Far EasTone is included in the consolidated financial statements.
- Note 2: Even though the Company and its subsidiaries' consolidated ownership of Yuan Ding Co., Ltd. was not over 50%, the president of Yuan Ding Co., Ltd. was appointed by the Group. Thus, Yuan Ding Co., Ltd. is included in the consolidated financial statements.
- Note 3: On July 16, 2018, the Group established Far Eastern Innovation Apparel (Suzhou) Co., Ltd., for US\$35,000 thousand.
- Note 4: The subsidiary was dissolved on February 9, 2018 which approved by local government.
- Note 5: On March 2, 2018, the Group acquired shares of Oriental Resources Development Co., Ltd. from non-controlling interests, which increased its continuing interest from 70% to 100%. Refer to Note 32.
- Note 6: In order to simplify Far EasTone Telecommunications Co., Ltd.'s investment structure and further integrate the wireless network services and mobile virtual network services, Far EasTone Telecommunications Co., Ltd.'s board of directors resolved on May 4, 2018 to proceed a cash merger with Q-ware Communications Corporation. Far EasTone Telecommunications Co., Ltd became the surviving company and Q-ware Communications Corporation merged into Far EasTone Telecommunications Co., Ltd. The record date of the merger was set on June 30, 2018.
- Note 7: From the board of directors resolution on August 1, 2018, the Group established Prime EcoPower Co., Ltd.
- Note 8: Based on the board of directors' resolution on February 26, 2018, the Group established APG Polytech USA Holdings, Inc. (the former name was FE Polytech USA Holdings, Inc., changed its name to APG Polytech USA Holdings, Inc. on April 25, 2018) with the amount of US\$30,000 thousand, and then APG Polytech USA Holdings, Inc. established a new company, APG Polytech, LLC (the former name was FE Polytech, LLC, changed its name to APG Polytech, LLC on March 23, 2018), and the shareholding percentage were both 100%.
- Note 9: Based on the resolution in shareholders' meeting in October 2018, the Group proceeded the liquidation and completed the liquidation on January 3, 2019. FETG Investment Antilles N.V will be responsible for the subsequent obligations.
- Note 10: Based on the board of directors' resolution (representing the authorities of shareholders' meeting) in February 2019, Yuan Ding Enterprise (Shanghai) Limited issued new shares via cash amounting to RMB 994,000 thousand. The Group subscribed new shares and decreased its interest from 100% to 40%. As the Group still maintain over half of the board of directors of Yuan Ding Enterprise (Shanghai) Limited, the Group does not lose control of Yuan Ding Enterprise (Shanghai) Limited. Refer to Note 32.
- Note 11: In line with a subsidiary, Far Eastone Telecommunications Co., Ltd., overall strategy of entering into the fast growing cloud market. On November 5, 2018, the board of directors resolved to acquire Nextlink Technology Co., Ltd. The settlement was completed on March 4, 2019, refer to Note 30.
- Note 12: The Company was established and registered on September 4, 2018. As of June 30, 2019, the Group has not outflow any investment.

Note 13: In order to enhance the competitiveness in the industry, the board of directors of APG Polytech USA Holdings, Inc., a subsidiary of FENC, resolved on June 3, 2019 to acquire a subsidiary, Phoenix Technologies International, LLC, by increasing its capital amounted to \$313,750 thousand (US\$10,000) based on Membership Interest Purchase Agreement. The capital injection was completed on June 5, 2019. Refer to Note 30.

Note 14: From the board of directors resolution on July 30, 2019, Oriental Resources Development Co., Ltd., a FENC's subsidiary, divided its recycling related business operations to a new established company, Oriental Green Materials Limited, in order to strengthen the corporate organizational functions. All shareholders of Oriental Resources Development Co., Ltd. have to exchange their holding shares to 52,626,500 shares of Oriental Green Materials Limited common stock in total as considerations. This division is the Group organizational adjustment, and it will not effect on the consolidated net asset value per share and earnings per share.

Note 15: On April 15, 2019, the Group entered into an agreement to dispose Omusic Co., Ltd. The disposal was completed on April 30, 2019, on which date control of Omusic Co., Ltd. passed to the acquirer. Refer to Note 31.

Except for the financial statements of significant subsidiaries Far EasTone Telecommunications Co., Ltd., and New Century InfoComm Tech Co., Ltd., and non-significant subsidiaries Yuan Ding Investment Co., Ltd., Far Eastern Construction Co., Ltd., Far Eastern General Contractor Inc., Oriental Industries (Suzhou) Ltd., and ARCOA Communication Co., Ltd. for the six months ended June 30, 2019 and 2018, and Far Eastern Apparel(Holding) Ltd. for the six months ended June 30, 2019, all the other financial statements of non-significant subsidiaries were unreviewed.

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

| Name of Subsidiary | Profit Allocated to Non-controlling Interests |                     |                          |                     | Accumulated Non-controlling Interests |                      |                      |
|--------------------|---|---------------------|--------------------------|---------------------|---------------------------------------|----------------------|----------------------|
|                    | For the Three Months Ended                    |                     | For the Six Months Ended |                     | June 30, 2019                         | December 31, 2018    | June 30, 2018        |
|                    | June 30 2019                                  | 2018                | 2019                     | June 30 2018        |                                       |                      |                      |
| Far EasTone        | <u>\$ 1,359,235</u>                           | <u>\$ 1,657,586</u> | <u>\$ 2,755,775</u>      | <u>\$ 3,175,924</u> | <u>\$ 41,172,464</u>                  | <u>\$ 45,962,913</u> | <u>\$ 43,275,040</u> |

The summarized financial information below represents amounts before intragroup eliminations.

Far EasTone and Far EasTone's subsidiaries:

|   | June 30, 2019        | December 31, 2018    | June 30, 2018        |
|---|----------------------|----------------------|----------------------|
| Current assets  | \$ 30,704,584        | \$ 23,940,125        | \$ 33,023,358        |
| Non-current assets                                      | 108,215,263          | 102,876,384          | 105,428,033          |
| Current liabilities                                     | (37,007,011)         | (25,621,259)         | (39,153,056)         |
| Non-current liabilities                                 | <u>(35,694,410)</u>  | <u>(27,159,067)</u>  | <u>(29,596,507)</u>  |
| Equity  | <u>\$ 66,218,426</u> | <u>\$ 74,036,183</u> | <u>\$ 69,701,828</u> |
| Equity attributable to:                                 |                      |                      |                      |
| Owners of the Group                                     | \$ 25,045,962        | \$ 28,073,270        | \$ 26,426,788        |
| Non-controlling interests of Far EasTone                | 40,365,273           | 45,244,228           | 42,590,679           |
| Non-controlling interests of Far EasTone's subsidiaries | <u>807,191</u>       | <u>718,685</u>       | <u>684,361</u>       |
|   | <u>\$ 66,218,426</u> | <u>\$ 74,036,183</u> | <u>\$ 69,701,828</u> |

|  | <b>For the Three Months Ended<br/>June 30</b> |                      | <b>For the Six Months Ended<br/>June 30</b> |                      |
|--|---|----------------------|---|----------------------|
|  | <b>2019</b>                                   | <b>2018</b>          | <b>2019</b>                                 | <b>2018</b>          |
| Revenue  | <u>\$ 20,425,260</u>                          | <u>\$ 21,620,613</u> | <u>\$ 41,244,719</u>                        | <u>\$ 43,287,173</u> |
| Net income for the period                                  | \$ 2,191,636                                  | \$ 2,683,030         | \$ 4,442,633                                | \$ 5,140,698         |
| Other comprehensive income<br>for the period               | <u>(6,619)</u>                                | <u>32,223</u>        | <u>(37,731)</u>                             | <u>28,747</u>        |
| Total comprehensive income<br>for the period               | <u>\$ 2,185,017</u>                           | <u>\$ 2,715,253</u>  | <u>\$ 4,404,902</u>                         | <u>\$ 5,169,445</u>  |
| Net income attributable to:                                |   |                      |   |                      |
| Owners of the Group  | \$ 832,401                                    | \$ 1,025,444         | \$ 1,686,858                                | \$ 1,964,774         |
| Non-controlling interests of<br>Far EasTone                | 1,341,537                                     | 1,652,656            | 2,718,622                                   | 3,166,524            |
| Non-controlling interests of<br>Far EasTone's subsidiaries | <u>17,698</u>                                 | <u>4,930</u>         | <u>37,153</u>                               | <u>9,400</u>         |
|  | <u>\$ 2,191,636</u>                           | <u>\$ 2,683,030</u>  | <u>\$ 4,442,633</u>                         | <u>\$ 5,140,698</u>  |
| Total comprehensive income<br>attributable to:             |   |                      |   |                      |
| Owners of the Group  | \$ 829,849                                    | \$ 1,037,717         | \$ 1,672,457                                | \$ 1,975,713         |
| Non-controlling interests of<br>Far EasTone                | 1,337,424                                     | 1,672,434            | 2,695,412                                   | 3,184,153            |
| Non-controlling interests of<br>Far EasTone's subsidiaries | <u>17,744</u>                                 | <u>5,102</u>         | <u>37,033</u>                               | <u>9,579</u>         |
|  | <u>\$ 2,185,017</u>                           | <u>\$ 2,715,253</u>  | <u>\$ 4,404,902</u>                         | <u>\$ 5,169,445</u>  |
|  |   |                      | <b>For the Six Months Ended<br/>June 30</b> |                      |
|  |   |                      | <b>2019</b>                                 | <b>2018</b>          |
| Net cash inflow from:                                      |   |                      |   |                      |
| Operating activities                                       |   |                      | \$ 10,201,721                               | \$ 13,947,140        |
| Investing activities                                       |   |                      | (3,608,555)                                 | (2,300,676)          |
| Financing activities                                       |   |                      | 1,914,733                                   | (5,669,227)          |
| Effect of exchange rate changes                            |   |                      | <u>1,053</u>                                | <u>221</u>           |
| Net cash inflow  |   |                      | <u>\$ 8,508,952</u>                         | <u>\$ 5,977,458</u>  |

## 14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

### Investments in Associates

|  | June 30, 2019        |                | December 31, 2018    |                | June 30, 2018        |                |
|--|----------------------|----------------|----------------------|----------------|----------------------|----------------|
|  | Carrying Value       | % of Ownership | Carrying Value       | % of Ownership | Carrying Value       | % of Ownership |
| Material associate                                     |                      |                |                      |                |                      |                |
| Listed companies                                       |                      |                |                      |                |                      |                |
| Asia Cement Corporation                                | <u>\$ 22,451,988</u> | 26             | <u>\$ 21,971,779</u> | 26             | <u>\$ 21,480,995</u> | 26             |
| Associate that are not individually material           |                      |                |                      |                |                      |                |
| Listed companies                                       |                      |                |                      |                |                      |                |
| Far Eastern Department Stores Co., Ltd.                | 7,342,324            | 24             | 7,320,405            | 24             | 7,126,004            | 24             |
| Far Eastern International Bank                         | 6,680,299            | 16             | 6,412,042            | 16             | 5,818,946            | 16             |
| Oriental Union Chemical Corporation                    | 5,742,820            | 31             | 6,095,187            | 31             | 5,893,231            | 31             |
| Everest Textile Corporation                            | <u>1,216,591</u>     | 26             | <u>1,185,430</u>     | 26             | <u>1,180,428</u>     | 26             |
|  | <u>20,982,034</u>    |                | <u>21,013,064</u>    |                | <u>20,018,609</u>    |                |
| Unlisted companies                                     |                      |                |                      |                |                      |                |
| Oriental Securities Corporation                        | 4,816,710            | 47             | 4,758,461            | 47             | 4,781,856            | 47             |
| Pacific Liu Tong Investment Co., Ltd.                  | 4,215,463            | 40             | 4,382,615            | 40             | 4,241,454            | 40             |
| Yu Yuan Investment Co., Ltd.                           | 2,399,076            | 44             | 2,216,081            | 44             | 1,942,415            | 44             |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | 2,345,885            | 50             | 2,475,596            | 50             | 2,289,674            | 50             |
| Da Ju Fiber Co., Ltd.                                  | 2,040,142            | 42             | 2,031,256            | 42             | 1,847,250            | 42             |
| Far Eastern International Leasing Corporation          | 1,862,089            | 34             | 1,855,912            | 34             | 1,848,167            | 34             |
| Liquid Air Far East Co., Ltd.                          | 1,796,962            | 35             | 1,987,918            | 35             | 1,703,741            | 35             |
| Tong Da Air Industry (Yangzhou) Co., Ltd.              | 1,213,147            | 50             | 1,151,560            | 50             | 1,115,418            | 50             |
| Yu Ding Industry Co., Ltd.                             | 817,162              | 31             | 796,837              | 31             | 757,944              | 31             |
| Kowloon Cement Corporation                             | 451,544              | 49             | 438,159              | 49             | 438,527              | 49             |
| Freudenberg Far Eastern Spunweb Co., Ltd.              | 432,833              | 30             | 446,257              | 30             | 365,872              | 30             |
| Yuan Ding Leasing Corporation                          | 388,096              | 46             | 388,298              | 46             | 386,050              | 46             |
| Drive Catalyst SPC-SP Tranche One                      | 249,902              | 50             | 246,082              | 50             | -                    | -              |
| FEDS Asia Pacific Development Co., Ltd.                | 135,462              | 5              | 131,964              | 5              | 134,702              | 5              |
| Yue Ming Corporation                                   | 71,622               | 47             | 72,130               | 47             | 69,394               | 47             |
| Opas Fund Segregated Portfolio Company                 | 1,699                | 34             | 1,659                | 34             | 1,628                | 34             |
| Drive Catalyst SPC                                     | 534                  | 34             | 526                  | 34             | 518                  | 34             |
| Com 2B   | -                    | 20             | 12,283               | 20             | 12,685               | 20             |
| Alliance Digital Technology Co., Ltd.                  | -                    | -              | -                    | -              | 13,232               | 14             |
| Corpus Christi Polymers, LLC                           | -                    | -              | -                    | -              | <u>1,370,700</u>     | 33             |
|  | <u>23,238,328</u>    |                | <u>23,393,594</u>    |                | <u>23,321,227</u>    |                |
|  | <u>\$ 66,672,350</u> |                | <u>\$ 66,378,437</u> |                | <u>\$ 64,820,831</u> |                |

Material associates:

| Name of Associate       | Nature of Activities | Principal Place of Business | Proportion of Ownership and Voting Rights |                   |               |
|-------------------------|----------------------|-----------------------------|---|-------------------|---------------|
|                         |                      |                             | June 30, 2019                             | December 31, 2018 | June 30, 2018 |
| Asia Cement Corporation | Cement production    | Taiwan                      | 25.70%                                    | 25.69%            | 25.69%        |

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

| Name of Associate       | June 30, 2019        | December 31, 2018    | June 30, 2018        |
|-------------------------|----------------------|----------------------|----------------------|
| Asia Cement Corporation | <u>\$ 41,087,831</u> | <u>\$ 29,322,527</u> | <u>\$ 28,933,863</u> |

Investments in FEDS Asia Pacific Development Corporation and Alliance Digital Technology Corporation were accounted for using the equity method because the Group had significant influence over them even though the Group owned less than 20% of each investee's voting shares.



On March 21, 2018, the Group formed a joint venture with Indorama Ventures Holdings LP and Alpek S.A.B. de C.V. to establish a new associate, Corpus Christi Polymers LLC. As of June 30, 2019, the Group has invested \$12,771,291 thousand (or US\$56,467 thousand). On December 21, 2018, Corpus Christi Polymers LLC acquired M&G Chemicals' PTA and PET plants and other assets in Texas, USA, and the acquisition was approved by the US Federal Trade Commission. The investment in Corpus Christi Polymers LLC met the requirement of joint operation. From December 21, 2018, the Group shared and assumed the assets, liabilities, revenue and expenses of the joint operation by recognizing its equity.

On June 29, 2018, the shareholders of Alliance Digital Technology Co., Ltd. approved to dissolve Alliance Digital Technology Co., Ltd. on December 31, 2018. The Group ceased using the equity method in Alliance Digital Technology Co., Ltd. As of August 9, 2019, the liquidation is in process.

The Group's management evaluated that there is no future cash flows of Com2B, a investee which accounted for using the equity method. Therefore, the Group recognized the impairment loss amounted to \$12,390 thousand in June, 2019.

As from April 1, 2019, Catalyst\_207 SPC-SP Tranche One and Catalyst\_207 SPC, the investees which were accounted for using the equity method, change their former names to Drive Catalyst SPC-SP Tranche One and Drive Catalyst SPC.

The calculation of the investments which were accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' unreviewed financial statements, except those of Asia Cement Corporation (ACC), Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation, Pacific Liu Tong Investment Co., Ltd., Everest Textile Corporation, Oriental Securities Corporation and Far Eastern International Bank for the six months ended June 30, 2019 and 2018. The independent auditors expressed a qualified reviewed report on the financial statements of the associates above because the financial statements of some of the investees of these associates are unreviewed.

## 15. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

|                               | June 30, 2019         | December 31,<br>2018  | June 30, 2018         |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| <u>Carrying amount</u>        |                       |                       |                       |
| Property, plant and equipment | \$ 163,435,664        | \$ 164,557,019        | \$ 151,902,038        |
| Prepayments for equipment     | <u>2,522,134</u>      | <u>1,406,581</u>      | <u>2,229,863</u>      |
|                               | <u>\$ 165,957,798</u> | <u>\$ 165,963,600</u> | <u>\$ 154,131,901</u> |

|  | Land                 | Buildings            | Machinery and<br>Equipment | Telecommuni-<br>cations<br>Equipment | Computer<br>Equipment | Leasehold<br>Improvements | Operating and<br>Miscellaneous<br>Equipment | Construction-in-<br>progress and<br>Prepayment for<br>Equipment | Total                 |
|--|----------------------|----------------------|----------------------------|--------------------------------------|-----------------------|---------------------------|---|---|-----------------------|
| <u>Cost</u>                                      |                      |                      |                            |                                      |                       |                           |   |   |                       |
| Balance at January 1, 2019                       | \$ 20,320,013        | \$ 35,367,004        | \$ 142,989,148             | \$ 80,706,468                        | \$ 15,012,127         | \$ 4,703,657              | \$ 22,122,453                               | \$ 34,740,587   | \$ 355,961,457        |
| Adjustments on initial<br>application of IFRS 16 | -                    | -                    | -                          | (281,281)                            | -                     | (68,892)                  | (214,020)                                   | -   | (564,192)             |
| Balance at January 1, 2019<br>(restated)         | 20,320,013           | 35,367,004           | 142,989,148                | 80,425,187                           | 15,012,127            | 4,634,765                 | 21,908,433                                  | 34,740,587  | 355,397,264           |
| Additions  | 43,884               | 170,193              | 247,219                    | 6,402                                | 16,440                | 14,888                    | 168,958                                     | 8,803,096   | 9,471,080             |
| Disposals  | -                    | (45,730)             | (1,782,401)                | (924,330)                            | (562,497)             | (165,848)                 | (231,852)                                   | (15,267)  | (3,727,925)           |
| Acquisitions through business<br>combinations    | -                    | 98,028               | 1,129,205                  | -                                    | 1,192                 | 5,395                     | 13,637                                      | 546   | 1,248,003             |
| Derecognition of a subsidiary                    | -                    | -                    | -                          | -                                    | (2,869)               | -                         | (241)                                       | -   | (3,110)               |
| Reclassification                                 | (304,462)            | 1,581,427            | 4,723,792                  | 1,922,520                            | 881,972               | 111,363                   | 793,370                                     | (10,822,872)  | (1,112,890)           |
| Effect of exchange rate<br>differences           | 26,377               | 149,220              | 503,973                    | -                                    | 3,769                 | 161                       | 49,746                                      | 302,453   | 1,035,699             |
| Balance at June 30, 2019                         | <u>\$ 20,085,812</u> | <u>\$ 37,320,142</u> | <u>\$ 147,810,936</u>      | <u>\$ 81,429,779</u>                 | <u>\$ 15,350,134</u>  | <u>\$ 4,600,724</u>       | <u>\$ 22,702,051</u>                        | <u>\$ 33,008,543</u>  | <u>\$ 362,308,121</u> |

(Continued)

|  | Land                 | Buildings              | Machinery and Equipment | Telecommunications Equipment | Computer Equipment     | Leasehold Improvements | Operating and Miscellaneous Equipment | Construction-in-progress and Prepayment for Equipment | Total                   |
|--|----------------------|------------------------|-------------------------|------------------------------|------------------------|------------------------|---------------------------------------|---|-------------------------|
| <b>Accumulated depreciation and impairment</b> |                      |                        |                         |                              |                        |                        |                                       |   |                         |
| Balance at January 1, 2019                     | \$ (95,894)          | \$ (16,063,508)        | \$ (86,311,873)         | \$ (53,749,336)              | \$ (13,389,707)        | \$ (4,083,176)         | \$ (16,304,363)                       | \$ -  | \$ (189,997,857)        |
| Adjustments on initial application of IFRS 16  | -                    | -                      | -                       | 188,608                      | -                      | 40,004                 | 116,913                               | -   | 345,525                 |
| Balance at January 1, 2019 (restated)          | (95,894)             | (16,063,508)           | (86,311,873)            | (53,560,728)                 | (13,389,707)           | (4,043,172)            | (16,187,450)                          | -   | (189,652,332)           |
| Disposals                                      | -                    | 37,626                 | 1,753,193               | 562,653                      | 561,524                | 146,700                | 225,449                               | -   | 3,287,145               |
| Impairment loss                                | -                    | -                      | (71,638)                | -                            | -                      | -                      | -                                     | -   | (71,638)                |
| Acquisitions through business combinations     | -                    | (17,356)               | (690,890)               | -                            | (908)                  | (1,940)                | (11,740)                              | -   | (722,834)               |
| Derecognition of a subsidiary                  | -                    | -                      | -                       | -                            | 2,369                  | -                      | 176                                   | -   | 2,545                   |
| Depreciation expense                           | -                    | (493,658)              | (2,761,289)             | (4,264,128)                  | (497,391)              | (131,067)              | (737,170)                             | -   | (8,884,703)             |
| Reclassification                               | -                    | 3,182                  | (9)                     | -                            | (681)                  | (16,855)               | 14,363                                | -   | -                       |
| Effect of exchange rate differences            | -                    | (43,557)               | (239,645)               | -                            | (212)                  | (41)                   | (25,051)                              | -   | (308,506)               |
| Balance at June 30, 2019                       | <u>\$ (95,894)</u>   | <u>\$ (16,577,271)</u> | <u>\$ (88,322,151)</u>  | <u>\$ (57,262,203)</u>       | <u>\$ (13,325,006)</u> | <u>\$ (4,046,375)</u>  | <u>\$ (16,721,423)</u>                | <u>\$ -</u>   | <u>\$ (196,350,323)</u> |
| <b>Cost</b>                                    |                      |                        |                         |                              |                        |                        |                                       |   |                         |
| Balance at January 1, 2018                     | \$ 20,127,035        | \$ 32,621,935          | \$ 119,938,249          | \$ 85,270,255                | \$ 14,905,752          | \$ 4,671,413           | \$ 21,131,983                         | \$ 43,660,793   | \$ 342,327,415          |
| Additions                                      | -                    | 20,065                 | 331,122                 | 41,549                       | 4,572                  | 2,925                  | 179,922                               | 8,188,311   | 8,768,466               |
| Disposals                                      | -                    | (626,066)              | (2,846,458)             | (2,833,778)                  | (294,790)              | (41,838)               | (626,316)                             | (11,456)  | (7,280,702)             |
| Reclassification                               | 4,600                | 283,649                | 1,627,449               | 1,671,951                    | 471,205                | 43,885                 | 520,959                               | (4,602,813)   | 20,885                  |
| Effect of exchange rate differences            | 3,990                | 103,393                | 328,932                 | -                            | 1,372                  | -                      | 33,390                                | 271,581   | 742,658                 |
| Balance at June 30, 2018                       | <u>\$ 20,135,625</u> | <u>\$ 32,402,976</u>   | <u>\$ 119,379,294</u>   | <u>\$ 84,149,977</u>         | <u>\$ 15,088,111</u>   | <u>\$ 4,676,385</u>    | <u>\$ 21,239,938</u>                  | <u>\$ 47,506,416</u>                                  | <u>\$ 344,578,722</u>   |
| <b>Accumulated depreciation and impairment</b> |                      |                        |                         |                              |                        |                        |                                       |   |                         |
| Balance at January 1, 2018                     | \$ (95,894)          | \$ (14,970,401)        | \$ (86,288,802)         | \$ (54,007,064)              | \$ (12,673,745)        | \$ (3,863,838)         | \$ (15,868,911)                       | \$ (193,405)  | \$ (187,962,060)        |
| Disposals                                      | -                    | 251,973                | 2,260,662               | 2,573,701                    | 294,743                | 27,695                 | 594,660                               | -   | 6,003,434               |
| Impairment loss                                | -                    | (87,563)               | (283,140)               | -                            | -                      | -                      | (793)                                 | -   | (371,496)               |
| Depreciation expense                           | -                    | (431,171)              | (1,841,453)             | (4,154,869)                  | (628,621)              | (161,081)              | (684,341)                             | -   | (7,901,536)             |
| Reclassification                               | -                    | 2,442                  | (116)                   | 176,436                      | (176,436)              | (21,382)               | 18,415                                | -   | (641)                   |
| Effect of exchange rate differences            | -                    | (27,903)               | (166,692)               | -                            | (169)                  | -                      | (19,758)                              | -   | (214,522)               |
| Balance at June 30, 2018                       | <u>\$ (95,894)</u>   | <u>\$ (15,262,623)</u> | <u>\$ (86,319,541)</u>  | <u>\$ (55,411,796)</u>       | <u>\$ (13,184,228)</u> | <u>\$ (4,018,606)</u>  | <u>\$ (15,960,728)</u>                | <u>\$ (193,405)</u>                                   | <u>\$ (190,446,821)</u> |

(Concluded)

The Group expects that there are no future cash flows of the machinery equipment which produced certain products from the chemical fiber department. As a result, the recoverable amount was less than the carrying amount. For the three months and six months ended June 30, 2019 and 2018, the Group recognized the impairment loss amounted to \$29,261 thousand, \$371,496 thousand, \$71,638 thousand and \$371,496 thousand, respectively. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

The Group reclassified its owner-occupied land in Neili, Taoyuan to investment property in order to cooperate the area's development project. Therefore, the Group recognized impairment loss amounted to \$331,557 thousand for the six months ended June 30, 2019. The impairment loss above is included in the consolidated statements of comprehensive income.

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

|  |            |
|--|------------|
| Building   | 3-60 years |
| Telecommunications equipment                                     | 2-25 years |
| Computer equipment   | 3-10 years |
| Machinery and equipment  | 1-29 years |
| Leasehold improvements and operating and miscellaneous equipment | 1-31 years |

As of June 30, 2019, December 31, 2018 and June 30, 2018, farmland was reclassified to property, plant and equipment amounted to \$238,430 thousand and to investment properties amounted to \$39,041 thousand, \$39,041 thousand and \$36,095 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belong to the Group or have pledged the land to the Group.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets - 2019

|   | <b>June 30, 2019</b>                                    |   |
|---|---|---|
| <u>Carrying amounts</u>                     |   |   |
| Land  |   | \$ 8,334,569  |
| Buildings                                   |   | 9,804,412   |
| Machinery                                   |   | 16,069  |
| Operating and other equipment               |   | <u>682,667</u>  |
|   |   | <u>\$ 18,837,717</u>                                  |
|   | <b>For the Three<br/>Months Ended<br/>June 30, 2019</b> | <b>For the Six<br/>Months Ended<br/>June 30, 2019</b> |
| Additions to right-of-use assets            | <u>\$ 1,293,530</u>                                     | <u>\$ 2,266,618</u>                                   |
| Depreciation charge for right-of-use assets |   |   |
| Land  | \$ 65,670   | \$ 128,934  |
| Buildings                                   | 950,722   | 1,907,867   |
| Machinery                                   | 845   | 1,669   |
| Operating and other equipment               | <u>57,561</u>   | <u>114,979</u>  |
|   | <u>\$ 1,074,798</u>                                     | <u>\$ 2,153,449</u>                                   |

### b. Lease liabilities - 2019

|  | <b>June 30, 2019</b>                                    |   |
|--|---|---|
| <u>Carrying amounts</u>                                      |   |   |
| Current  |   | <u>\$ 3,225,179</u>                                   |
| Non-current  |   | <u>\$ 7,359,600</u>                                   |
| Range of discount rate for lease liabilities was as follows: |   |   |
|  |   | <b>June 30, 2019</b>                                  |
| Land   |   | 0.76%-2.63%   |
| Buildings  |   | 0.72%-4.35%   |
| Machinery  |   | 0.76%-1.08%   |
| Operating and other equipment                                |   | 0.72%-4.27%   |
|  | <b>For the Three<br/>Months Ended<br/>June 30, 2019</b> | <b>For the Six<br/>Months Ended<br/>June 30, 2019</b> |
| Interest expense from lease liabilities                      | <u>\$ 30,734</u>  | <u>\$ 61,935</u>                                      |

c. Material lease-in activities and terms

The Group leases certain operating and other equipment for operating uses with lease terms of 1 to 7.5 years. These arrangements do not contain renewal or purchase options.

The Group also leases land and buildings for the use of plants, offices, operating lands and cell sites with lease terms of 1 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Notes 17.

2019

|   | <b>For the Three<br/>Months Ended<br/>June 30, 2019</b> | <b>For the Six<br/>Months Ended<br/>June 30, 2019</b> |
|---|---|---|
| Expenses relating to short-term leases  | <u>\$ 64,653</u>  | <u>\$ 145,520</u>                                     |
| Expenses relating to low-value asset leases   | <u>\$ 413</u>   | <u>\$ 1,080</u>                                       |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 791</u>   | <u>\$ 1,665</u>                                       |
| Total cash outflow for leases   | <u>\$ (1,086,141)</u>                                   | <u>\$ (2,161,273)</u>                                 |

The Group has elected to apply the recognition exemption for short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The lease commitments from the lease contracts (including short-term leases) with lease terms commencing after the balance sheet dates are as follows:

|                   | <b>June 30, 2018</b> |
|-------------------|----------------------|
| Lease commitments | <u>\$ 205,307</u>    |

2018

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

|  | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--|------------------------------|----------------------|
| Not later than 1 year                        | \$ 3,672,756                 | \$ 3,651,859         |
| Later than 1 year and not later than 5 years | 6,880,865                    | 6,691,606            |
| Later than 5 years                           | <u>989,918</u>               | <u>1,148,568</u>     |
|  | <u>\$ 11,543,539</u>         | <u>\$ 11,492,033</u> |

The lease payments and sublease payments recognized in profit or loss were as follows:

|                        | <b>For the Three<br/>Months Ended<br/>June 30, 2018</b> | <b>For the Six<br/>Months Ended<br/>June 30, 2018</b> |
|------------------------|---|---|
| Minimum lease payments | <u>\$ 1,077,401</u>                                     | <u>\$ 2,194,369</u>                                   |

## 17. INVESTMENT PROPERTIES

|                              | <b>Completed<br/>Investment<br/>Properties</b> |
|------------------------------|--|
| Balance at June 30, 2019     | <u>\$ 125,958,078</u>                          |
| Balance at December 31, 2018 | <u>\$ 124,816,527</u>                          |
| Balance at June 30, 2018     | <u>\$ 124,711,887</u>                          |

The abovementioned investment properties were leased out for 3 to 20 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of June 30, 2019 was as follows:

|                | <b>June 30, 2019</b> |
|----------------|----------------------|
| Year 1         | \$ 901,604           |
| Year 2         | 902,287              |
| Year 3         | 818,510              |
| Year 4         | 671,352              |
| Year 5         | 642,919              |
| Year 6 onwards | <u>1,516,137</u>     |
|                | <u>\$ 5,452,809</u>  |

The future minimum lease payments of non-cancellable operating lease commitments as of December 31, 2018 and June 30, 2018 were as follows:

|  | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--|------------------------------|----------------------|
| Not later than 1 year                        | \$ 749,750                   | \$ 785,440           |
| Later than 1 year and not later than 5 years | 2,694,677                    | 2,663,481            |
| Later than 5 years                           | <u>1,323,681</u>             | <u>1,491,603</u>     |
|  | <u>\$ 4,768,108</u>          | <u>\$ 4,940,524</u>  |

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

|   | <b>Completed<br/>Investment<br/>Properties</b> |
|---|--|
| Balance at January 1, 2019  | \$ 124,816,527                                 |
| Additions   | 10,564   |
| Disposals   | -  |
| Reclassification  | 957,297  |
| Recognized in profit (gain arising from the change in fair value of investment property)          | 168,230  |
| Recognized in other comprehensive income (exchange differences on translating foreign operations) | <u>5,460</u>                                   |
| Balance at June 30, 2019  | <u>\$ 125,958,078</u>                          |
| Balance at January 1, 2018  | \$ 124,148,885                                 |
| Disposals   | (6,608)  |
| Reclassification  | 267,202  |
| Recognized in profit (gain arising from the change in fair value of investment property)          | 296,595  |
| Recognized in other comprehensive income (exchange differences on translating foreign operations) | <u>5,813</u>                                   |
| Balance at June 30, 2018  | <u>\$ 124,711,887</u>                          |

The main investment properties are as follows:

The Group and Asia Cement Corporation (ACC) co-own land located on Dunhua South Road in Taipei. Under an agreement between the Group and ACC, Yuan Ding paid for the construction of a multifunctional building on this land and owned the 30-year right of superficies. According to the agreement, the 30-year right of superficies have started on November 15, 1993. However, the ownership of the building was registered in the name of the Group, ACC and Yuan Ding at 12%, 12% and 76%, respectively. Upon expiration of the agreement, the Group and ACC will equally acquire Yuan Ding's 76% ownership of the building based on the carrying amount of the building.

The construction of a building (Mega City) located in the Banqiao district, Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the first half year of 2015 and recognized as inventories (available-for-sale - buildings and land). For the six months ended June 30, 2019 and 2018, a portion of the floors which had been rented out to others were reclassified from inventories to investment properties at their fair value of \$264,387 thousand and \$264,071 thousand, respectively, and a gain on the transfers from inventories to investment properties amounting to \$145,574 thousand and \$145,257 thousand (recognized as gain on change in fair value of investment properties), respectively, was recognized, and a portion of the floors which had been rented out to the Group were reclassified from inventories to property, plant and equipment at their carrying amount of \$47,525 thousand.

The construction project - Taipei Far Eastern Telecom Park, investment property located in Banqiao, was in accordance with the enforcement rules of the Act for Promotion of Private Participation in Infrastructure Projects, and the market rentals were valued at between \$0.4 thousand and \$3.5 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair values of investment properties were as follows:

|                       | <b>June 30, 2019</b>  | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b>  |
|-----------------------|-----------------------|------------------------------|-----------------------|
| Independent valuation | <u>\$ 125,958,078</u> | <u>\$ 124,816,527</u>        | <u>\$ 124,711,887</u> |

The fair value of the investment properties as of June 30, 2019, December 31, 2018, June 30, 2018 and January 31, 2018 were based on the valuations carried out at July 12, 2019, January 18, 2019, July 20, 2018 and February 23, 2018 by independent qualified professional valutors, Mr. Chia-ho Tsai and Ms. Chun-Chun Hu, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

In consultation with the appraisers, except for some investment properties were adjusted in accordance with fair value movement, the Group determined that the fair values reported as of December 31, 2018 and January 1, 2018 were still valid as of June 30, 2019 and 2018.

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

|                                   | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|-----------------------------------|----------------------|------------------------------|----------------------|
| Expected future cash inflows      | \$ 60,646,055        | \$ 60,062,070                | \$ 59,383,399        |
| Expected future cash outflows     | <u>(2,508,769)</u>   | <u>(2,255,305)</u>           | <u>(2,563,428)</u>   |
| Expected future cash inflows, net | <u>\$ 58,137,286</u> | <u>\$ 57,806,765</u>         | <u>\$ 56,819,971</u> |
| Discount rate intervals           | 1.845%-2.38%         | 1,845%-2.40%                 | 1.845%-2.39%         |

The expected future cash inflows/outflows disclosed above was based on parts of different types of investment properties located in Banqiao. The fair value of the Group's investment properties in Banqiao was calculated based on the expected future cash inflows/outflows of different types of investment properties to extrapolate the total area of the Group's investment properties in Banqiao.

Part of the investment properties had been leased out under operating leases. The rental income generated for the three months and six months ended June 30, 2019 and 2018, were \$278,676 thousand, \$245,658 thousand, \$569,477 thousand and \$501,374 thousand, respectively.

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

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

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

|   | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|---|----------------------|------------------------------|----------------------|
| Estimated total sale price              | <u>\$ 20,971,566</u> | <u>\$ 20,971,566</u>         | <u>\$ 21,861,268</u> |
| Rate of return                          | 15%                  | 15%                          | 15%                  |
| Overall capital interest rate intervals | 1.04%-2.41%          | 1.04%-2.41%                  | 1.04%-2.41%          |

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

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

## 18. GOODWILL

|  | <b>For the Six Months Ended<br/>June 30</b> |                      |
|--|---|----------------------|
|  | <b>2019</b>                                 | <b>2018</b>          |
| <u>Cost</u>  |   |                      |
| Balance at January 1, 2019                           | \$ 11,862,742                               | \$ 11,865,515        |
| Acquisitions through business combinations (Note 30) | 430,117                                     | -                    |
| Reclassification                                     | 481,848                                     | -                    |
| Effect of exchange rate differences                  | <u>3,034</u>                                | <u>-</u>             |
| Balance at June 30, 2019                             | <u>\$ 12,777,741</u>                        | <u>\$ 11,865,515</u> |

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

For related information on goodwill. Refer to Note 22 of the consolidated financial statements for the year ended December 31, 2018.



## 19. CONCESSIONS AND OTHER INTANGIBLE ASSETS

|                         | June 30, 2019        | December 31,<br>2018 | June 30, 2018        |
|-------------------------|----------------------|----------------------|----------------------|
| <u>Carrying amounts</u> |                      |                      |                      |
| Concessions             | \$ 39,606,528        | \$ 41,136,801        | \$ 42,851,069        |
| Other intangible assets |                      |                      |                      |
| Computer software       | 3,460,749            | 3,595,018            | 3,477,443            |
| Others                  | <u>1,676,617</u>     | <u>1,402,458</u>     | <u>729,142</u>       |
|                         | <u>5,137,366</u>     | <u>4,997,476</u>     | <u>4,206,585</u>     |
|                         | <u>\$ 44,743,894</u> | <u>\$ 46,134,277</u> | <u>\$ 47,057,654</u> |

|   | Concessions          | Computer<br>Software | Others              | Total                |
|---|----------------------|----------------------|---------------------|----------------------|
| Balance at January 1, 2019                  | \$ 41,136,801        | \$ 3,595,018         | \$ 1,402,458        | \$ 46,134,277        |
| Additions                                   | 27,562               | 383,213              | 18,664              | 429,439              |
| Amortization                                | (1,595,610)          | (524,101)            | (102,221)           | (2,221,932)          |
| Disposals                                   | (8,192)              | (192)                | -                   | (8,384)              |
| Acquisitions through business combinations  | -                    | 2,519                | 113,800             | 116,319              |
| Derecognition from disposal of subsidiaries | -                    | (87)                 | -                   | (87)                 |
| Reclassifications                           | 45,967               | 3,397                | 222,689             | 272,053              |
| Effect of exchange rate differences         | <u>-</u>             | <u>982</u>           | <u>21,227</u>       | <u>22,209</u>        |
| Balance at June 30, 2019                    | <u>\$ 39,606,528</u> | <u>\$ 3,460,749</u>  | <u>\$ 1,676,617</u> | <u>\$ 44,743,894</u> |
| Balance at January 1, 2018                  | \$ 44,561,464        | \$ 3,421,047         | \$ 463,638          | \$ 48,446,149        |
| Additions                                   | 59,697               | 503,972              | 363,571             | 927,240              |
| Amortization                                | (1,765,248)          | (472,836)            | (109,895)           | (2,347,979)          |
| Disposals                                   | (3,274)              | (693)                | -                   | (3,967)              |
| Reclassifications                           | (1,570)              | 24,310               | 1,410               | 24,150               |
| Effect of exchange rate differences         | <u>-</u>             | <u>1,643</u>         | <u>10,418</u>       | <u>12,061</u>        |
| Balance at June 30, 2018                    | <u>\$ 42,851,069</u> | <u>\$ 3,477,443</u>  | <u>\$ 729,142</u>   | <u>\$ 47,057,654</u> |

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

|                   |             |
|-------------------|-------------|
| Concessions       | 17.75 years |
| Computer software | 15 years    |
| Others            | 24 years    |

The Group's joint operation entity, Corpus Christi Polyhers LLC, received approval of property tax exemption in the future 5 years from the local tax ministry. The exemption will be recognized in other intangible assets and will authorized within 5 years.

## 20. BORROWINGS

### a. Short-term borrowings

|                                | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--------------------------------|----------------------|------------------------------|----------------------|
| Bank credit loans              | \$ 37,572,329        | \$ 43,681,023                | \$ 34,957,279        |
| Secured and pledged borrowings | 443,000              | 484,248                      | 65,000               |
| Loans from related parties     | <u>750,494</u>       | <u>3,668,174</u>             | <u>3,773,270</u>     |
|                                | <u>\$ 38,765,823</u> | <u>\$ 47,833,445</u>         | <u>\$ 38,795,549</u> |

- 1) The range of interest rates for bank loans were from 0.50% to 4.35%, 0.73% to 4.40% and 0.90%-4.98% as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of June 30, 2019, December 31, 2018 and June 30, 2018.

### b. Short-term bills payable

|  | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--|----------------------|------------------------------|----------------------|
| Commercial paper                               | \$ 4,844,000         | \$ 6,721,000                 | \$ 6,212,000         |
| Less: Unamortized discount on commercial paper | <u>2,065</u>         | <u>3,288</u>                 | <u>3,015</u>         |
|  | <u>\$ 4,841,935</u>  | <u>\$ 6,717,712</u>          | <u>\$ 6,208,985</u>  |

The short-term bills payable outstanding were issued at interest rates ranging from 0.660% to 1.538%, 0.818% to 1.538% and 0.878%-1.68%, as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.

### c. Long-term borrowings

|  | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--|----------------------|------------------------------|----------------------|
| Bank loans                                     | \$ 68,355,857        | \$ 64,121,631                | \$ 57,977,448        |
| Long-term commercial paper                     | 6,120,000            | 7,450,000                    | 6,980,000            |
| Less: Unamortized discount on commercial paper | <u>4,305</u>         | <u>5,989</u>                 | <u>3,355</u>         |
|  | <u>6,115,695</u>     | <u>7,444,011</u>             | <u>6,976,645</u>     |
|  | 74,471,552           | 71,565,642                   | 64,954,093           |
| Less: Current portion                          | <u>1,579,496</u>     | <u>2,846,333</u>             | <u>4,718,035</u>     |
|  | <u>\$ 72,892,056</u> | <u>\$ 68,719,309</u>         | <u>\$ 60,236,058</u> |

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

|                              | <b>June 30, 2019</b>     | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b>         |
|------------------------------|--------------------------|------------------------------|------------------------------|
| Maturity                     | July 2019-<br>April 2031 | January 2019-<br>April 2031  | January 2019 -<br>April 2031 |
| Bank interest rate intervals | 0.25%-3.47%              | 0.60%-4.51%                  | 0.58%-4.75%                  |

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

|   | <b>Credit Line</b>                   | <b>Maturity Period</b>                   | <b>Interest Rate</b>  | <b>Repayment</b>   |
|---|--------------------------------------|--|---|--|
| A | \$ 1,540,000<br>thousand             | 20 years after use of the<br>credit      | Hua Nan Bank's periodic<br>savings interest rate plus<br>0.4% then divided by<br>0.946% | No revolving credit but batch<br>employed available within 5<br>years; No repayment in the<br>first 5 years; quarterly<br>repayments of \$30,000<br>thousand quarterly from the<br>sixth year and redemption of<br>rest on maturity  |
| B | 1,000,000<br>thousand                | 5 years after approve of<br>the credit   | Reference interest rate plus<br>0.69544% (negotiated<br>by each loan)                   | Revolving credit within the<br>period; no longer than 6<br>months; lump sum<br>repayment on maturity   |
| D | 2,730,000<br>thousand                | 7 years after draw<br>down of the credit | Reference interest rate plus<br>0.804%  | No revolving credit but be<br>partly draw down available<br>within March 30, 2021;<br>credit will be paid every 6<br>months from 3 years after<br>each drawdown date. The<br>first 8 installments should<br>repay 5% of the loan, and the<br>last installment should repay<br>60% of loan. |
|   | <hr/> \$ 5,270,000<br>thousand <hr/> |  |   |  |

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

On July 19, 2017, a FENC's subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), received a five-year syndicated loan in a total amount of \$16,800,000 thousand from multiple banks and Mega International Commercial Bank as the leading bank. During the contract period, OPTC needs to maintain its liability ratio within a certain range, which is calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjusts the liability ratio to the required range in 5 months from June 1 next year. Otherwise, starting from November 1, OPTC has to pay extra 0.125% interest of the outstanding amounts until the day before the liability ratio has met the range requirement. The repayment method of this credit is divided into two lines. Line A: The first period is 24 months after the first drawdown date, and then every half of a year

is a period. It is divided into seven installments. The repayment amount from the first period to the sixth period is 5% of the loan amount, and the full amount will be repaid on the expiration date. Line B: The loan can be revolve within the credit amount, the first period of decreasing date is 48 days after the first drawdown date, and then every 6 months is a period, the credit will decrease 500,000 thousand each in the first two period, and the full amount will be repaid on the expiration date.

In 2012, a FENC subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), got a five-year and seven-year syndicated loan in a total amount of \$11,000,000 thousand from bank groups which Mega International Commercial Bank is the leading bank. During the contract period, OPTC needs to keep its liability ratio within a certain range calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjusts the liability ratio to within the required range in 5 months from June 1 next year. Otherwise, starting from November 1, OPTC has to pay extra 0.125% interest of the outstanding amounts until the day before the liability ratio has met the range requirement. OPTC does not violate the contract above. On July 19, 2017, OPTC got a new syndicated loan from bank groups which Mega International Commercial Bank is the leading bank, and terminated this syndicated loan in advance.

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

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

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

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathy United Bank were accounted for under other financial assets - non-current (Note 35). The terms of loans B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathy United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral. As of June 30, 2019, December 31, 2018 and June 30, 2018, the amount of operating assets with pledged rights was \$3,756,000 (refer to Note 35). ETC had already repaid the credit line A \$600,000 thousand in advance in December 2017. In addition, ETC had repaid the credit line A \$31,693 thousand on February 10, 2019, and canceled the credit line A amount \$2,906,000 thousand.

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

## 21. BONDS PAYABLE

|   | June 30, 2019        | December 31,<br>2018 | June 30, 2018        |
|---|----------------------|----------------------|----------------------|
| Nonconvertible domestic bonds             | \$ 103,000,000       | \$ 96,800,000        | \$ 98,300,000        |
| Discount of nonconvertible domestic bonds | <u>(106,193)</u>     | <u>(102,959)</u>     | <u>(100,795)</u>     |
|   | 102,893,807          | 96,697,041           | 98,199,205           |
| Less: Current portion                     | <u>23,691,067</u>    | <u>17,793,726</u>    | <u>16,294,203</u>    |
|   | <u>\$ 79,202,740</u> | <u>\$ 78,903,315</u> | <u>\$ 81,905,002</u> |

### Bonds

| Period                    | Maturity              | Annual Rate<br>(%) | Issued Amount | Outstanding Balance   |                      |                      | Repayment |
|---------------------------|-----------------------|--------------------|---------------|-----------------------|----------------------|----------------------|-----------|
|                           |                       |                    |               | June 30, 2019         | December 31,<br>2018 | June 30, 2018        |           |
| <u>Company</u>            |                       |                    |               |                       |                      |                      |           |
| Unsecured bonds           |                       |                    |               |                       |                      |                      |           |
| 102-3                     | 2013.12.23-2018.12.23 | 1.45               | 2,800,000     | \$ -                  | \$ -                 | \$ 2,800,000         | (Note 2)  |
| 103-1                     | 2014.08.21-2019.08.21 | 1.47               | 3,200,000     | 1,600,000             | 1,600,000            | 3,200,000            | (Note 1)  |
| 103-2                     | 2014.12.04-2019.12.04 | 1.47               | 2,200,000     | 1,100,000             | 1,100,000            | 2,200,000            | (Note 1)  |
| 103-3                     | 2015.02.06-2020.02.06 | 1.38               | 2,600,000     | 1,300,000             | 2,600,000            | 2,600,000            | (Note 1)  |
| 104-1                     | 2015.05.25-2020.05.25 | 1.39               | 8,000,000     | 4,000,000             | 8,000,000            | 8,000,000            | (Note 1)  |
| 104-2                     | 2015.10.02-2020.10.02 | 1.28               | 5,200,000     | 5,200,000             | 5,200,000            | 5,200,000            | (Note 1)  |
| 104-3                     | 2015.11.16-2020.11.16 | 1.25               | 2,800,000     | 2,800,000             | 2,800,000            | 2,800,000            | (Note 2)  |
| 105-1-A                   | 2016.04.29-2021.04.29 | 0.88               | 6,000,000     | 6,000,000             | 6,000,000            | 6,000,000            | (Note 1)  |
| 105-1-B                   | 2016.04.29-2021.04.29 | -                  | 2,000,000     | 2,000,000             | 2,000,000            | 2,000,000            | (Note 4)  |
| 105-2                     | 2016.09.20-2021.09.20 | 0.72               | 3,800,000     | 3,800,000             | 3,800,000            | 3,800,000            | (Note 2)  |
| 106-1                     | 2017.05.17-2022.05.17 | 1.15               | 5,000,000     | 5,000,000             | 5,000,000            | 5,000,000            | (Note 1)  |
| 106-2                     | 2018.01.08-2023.01.08 | 0.95               | 3,000,000     | 3,000,000             | 3,000,000            | 3,000,000            | (Note 2)  |
| 107-1                     | 2018.05.18-2023.05.18 | 0.92               | 6,000,000     | 6,000,000             | 6,000,000            | 6,000,000            | (Note 1)  |
| 107-2                     | 2018.07.18-2023.07.18 | 0.90               | 8,000,000     | 8,000,000             | 8,000,000            | -                    | (Note 1)  |
| 108-1                     | 2019.04.29-2024.04.29 | 0.93               | 8,000,000     | 8,000,000             | -                    | -                    | (Note 2)  |
| <u>Subsidiary Yuan</u>    |                       |                    |               |                       |                      |                      |           |
| <u>Ding Investment</u>    |                       |                    |               |                       |                      |                      |           |
| Unsecured bonds           |                       |                    |               |                       |                      |                      |           |
| 103-1                     | 2014.05.26-2019.05.26 | 1.35               | 3,000,000     | -                     | 1,500,000            | 1,500,000            | (Note 1)  |
| 104-1                     | 2015.07.10-2020.07.10 | 1.43               | 3,000,000     | 3,000,000             | 3,000,000            | 3,000,000            | (Note 1)  |
| 104-2                     | 2015.11.09-2020.11.09 | 1.28               | 2,000,000     | 2,000,000             | 2,000,000            | 2,000,000            | (Note 1)  |
| 105-1                     | 2016.05.30-2021.05.30 | 0.90               | 3,800,000     | 3,800,000             | 3,800,000            | 3,800,000            | (Note 1)  |
| 106-1                     | 2017.06.30-2022.06.30 | 1.15               | 3,000,000     | 3,000,000             | 3,000,000            | 3,000,000            | (Note 2)  |
| 107-1                     | 2018.06.29-2023.06.29 | 0.92               | 3,000,000     | 3,000,000             | 3,000,000            | 3,000,000            | (Note 2)  |
| <u>Subsidiary Far</u>     |                       |                    |               |                       |                      |                      |           |
| <u>EasTone</u>            |                       |                    |               |                       |                      |                      |           |
| Unsecured bonds           |                       |                    |               |                       |                      |                      |           |
| 102-4                     | 2013.06.27-2020.06.27 | 1.33               | 5,000,000     | 2,500,000             | 2,500,000            | 2,500,000            | (Note 3)  |
| 102-5-B                   | 2013.10.15-2018.10.15 | 1.58               | 4,000,000     | -                     | -                    | 4,000,000            | (Note 2)  |
| 102-6-C                   | 2013.12.24-2019.12.24 | 1.58               | 3,200,000     | 3,200,000             | 3,200,000            | 3,200,000            | (Note 2)  |
| 105-1                     | 2017.01.05-2022.01.05 | 1.17               | 5,200,000     | 5,200,000             | 5,200,000            | 5,200,000            | (Note 2)  |
| 106-1                     | 2017.04.26-2022.04.26 | 1.17               | 4,500,000     | 4,500,000             | 4,500,000            | 4,500,000            | (Note 2)  |
| 106-2                     | 2017.09.04-2024.09.04 | 1.17               | 2,000,000     | 2,000,000             | 2,000,000            | 2,000,000            | (Note 2)  |
| 106-3-A                   | 2017.12.20-2023.06.20 | 0.95               | 1,500,000     | 1,500,000             | 1,500,000            | 1,500,000            | (Note 2)  |
| 106-3-B                   | 2017.12.20-2024.12.20 | 1.09               | 1,500,000     | 1,500,000             | 1,500,000            | 1,500,000            | (Note 2)  |
| 107-1-A                   | 2018.05.07-2023.05.07 | 0.85               | 1,500,000     | 1,500,000             | 1,500,000            | 1,500,000            | (Note 2)  |
| 107-2-B                   | 2018.05.07-2025.05.07 | 1.01               | 3,500,000     | 3,500,000             | 3,500,000            | 3,500,000            | (Note 2)  |
| 108-1-A                   | 2019.06.25-2024.06.25 | 0.75               | 3,200,000     | 3,200,000             | -                    | -                    | (Note 2)  |
| 102-2-B                   | 2019.06.25-2026.06.25 | 0.81               | 1,800,000     | <u>1,800,000</u>      | <u>-</u>             | <u>-</u>             | (Note 2)  |
| Total outstanding balance |                       |                    |               | <u>\$ 103,000,000</u> | <u>\$ 96,800,000</u> | <u>\$ 98,300,000</u> |           |

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

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

Note 3: These bonds are repayable at 50% and 50% of the total amount at the end of fifth and seventh years, respectively. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 4: This bond is repayable in lump sum at the 104.8411% of total amount on maturity.

## 22. PROVISIONS

|                        | June 30, 2019       | December 31,<br>2018 | June 30, 2018       |
|------------------------|---------------------|----------------------|---------------------|
| Dismantling obligation | \$ 1,067,214        | \$ 1,036,544         | \$ 1,032,677        |
| Warranties             | 101,458             | 101,757              | 153,141             |
| Onerous contract       | <u>50,291</u>       | <u>66,396</u>        | <u>36,416</u>       |
|                        | <u>\$ 1,218,963</u> | <u>\$ 1,204,697</u>  | <u>\$ 1,222,234</u> |
| Current                | \$ 281,914          | \$ 293,364           | \$ 379,372          |
| Non-current            | <u>937,049</u>      | <u>911,333</u>       | <u>842,862</u>      |
|                        | <u>\$ 1,218,963</u> | <u>\$ 1,204,697</u>  | <u>\$ 1,222,234</u> |

|                            | Dismantling<br>Obligation | Warranties        | Onerous<br>Contracts | Total               |
|----------------------------|---------------------------|-------------------|----------------------|---------------------|
| Balance at January 1, 2019 | \$ 1,036,544              | \$ 101,757        | \$ 66,396            | \$ 1,204,697        |
| Additions                  | 39,285                    | 11,285            | 50,291               | 100,861             |
| Reductions                 | <u>(8,615)</u>            | <u>(11,584)</u>   | <u>(66,396)</u>      | <u>(86,595)</u>     |
| Balance at June 30, 2019   | <u>\$ 1,067,214</u>       | <u>\$ 101,458</u> | <u>\$ 50,291</u>     | <u>\$ 1,218,963</u> |
| Balance at January 1, 2018 | \$ 1,022,012              | \$ 147,464        | \$ 26,610            | \$ 1,196,086        |
| Additions                  | 49,309                    | 15,558            | 12,333               | 77,200              |
| Reductions                 | <u>(38,644)</u>           | <u>(9,881)</u>    | <u>(2,527)</u>       | <u>(51,052)</u>     |
| Balance at June 30, 2018   | <u>\$ 1,032,677</u>       | <u>\$ 153,141</u> | <u>\$ 36,416</u>     | <u>\$ 1,222,234</u> |

## 23. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and six months ended June 30, 2019 and 2018 were calculated as \$28,023 thousand, \$33,470 thousand, \$53,348 thousand and \$64,704 thousand by the actuarially determined pension cost discount rate as of December 31, 2018 and 2017. The Group transferred defined benefit costs \$38 thousand, \$125 thousand, \$85 thousand and \$273 thousand to related parties for the three months and six months ended June 30, 2019 and 2018, respectively.

## 24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities from some of the consolidated entities are classified as current or non-current depending on the operating cycle. Amounts expected to be received or paid within one year or over one year were as follows:

|   | <b>June 30, 2019</b>       |                      |              |
|---|----------------------------|----------------------|--------------|
|   | <b>Within One<br/>Year</b> | <b>Over One Year</b> | <b>Total</b> |
| <u>Assets</u>                                 |                            |                      |              |
| Notes and accounts receivable                 | \$ 261,070                 | \$ 145,722           | \$ 406,792   |
| Inventories - construction and real estate    | 2,241,375                  | 2,364,601            | 4,605,976    |
| Contract assets - current                     | 339,922                    | 1,780,008            | 2,119,930    |
| Other financial assets - current              | 112,279                    | 672,301              | 784,580      |
| Refundable deposits - current                 | 13                         | 13,472               | 13,485       |
| <u>Liabilities</u>                            |                            |                      |              |
| Notes and accounts payable                    | 1,023,776                  | 93,998               | 1,117,774    |
| Notes and accounts payable to related parties | 78,292                     | -                    | 78,292       |
| Contract liabilities - current                | 164,179                    | 843,729              | 1,007,908    |
| Provisions - current                          | 2,164                      | 102,255              | 104,419      |
| <b>December 31, 2018</b>                      |                            |                      |              |
|   | <b>Within One<br/>Year</b> | <b>Over One Year</b> | <b>Total</b> |
| <u>Assets</u>                                 |                            |                      |              |
| Notes and accounts receivable                 | \$ 725,367                 | \$ -                 | \$ 725,367   |
| Inventories - construction and real estate    | 2,247,032                  | 2,263,479            | 4,510,511    |
| Contract assets - current                     | 416,317                    | 1,650,154            | 2,066,471    |
| Other financial assets - current              | 34,125                     | 837,784              | 871,909      |
| Refundable deposits - current                 | 2,128                      | 14,160               | 16,288       |
| <u>Liabilities</u>                            |                            |                      |              |
| Notes and accounts payable                    | 1,732,271                  | -                    | 1,732,271    |
| Notes and accounts payable to related parties | 177,470                    | -                    | 177,470      |
| Contract liabilities - current                | 125,293                    | 889,276              | 1,014,569    |
| Provisions - current                          | 1,319                      | 122,306              | 123,625      |

|   | <b>June 30, 2018</b>       |                      |              |
|---|----------------------------|----------------------|--------------|
|   | <b>Within One<br/>Year</b> | <b>Over One Year</b> | <b>Total</b> |
| <u>Assets</u>                                 |                            |                      |              |
| Notes and accounts receivable                 | \$ 405,024                 | \$ 299,201           | \$ 704,225   |
| Inventories - construction and real estate    | 2,243,044                  | 2,160,730            | 4,403,774    |
| Contract assets - current                     | 330,063                    | 1,813,602            | 2,143,665    |
| Other financial assets - current              | 27,529                     | 876,188              | 903,717      |
| Refundable deposits - current                 | 806                        | 13,068               | 13,874       |
| <u>Liabilities</u>                            |                            |                      |              |
| Notes and accounts payable                    | 1,068,734                  | -                    | 1,068,734    |
| Notes and accounts payable to related parties | 121,914                    | -                    | 121,914      |
| Contract liabilities - current                | 252,705                    | 1,255,037            | 1,507,742    |
| Provisions - current                          | 607                        | 90,039               | 90,646       |

## 25. EQUITY

### a. Share capital

#### 1) Common stock

|   | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|---|----------------------|------------------------------|----------------------|
| Number of shares authorized (in thousands)            | <u>6,000,000</u>     | <u>6,000,000</u>             | <u>6,000,000</u>     |
| Shares authorized                                     | <u>\$ 60,000,000</u> | <u>\$ 60,000,000</u>         | <u>\$ 60,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>5,352,875</u>     | <u>5,352,875</u>             | <u>5,352,875</u>     |
| Shares issued   | <u>\$ 53,528,751</u> | <u>\$ 53,528,751</u>         | <u>\$ 53,528,751</u> |

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

#### 2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of June 30, 2019, December 31, 2018 and June 30, 2018, there are 6 thousand units, 8 thousand units and 101 thousand units outstanding, which were equal to 59 thousand, 82 thousand and 1,007 thousand common stock of the Company.



b. Capital surplus

|   | June 30, 2019       | December 31,<br>2018 | June 30, 2018       |
|---|---------------------|----------------------|---------------------|
| May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)  |                     |                      |                     |
| Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | \$ 2,654,932        | \$ 2,654,932         | \$ 2,654,932        |
| <u>May be used to offset a deficit only</u>   |                     |                      |                     |
| Arising from changes in percentage of ownership interest in subsidiaries (2)  | 495,232             | 148,783              | 148,783             |
| Treasury shares transaction   | 14,066              | 14,066               | 13,131              |
| <u>May not be used for any purpose</u>  |                     |                      |                     |
| Changes in equity-method associates capital surplus   | <u>90,853</u>       | <u>90,850</u>        | <u>43,475</u>       |
|   | <u>\$ 3,255,083</u> | <u>\$ 2,908,631</u>  | <u>\$ 2,860,321</u> |

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

c. Retained earnings and dividend policy

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

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

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

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

The appropriations from the 2018 and 2017 earnings were approved in the shareholders' meetings on June 28, 2019 and June 29, 2018, respectively. The appropriations and dividends per share were as follows:

|                              | <b>Appropriation of Earnings</b> |                      | <b>Dividends Per Share</b> |                      |
|------------------------------|----------------------------------|----------------------|----------------------------|----------------------|
|                              |                                  |                      | <b>(NT\$)</b>              |                      |
|                              | <b>For Year 2018</b>             | <b>For Year 2018</b> | <b>For Year 2018</b>       | <b>For Year 2017</b> |
| Legal reserve                | \$ 1,202,829                     | \$ 806,614           |                            |                      |
| Special reserve              | 1,089,437                        | 1,523,136            |                            |                      |
| Reversals of special reserve | (858)                            | (2,643)              |                            |                      |
| Cash dividends               | 9,635,175                        | 6,423,450            | \$ 1.8                     | \$ 1.2               |

d. Special reserve

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

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

|                                  | <b>For the Six Months Ended</b> |                      |
|----------------------------------|---------------------------------|----------------------|
|                                  | <b>June 30</b>                  |                      |
|                                  | <b>2019</b>                     | <b>2018</b>          |
| Balance at January 1 and June 30 | <u>\$ 21,552,496</u>            | <u>\$ 21,552,496</u> |

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

|   | <b>For the Six Months Ended</b> |                      |
|---|---------------------------------|----------------------|
|   | <b>June 30</b>                  |                      |
|   | <b>2019</b>                     | <b>2018</b>          |
| Balance at January 1  | \$ 89,713,777                   | \$ 88,196,319        |
| Appropriation in respect of:  |                                 |                      |
| Application of the fair value method for investment properties                | 1,089,437                       | 1,523,136            |
| Reversed on elimination of the original need to appropriate a special reserve |                                 |                      |
| Disposal of investment properties   | <u>-</u>                        | <u>(5,678)</u>       |
| Balance at June 30  | <u>\$ 90,803,214</u>            | <u>\$ 89,713,777</u> |

e. Other equity items

The changes in other equity items were as follows:

|   | Exchange Differences on Translating Foreign Operations | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Gain (Loss) on Hedging Instruments | Gain on Property Revaluation | Total            |
|---|--|--|------------------------------------|------------------------------|------------------|
| Balance at January 1, 2019  | \$ (3,589,901)   | \$ 771,912   | \$ 45,880                          | \$ 702,778                   | \$ (2,069,331)   |
| Exchange differences arising on translation of foreign operations               | 681,845  | -  | -                                  | -                            | 681,845          |
| Unrealized gain (loss) on financial assets at FVTOCI                            | -  | (771)  | -                                  | -                            | (771)            |
| Gain (loss) on hedging instruments  | -  | -  | (38,195)                           | -                            | (38,195)         |
| Gain on property revaluation  | -  | -  | -                                  | 297,056                      | 297,056          |
| Associate disposed the investment in equity instruments designated as at FVTOCI | -  | (2,848)  | -                                  | -                            | (2,848)          |
| Share of the other comprehensive gain (loss) of associates                      | 180,945  | 1,009,018  | (584)                              | -                            | 1,189,379        |
| Balance at June 30, 2019  | <u>\$ (2,727,111)</u>                                  | <u>\$ 1,777,311</u>                                  | <u>\$ 7,101</u>                    | <u>\$ 999,834</u>            | <u>\$ 57,135</u> |

|   | Exchange Differences on Translating Foreign Operations | Unrealized Gain (Loss) on Available-for-sale Financial Assets | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Cash Flow Hedges | Gain (Loss) on Hedging Instruments | Gain on Property Revaluation | Total                 |
|---|--|---|--|------------------|------------------------------------|------------------------------|-----------------------|
| Balance at January 1, 2018  | \$ (3,077,371)   | \$ (1,357,319)  | \$ -   | \$ 35,642        | \$ -                               | \$ 702,778                   | \$ (3,696,270)        |
| Adjustment on initial application of IFRS 9                       | -  | 1,357,319   | (1,725,866)  | (35,642)         | 35,642                             | -                            | (368,547)             |
| Balance at January 1 per IFRS 9                                   | (3,077,371)  | -   | (1,725,866)  | -                | 35,642                             | 702,778                      | (4,064,817)           |
| Exchange differences arising on translation of foreign operations | 425,783  | -   | -  | -                | -                                  | -                            | 425,783               |
| Unrealized gain (loss) on financial assets at FVTOCI              | -  | -   | (12,978)   | -                | -                                  | -                            | (12,978)              |
| Gain (loss) on hedging instruments                                | -  | -   | -  | -                | 8,073                              | -                            | 8,073                 |
| Share of the other comprehensive gain (loss) of associates        | 220,984  | -   | 977,405  | -                | (970)                              | -                            | 1,197,419             |
| Balance at June 30, 2018  | <u>\$ (2,430,604)</u>                                  | <u>\$ -</u>   | <u>\$ (761,439)</u>                                  | <u>\$ -</u>      | <u>\$ 42,745</u>                   | <u>\$ 702,778</u>            | <u>\$ (2,446,520)</u> |

f. Non-controlling interests

|   | For the Six Months Ended June 30 |               |
|---|----------------------------------|---------------|
|   | 2019                             | 2018          |
| Beginning balance   | \$ 64,194,300                    | \$ 61,178,706 |
| Adjustment on initial application of IFRS 9 and 16  | (94,653)                         | 3,926,063     |
| Balance at January 1 per IFRS 9 and 16  | 64,099,647                       | 65,104,769    |
| Attributable to non-controlling interests:  |                                  |               |
| Net income  | 2,963,120                        | 3,437,435     |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | -                                | 6,667         |
| Cash dividends distributed by subsidiaries  | (7,758,030)                      | (7,794,632)   |
| Exchange differences on translating foreign operations                                    | 74,464                           | 58,051        |
| Unrealized gain on financial assets at FVTOCI   | 5,337                            | 1,300         |
| (Loss) gain on hedging instruments  | (72,646)                         | 15,354        |
| Share of other comprehensive income of associates accounted for using the equity method   | 9,870                            | 10,413        |
| Changes in capital surplus of associates accounted for using the equity method            | -                                | 13            |
| Changes in unappropriated earnings of associates accounted for using the equity method    | 475                              | 198           |

(Continued)

|  | <b>For the Six Months Ended<br/>June 30</b> |                                     |
|--|---|-------------------------------------|
|  | <b>2019</b>                                 | <b>2018</b>                         |
| Acquisition of partial interests of subsidiaries   | \$ -  | \$ (153,820)                        |
| Non-controlling interests arising from subsidiaries' issuance of<br>new share capital for cash | 384,917                                     | 577,375                             |
| Disposal of a subsidiary   | (11,276)                                    | -                                   |
| Effect on changes in percentage of ownership in subsidiaries                                   | 3,088,551                                   | 12,556                              |
| Remittance of cash due to the liquidation of subsidiaries                                      | -   | (360)                               |
| Acquisition of a subsidiary  | <u>163,092</u>                              | <u>-</u>                            |
| Beginning at June 30   | <u>\$ 62,947,521</u>                        | <u>\$ 61,275,319</u><br>(Concluded) |

g. Treasury shares

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

| <b>Name of Subsidiary</b> | <b>Number of<br/>Shares Held<br/>(In Thousands)</b> | <b>Carrying<br/>Amount</b> | <b>Market Price</b> |
|---------------------------|---|----------------------------|---------------------|
| <u>June 30, 2019</u>      |   |                            |                     |
| Yuan Ding                 | 779   | <u>\$ 25,063</u>           | <u>\$ 26,109</u>    |
| <u>December 31, 2018</u>  |   |                            |                     |
| Yuan Ding                 | 779   | <u>\$ 25,063</u>           | <u>\$ 21,745</u>    |
| <u>June 30, 2018</u>      |   |                            |                     |
| Yuan Ding                 | 779   | <u>\$ 25,063</u>           | <u>\$ 22,524</u>    |

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

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

## 26. REVENUE

|                                       | For the Three Months Ended<br>June 30 |                      | For the Six Months Ended<br>June 30 |                       |
|---------------------------------------|---------------------------------------|----------------------|-------------------------------------|-----------------------|
|                                       | 2019                                  | 2018                 | 2019                                | 2018                  |
| Revenue from contracts with customers |                                       |                      |                                     |                       |
| Revenue from sale of goods            | \$ 49,060,999                         | \$ 36,104,452        | \$ 94,970,654                       | \$ 70,867,317         |
| Telecommunications service revenue    | 11,991,871                            | 12,696,285           | 23,896,059                          | 26,013,330            |
| Construction revenue                  | 2,181,835                             | 1,564,648            | 3,222,625                           | 2,255,436             |
| Other operating revenue               | <u>3,491,877</u>                      | <u>3,573,200</u>     | <u>6,557,161</u>                    | <u>6,260,386</u>      |
|                                       | <u>\$ 66,726,582</u>                  | <u>\$ 53,938,585</u> | <u>\$ 128,646,499</u>               | <u>\$ 105,396,469</u> |

a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

b. Contact balances

|                                     | June 30, 2019        | December 31,<br>2018 | June 30, 2018        | January 1, 2018      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Notes and accounts receivable       | <u>\$ 31,866,629</u> | <u>\$ 29,347,392</u> | <u>\$ 30,494,958</u> | <u>\$ 25,302,780</u> |
| Contract assets                     |                      |                      |                      |                      |
| Bundle sale of goods                | \$ 5,954,998         | \$ 5,433,852         | \$ 5,254,351         | \$ 6,004,544         |
| Real estate construction            | 1,780,021            | 1,760,390            | 1,686,270            | 1,618,182            |
| Retentions receivable               | 339,909              | 306,081              | 457,395              | 406,259              |
| Less: Allowance for impairment loss | <u>(135,925)</u>     | <u>(135,925)</u>     | <u>(152,707)</u>     | <u>-</u>             |
|                                     | <u>\$ 7,939,003</u>  | <u>\$ 7,364,398</u>  | <u>\$ 7,245,309</u>  | <u>\$ 8,028,985</u>  |
| Current                             | \$ 37,901,842        | \$ 35,176,033        | \$ 36,157,980        | \$ 31,333,938        |
| Non-current                         | <u>1,903,790</u>     | <u>1,535,757</u>     | <u>1,582,287</u>     | <u>1,997,827</u>     |
|                                     | <u>\$ 39,805,632</u> | <u>\$ 36,711,790</u> | <u>\$ 37,740,267</u> | <u>\$ 33,331,765</u> |
| Contract liabilities                |                      |                      |                      |                      |
| Sale of goods and services          | \$ 4,120,146         | \$ 3,821,027         | \$ 4,535,093         | \$ 4,151,092         |
| Sale of real estate                 | 31,898               | 19,886               | 14,625               | 56,975               |
| Real estate construction            | 98,138               | 114,423              | 678,101              | 63,502               |
| Retentions payable                  | <u>877,872</u>       | <u>900,146</u>       | <u>815,016</u>       | <u>730,152</u>       |
|                                     | <u>\$ 5,128,054</u>  | <u>\$ 4,855,482</u>  | <u>\$ 6,042,835</u>  | <u>\$ 5,001,721</u>  |
| Current                             | \$ 4,905,042         | \$ 4,647,210         | \$ 5,822,139         | \$ 4,815,955         |
| Non-current                         | <u>223,012</u>       | <u>208,272</u>       | <u>220,696</u>       | <u>185,766</u>       |
|                                     | <u>\$ 5,128,054</u>  | <u>\$ 4,855,482</u>  | <u>\$ 6,042,835</u>  | <u>\$ 5,001,721</u>  |

For notes and accounts receivable, refer to Note 11.

The changes in the contract asset and the contract liability primarily resulted from the timing difference between the Group's performance and the customer's payment, and there did not have other significant changes other than above for the six months ended June 30, 2019 and 2018.

c. Assets related to contract costs

|   | June 30, 2019       | December 31,<br>2018 | June 30, 2018       |
|---|---------------------|----------------------|---------------------|
| Non-current                               |                     |                      |                     |
| Incremental costs of obtaining a contract | \$ <u>2,806,427</u> | \$ <u>1,802,163</u>  | \$ <u>1,421,216</u> |

The Group considered its past experience and believes the commission and subsidies paid for obtaining contracts are wholly recoverable. Amortization recognized in the three months and six months ended June 30, 2019 and 2018 are \$596,770 thousand, \$491,464 thousand, \$1,129,702 thousand and \$951,946 thousand.

d. Disaggregation of revenue

Refer to Note 40 for information about disaggregation of revenue.

## 27. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expenses

|                                     | For the Three Months Ended<br>June 30 |             | For the Six Months Ended<br>June 30 |             |
|-------------------------------------|---------------------------------------|-------------|-------------------------------------|-------------|
|                                     | 2019                                  | 2018        | 2019                                | 2018        |
| Capitalized interests on properties | \$ 34,283                             | \$ 134,770  | \$ 68,643                           | \$ 249,293  |
| Capitalization rates                | 0.42%-4.35%                           | 1.02%-4.75% | 0.42%-4.51%                         | 1.02%-4.75% |

b. Depreciation and amortization

|   | For the Three Months Ended<br>June 30 |                     | For the Six Months Ended<br>June 30 |                      |
|---|---------------------------------------|---------------------|-------------------------------------|----------------------|
|   | 2019                                  | 2018                | 2019                                | 2018                 |
| Property, plant and equipment           | \$ 4,483,029                          | \$ 3,946,342        | \$ 8,884,703                        | \$ 7,901,536         |
| Right-of-use assets                     | 1,074,798                             | -                   | 2,153,449                           | -                    |
| Intangible assets                       | 1,115,415                             | 1,214,334           | 2,221,932                           | 2,347,979            |
| Long-term prepayments for lease         | <u>-</u>                              | <u>52,067</u>       | <u>-</u>                            | <u>104,110</u>       |
|   | <u>\$ 6,673,242</u>                   | <u>\$ 5,212,743</u> | <u>\$ 13,260,084</u>                | <u>\$ 10,353,625</u> |
| An analysis of deprecation by function  |                                       |                     |                                     |                      |
| Operating costs                         | \$ 4,908,029                          | \$ 3,525,685        | \$ 9,749,966                        | \$ 7,035,727         |
| Operating expenses                      | 644,205                               | 408,959             | 1,274,614                           | 841,718              |
| Other expense                           | <u>5,593</u>                          | <u>11,698</u>       | <u>13,572</u>                       | <u>24,091</u>        |
|   | <u>\$ 5,557,827</u>                   | <u>\$ 3,946,342</u> | <u>\$ 11,038,152</u>                | <u>\$ 7,901,536</u>  |
| An analysis of amortization by function |                                       |                     |                                     |                      |
| Operating costs                         | \$ 859,373                            | \$ 961,785          | \$ 1,722,989                        | \$ 1,925,231         |
| Operating expenses                      | <u>256,042</u>                        | <u>304,616</u>      | <u>498,943</u>                      | <u>526,858</u>       |
|   | <u>\$ 1,115,415</u>                   | <u>\$ 1,266,401</u> | <u>\$ 2,221,932</u>                 | <u>\$ 2,452,089</u>  |

c. Employee benefits expense

|   | For the Three Months Ended<br>June 30 |                     | For the Six Months Ended<br>June 30 |                      |
|---|---------------------------------------|---------------------|-------------------------------------|----------------------|
|   | 2019                                  | 2018                | 2019                                | 2018                 |
| Post-employment benefits                            |                                       |                     |                                     |                      |
| Defined contribution plans                          | \$ 188,326                            | \$ 203,076          | \$ 381,935                          | \$ 404,714           |
| Defined benefit plans                               | 27,985                                | 33,345              | 53,263                              | 64,431               |
| Other employee benefits                             | <u>5,568,531</u>                      | <u>5,057,941</u>    | <u>10,819,732</u>                   | <u>10,169,795</u>    |
| Total employee benefit expense                      | <u>\$ 5,784,842</u>                   | <u>\$ 5,294,362</u> | <u>\$ 11,254,930</u>                | <u>\$ 10,638,940</u> |
| Analysis of employee benefit<br>expense by function |                                       |                     |                                     |                      |
| Operating costs                                     | \$ 2,773,432                          | \$ 2,698,775        | \$ 5,455,672                        | \$ 5,206,440         |
| Operating expenses                                  | <u>3,011,410</u>                      | <u>2,595,587</u>    | <u>5,799,258</u>                    | <u>5,432,500</u>     |
|   | <u>\$ 5,784,842</u>                   | <u>\$ 5,294,362</u> | <u>\$ 11,254,930</u>                | <u>\$ 10,638,940</u> |

d. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. However, the Company has to first offset losses from the previous years. The employees' compensation and remuneration of directors for the six months ended June 30, 2019 and 2018 were as follows:

Accrual rate

|                           | For the Six Months Ended<br>June 30 |       |
|---------------------------|-------------------------------------|-------|
|                           | 2019                                | 2018  |
| Employees' compensation   | 3.06%                               | 2.76% |
| Remuneration of directors | 2.30%                               | 2.07% |

Amount

|                           | For the Three Months Ended<br>June 30 |                   | For the Six Months Ended<br>June 30 |                   |
|---------------------------|---------------------------------------|-------------------|-------------------------------------|-------------------|
|                           | 2019                                  | 2018              | 2019                                | 2018              |
| Employees' compensation   | <u>\$ 111,776</u>                     | <u>\$ 161,162</u> | <u>\$ 183,212</u>                   | <u>\$ 230,231</u> |
| Remuneration of directors | <u>\$ 86,336</u>                      | <u>\$ 120,871</u> | <u>\$ 137,362</u>                   | <u>\$ 172,673</u> |

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

The appropriations employees' compensation and remuneration of directors for 2018 and 2017 that were resolved by the board of directors on March 22, 2019 and 2018, respectively, are stated below:

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2018</b>                           | <b>2017</b> |
| Employees' compensation   | \$ 414,416                            | \$ 276,277  |
| Remuneration of directors | 225,812                               | 151,591     |

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the year ended December 31, 2018 and 2017. The Company offered to settle employee's compensation in cash.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Major components of tax recognized in profit or loss

|   | <b>For the Three Months Ended<br/>June 30</b> |                     | <b>For the Six Months Ended<br/>June 30</b> |                     |
|---|---|---------------------|---|---------------------|
|   | <b>2019</b>                                   | <b>2018</b>         | <b>2019</b>                                 | <b>2018</b>         |
| Current tax   | <u>\$ 687,658</u>                             | <u>\$ 1,163,501</u> | <u>\$ 1,361,949</u>                         | <u>\$ 1,666,649</u> |
| Deferred tax  |   |                     |   |                     |
| In respect of the current period  | 21,881  | 455,494             | 26,029                                      | 345,291             |
| Adjustments to deferred tax attributable to changes in tax rates and laws | <u>-</u>                                      | <u>-</u>            | <u>-</u>                                    | <u>132,630</u>      |
|   | <u>21,881</u>                                 | <u>455,494</u>      | <u>26,029</u>                               | <u>477,921</u>      |
| Adjustments for prior years   | <u>11,492</u>                                 | <u>12,689</u>       | <u>11,492</u>                               | <u>12,689</u>       |
| Income tax expense recognized in profit or loss                           | <u>\$ 721,031</u>                             | <u>\$ 1,631,684</u> | <u>\$ 1,399,470</u>                         | <u>\$ 2,157,259</u> |

The Income Tax Act in the ROC was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20%. The effect of the change in tax rate on deferred tax expense to be recognized in profit or loss. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.



b. Income tax recognized in other comprehensive income

|  | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|--|---|------------------|---|------------------|
|  | <b>2019</b>                                   | <b>2018</b>      | <b>2019</b>                                 | <b>2018</b>      |
| <u>Deferred tax</u>  |   |                  |   |                  |
| Effect of change in tax rate<br>In respect of the current period | \$ -  | \$ 10,790        | \$ -  | \$ 22,473        |
| Fair value changes of<br>financial assets at<br>FVTOCI           | (69)  | -                | (515)                                       | -                |
| Gains on property<br>revaluation                                 | -   | -                | (34,501)                                    | -                |
|  | <u>\$ (69)</u>                                | <u>\$ 10,790</u> | <u>\$ (35,016)</u>                          | <u>\$ 22,473</u> |

c. Income tax assessments

|   | <b><u>Latest Year of Income<br/>Tax Return That Tax<br/>Authorities Had<br/>Examined and Cleared</u></b> |
|---|--|
| Far Eastern New Century Corporation               | 2015   |
| Far Eastern Resources Development Co., Ltd.       | 2015   |
| Oriental Petrochemical (Taiwan) Co., Ltd.         | 2016   |
| Fu Kwok Knitting & Garment Co., Ltd.              | 2017   |
| Yuan Tong Investment Co., Ltd.                    | 2017   |
| Kai Yuan International Investment Co., Ltd.       | 2017   |
| Ding Yuan International Investment Co., Ltd.      | 2017   |
| An Ho Garment Co., Ltd.                           | 2017   |
| Far Eastern Textile Ltd.                          | 2017   |
| Far Eastern Construction Co., Ltd.                | 2017   |
| Far Eastern General Contractor Inc.               | 2017   |
| Yuan Ding Investment Co., Ltd.                    | 2016   |
| Far Eastern Fibertech Co., Ltd.                   | 2017   |
| Oriental Resources Development Co., Ltd.          | 2017   |
| Far Eastern Apparel Co., Ltd.                     | 2017   |
| Yuan Faun Co., Ltd.                               | 2017   |
| Yuan Cheng Human Resources Consultant Corporation | 2016   |
| Yuan Ding Co., Ltd.                               | 2017   |
| Far Eastern Technical Consultants Co., Ltd.       | 2017   |
| YDT Technology International Co., Ltd.            | 2017   |
| FET Consulting Engineers Co., Ltd.                | 2017   |
| Ding Ding Integrated Marketing Service Co., Ltd.  | 2016   |
| Ding Ding Hotel Co., Ltd.                         | 2017   |
| Far Eastern Electronic Toll Collection Co., Ltd.  | 2016   |
| Yuan Hsin Digital Payment Co., Ltd.               | 2017   |
| FETC International Co., Ltd                       | 2017   |
| ARCOA Communication Co., Ltd.                     | 2017   |
| Q-ware Communications Corporation                 | 2017   |
| Information Security Service Digital United Inc.  | 2017   |

(Continued)

**Latest Year of Income  
Tax Return That Tax  
Authorities Had  
Examined and Cleared**

|                                      |             |
|--------------------------------------|-------------|
| Linkwell Tech. Co., Ltd.             | 2017        |
| DataExpress Infotech Co., Ltd.       | 2016        |
| Yuan Cing Co., Ltd.                  | 2016        |
| New Diligent Co., Ltd.               | 2017        |
| KGEx.com Co., Ltd.                   | 2017        |
| Home Master Technology Ltd.          | 2017        |
| Yuanshi Digital Technology Co., Ltd. | 2017        |
| Nextlink Technology Co., Ltd.        | 2017        |
| Microfusion Technology Co., Ltd.     | 2017        |
|                                      | (Concluded) |

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

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

Far EasTone Telecommunications Co., Ltd.

Income tax returns of Far EasTone through 2017, except 2016, have been assessed by the tax authorities.

New Century InfoComm Tech Corporation

Income tax returns of New Century InfoComm Tech Corporation through 2016 have been assessed by the tax authorities. However, New Century InfoComm Tech Corporation disagreed with the tax authorities' assessment of its 2013 to 2016 returns and thus applied for administrative remedies. Nevertheless, New Century InfoComm Tech Corporation accrued the related tax.

**29. EARNINGS PER SHARE**

**Unit: NT\$ Per Share**

|                            | <b>For the Three Months Ended<br/>June 30</b> |                | <b>For the Six Months Ended<br/>June 30</b> |                |
|----------------------------|---|----------------|---|----------------|
|                            | <b>2019</b>                                   | <b>2018</b>    | <b>2019</b>                                 | <b>2018</b>    |
| Basic earnings per share   | <u>\$ 0.70</u>                                | <u>\$ 0.98</u> | <u>\$ 1.10</u>                              | <u>\$ 1.48</u> |
| Diluted earnings per share | <u>\$ 0.70</u>                                | <u>\$ 0.98</u> | <u>\$ 1.10</u>                              | <u>\$ 1.47</u> |

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

**Net Income for the Period**

|   | For the Three Months Ended<br>June 30 |                     | For the Six Months Ended<br>June 30 |                     |
|---|---------------------------------------|---------------------|-------------------------------------|---------------------|
|   | 2019                                  | 2018                | 2019                                | 2018                |
| Net income for the period attributable to owners of the Company | <u>\$ 3,505,296</u>                   | <u>\$ 4,906,169</u> | <u>\$ 5,521,083</u>                 | <u>\$ 7,375,615</u> |

**Weighted Average Number of Common Stock Outstanding**

|   | For the Three Months Ended<br>June 30 |                  | For the Six Months Ended<br>June 30 |                  |
|---|---------------------------------------|------------------|-------------------------------------|------------------|
|   | 2019                                  | 2018             | 2019                                | 2018             |
|   | <b>Unit: In Thousand Shares</b>       |                  |                                     |                  |
| Weighted average number of common stock used in the computation of basic earnings per share   | 4,998,166                             | 4,998,166        | 4,998,166                           | 4,998,304        |
| Effect of potentially dilutive common stock:  |                                       |                  |                                     |                  |
| Employees' compensation   | <u>5,469</u>                          | <u>8,312</u>     | <u>12,565</u>                       | <u>13,859</u>    |
| Weighted average number of common stock used in the computation of diluted earnings per share | <u>5,003,635</u>                      | <u>5,006,478</u> | <u>5,010,731</u>                    | <u>5,012,163</u> |

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the three months and six months ended June 30, 2019 and 2018, the Company's EPS were \$0.65, \$0.92, \$1.03 and \$1.38.

### 30. BUSINESS COMBINATIONS

#### a. Subsidiaries acquired

| Subsidiary                              | Principal Activity                | Date of Acquisition | Proportion of Voting Equity Interests Acquired (%) | Consideration Transferred |
|---|-----------------------------------|---------------------|--|---------------------------|
| Nextlink Technology Co., Ltd.           | Electronic informationl services  | March 4, 2019       | 70   | <u>\$ 420,000</u>         |
| Phoenix Technologies International, LLC | Recycled PET production and sales | June 5, 2019        | 90   | <u>\$ 313,750</u>         |

In line with Far EasTone's overall strategy of increasing market share of the fast growing cloud services market, the board of directors of New Century InfoComm Tech Co., Ltd. (Far EasTone's 100% owned subsidiary) resolved on November 5, 2018 to acquire Nextlink Technology Co., Ltd. (Nextlink Technology), and the acquisition was completed on March 4, 2019.

In order to enhance the competitiveness in the industry, the board of directors of APG Polytech USA Holdings, Inc., a subsidiary of FENC, resolved on June 3, 2019 to acquire a subsidiary, Phoenix Technologies International, LLC, by increasing its capital amounted to \$313,750 thousand (US\$10,000) based on Membership Interest Purchase Agreement. The capital injection was completed on June 5, 2019.

#### b. Consideration transferred

|      | Nextlink Technology Co., Ltd. | Phoenix Technologies International, LLC |
|------|-------------------------------|---|
| Cash | <u>\$ 420,000</u>             | <u>\$ 313,750</u>                       |

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

|                         | Nextlink Technology Co., Ltd. | Phoenix Technologies International, LLC |
|-------------------------|-------------------------------|---|
| Current assets          | \$ 314,100                    | \$ 400,578                              |
| Non-current assets      | 146,885                       | 520,824                                 |
| Current liabilities     | (267,471)                     | (166,005)                               |
| Non-current liabilities | <u>(10,884)</u>               | <u>(471,302)</u>                        |
|                         | <u>\$ 182,630</u>             | <u>\$ 284,095</u>                       |

d. Non-controlling interests

The non-controlling interest (30% of total equity in Nextlink Technology Co., Ltd.) was measured using the market approach by reference to the fair value of the non-controlling interest on the date of acquisition, which was \$133,333 thousand.

The non-controlling interest (10% of total equity in Phoenix Technologies International, LLC.) was measured using the market approach by reference to the fair value of the non-controlling interest on the date of acquisition, which was \$29,759 thousand (US\$949 thousand).

e. Goodwill recognized on acquisitions

|   | <b>Nextlink<br/>Technology Co.,<br/>Ltd.</b> | <b>Phoenix<br/>Technologies<br/>International,<br/>LLC</b> |
|---|--|--|
| Consideration transferred   | \$ 420,000                                   | \$ 313,750   |
| Plus: Non-controlling interests (30% in Nextlink Technology Co., Ltd. and 10% in Phoenix Technologies International, LLC) | 133,333                                      | 29,759   |
| Less: Fair value of identifiable net assets acquired  | <u>(182,630)</u>                             | <u>(284,095)</u>   |
| Goodwill recognized on acquisitions   | <u>\$ 370,703</u>                            | <u>\$ 59,414</u>   |

The goodwill generated from the acquisition of Nextlink Technology Co., Ltd. and Phoenix Technologies International, LLC mainly represents benefits of expected synergies of mergers, revenue growth, future market developments and the assembled workforces of Nextlink Technology and Phoenix Technologies International, LLC. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash outflow on the acquisition of subsidiaries

|  | <b>Nextlink<br/>Technology Co.,<br/>Ltd.</b> | <b>Phoenix<br/>Technologies<br/>International,<br/>LLC</b> |
|--|--|--|
| Consideration paid in cash                       | \$ 420,000                                   | \$ 313,750   |
| Less: Cash and cash equivalent balances acquired | <u>(68,196)</u>                              | <u>(228,895)</u>   |
|  | <u>\$ 351,804</u>                            | <u>\$ 84,855</u>   |

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, are as follows:

|                   | <b>Nextlink<br/>Technology Co.,<br/>Ltd.</b> | <b>Phoenix<br/>Technologies<br/>International,<br/>LLC</b> |
|-------------------|--|--|
| Operating revenue | <u>\$ 482,410</u>                            | <u>\$ 85,129</u>   |
| Net income        | <u>\$ 4,621</u>                              | <u>\$ (10,416)</u>   |

Had the business combination been in effect at the beginning of the reporting period, the Group's operating revenue for the three months and six months ended June 30, 2019 would have been \$67,179,031 thousand and \$129,624,989 thousand, respectively, and the Group's net income for the three months and six months ended June 30, 2019 would have been \$4,984,507 thousand and \$8,429,710 thousand, respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2019, nor is it intended to be a projection of future results.

### 31. DISPOSAL OF SUBSIDIARIES

On April 15, 2019, the Group entered into an agreement to dispose of Omusic Co., Ltd. (Omusic), which provides electronic information services. The disposal was completed on April 30, 2019, on which date control of Omusic passed to the acquirer.

a. Consideration received from disposal

|                                | <b>Omusic</b>    |
|--------------------------------|------------------|
| Consideration received in cash | <u>\$ 10,500</u> |

b. Analysis of assets and liabilities on the date control was lost

|                        | <b>Omusic</b>    |
|------------------------|------------------|
| Current assets         | \$ 99,652        |
| Non-current assets     | 989              |
| Current liabilities    | <u>(78,092)</u>  |
| Net assets disposed of | <u>\$ 22,549</u> |

c. Loss on disposal of a subsidiary

|                           | <b>Omusic</b>   |
|---------------------------|-----------------|
| Consideration received    | \$ 10,500       |
| Net assets disposed of    | (22,549)        |
| Non-controlling interests | <u>11,276</u>   |
| Loss on disposal          | <u>\$ (773)</u> |

d. Net cash outflow on disposal of a subsidiary

|   | <b>Omusic</b>    |
|---|------------------|
| Consideration received in cash                      | \$ 10,500        |
| Less: Cash and cash equivalent balances disposed of | <u>(50,303)</u>  |
|   | <u>\$ 39,803</u> |

### 32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

#### For the six months ended June 30, 2019

In February 2019, the Group subscribed for additional new shares of Yuan Ding Enterprise (Shanghai) Limited in cash at a percentage different from its existing ownership percentage, decreasing its continuing interest from 100% to 40%. As the Group still maintain over half of the board of directors of Yuan Ding Enterprise (Shanghai) Limited, the Group does not lose control of Yuan Ding Enterprise (Shanghai) Limited.

As it did not have effect on the Group's control over the subsidiary, the transaction above was recognized as equity transaction. Cash consideration paid and equity transactions were as follows:

|  | <b>Yuan Ding<br/>Enterprise<br/>(Shanghai)<br/>Limited</b> |
|--|--|
| Cash consideration received  | \$ 3,435,000   |
| The proportionate share of the carrying amount of the net assets of the subsidiary | <u>(3,088,551)</u>   |
| Differences recognized from equity transactions                                    | <u>\$ 346,449</u>  |
| <u>Line items adjusted for equity transactions</u>                                 |  |
| Capital surplus  | <u>\$ 346,449</u>  |

#### For the six months ended June 30, 2018

On March 2, 2018, the Group paid \$171,260 thousand to acquired for additional shares of Oriental Resources Development Co., Ltd. from associate, Oriental Union Chemical Corporation at a percentage different from its existing ownership percentage, increasing its continuing interest from 70% to 100%.

The transaction above was recognized as equity transaction as it did not have effect on the Group's control over the subsidiary. Cash consideration paid and equity transactions were as follows:

|  | <b>Oriental<br/>Resources<br/>Development<br/>Co., Ltd.</b> |
|--|---|
| Cash consideration paid  | \$ (171,260)  |
| The proportionate share of the carrying amount of the net assets of the subsidiary | <u>153,820</u>  |
| Differences recognized from equity transactions                                    | <u>\$ (17,440)</u>  |
| <u>Line items adjusted for equity transactions</u>                                 |   |
| Unappropriated earnings  | <u>\$ (17,440)</u>  |

In April and June 2018, the Group subscribed for additional new shares and acquired remaining non-controlling interest shares of Q-ware Communications Corporation in cash respectively at a percentage different from its existing ownership percentage, increasing its continuing interest from 81.63% to 100%.

|  | <b>Q-ware<br/>Communications<br/>Corporation</b> |
|--|--|
| Cash consideration paid  | \$ (5,398)                                       |
| The proportionate share of the carrying amount of the net assets of the subsidiary | <u>(7,556)</u>                                   |
| Differences recognized from equity transactions                                    | <u>\$ (12,954)</u>                               |
| <u>Line items adjusted for equity transactions</u>                                 |  |
| Unappropriated earnings  | <u>\$ (12,954)</u>                               |

### 33. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments not measured at fair value

##### 1) The financial liabilities which have significant difference from their fair values.

|  | <u>June 30, 2019</u> |                | <u>December 31, 2018</u> |               | <u>June 30, 2018</u> |               |
|--|----------------------|----------------|--------------------------|---------------|----------------------|---------------|
|  | Carrying<br>Amount   | Fair Value     | Carrying<br>Amount       | Fair Value    | Carrying<br>Amount   | Fair Value    |
| <u>Financial liabilities</u>                           |                      |                |                          |               |                      |               |
| Financial liabilities<br>measured at<br>amortized cost |                      |                |                          |               |                      |               |
| Bonds payable  | \$ 102,893,807       | \$ 103,343,404 | \$ 96,697,041            | \$ 97,154,197 | \$ 98,199,205        | \$ 98,830,665 |

##### 2) Fair value hierarchy

###### June 30, 2019

|                              | <b>Level 1</b>        | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>          |
|------------------------------|-----------------------|----------------|----------------|-----------------------|
| <u>Financial liabilities</u> |                       |                |                |                       |
| Bonds payable                | <u>\$ 103,343,404</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 103,343,404</u> |

###### December 31, 2018

|                              | <b>Level 1</b>       | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|------------------------------|----------------------|----------------|----------------|----------------------|
| <u>Financial liabilities</u> |                      |                |                |                      |
| Bonds payable                | <u>\$ 97,154,197</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 97,154,197</u> |



June 30, 2018

|                              | <b>Level 1</b>       | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>         |
|------------------------------|----------------------|----------------|----------------|----------------------|
| <u>Financial liabilities</u> |                      |                |                |                      |
| Bonds payable                | <u>\$ 98,830,665</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 98,830,665</u> |

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

## 1) Fair value hierarchy

June 30, 2019

|   | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>      | <b>Total</b>        |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>Financial assets at FVTPL</u>  |                     |                     |                     |                     |
| Open-end mutual funds -<br>beneficial certificates                        | \$ 2,926,551        | \$ -                | \$ -                | \$ 2,926,551        |
| Oversea mutual funds - benefit<br>certificates                            | -                   | 1,398,113           | -                   | 1,398,113           |
| Domestic listed shares  | 243,774             | -                   | -                   | 243,774             |
| Forward exchange contracts  | <u>-</u>            | <u>-</u>            | <u>3,746</u>        | <u>3,746</u>        |
|   | <u>\$ 3,170,325</u> | <u>\$ 1,398,113</u> | <u>\$ 3,746</u>     | <u>\$ 4,572,184</u> |
| <u>Financial assets at FVTOCI</u>   |                     |                     |                     |                     |
| Domestic listed shares  | \$ 401,343          | \$ -                | \$ -                | \$ 401,343          |
| Domestic unlisted shares  | -                   | -                   | 908,195             | 908,195             |
| Real estate investment trust<br>mutual funds - beneficial<br>certificates | 300,000             | -                   | -                   | 300,000             |
| Oversea unlisted shares   | <u>-</u>            | <u>-</u>            | <u>496,913</u>      | <u>496,913</u>      |
|   | <u>\$ 701,343</u>   | <u>\$ -</u>         | <u>\$ 1,405,108</u> | <u>\$ 2,106,451</u> |
| <u>Financial liabilities at FVTPL</u>                                     |                     |                     |                     |                     |
| Forward exchange contracts  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 3,333</u>     | <u>\$ 3,333</u>     |
| <u>Financial liabilities for hedging</u>                                  |                     |                     |                     |                     |
| Cash flow hedges - interest rate<br>swap contracts                        | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 45,485</u>    | <u>\$ 45,485</u>    |

December 31, 2018

|  | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>  | <b>Total</b>        |
|--|---------------------|---------------------|-----------------|---------------------|
| <u>Financial assets at FVTPL</u>                   |                     |                     |                 |                     |
| Open-end mutual funds -<br>beneficial certificates | \$ 2,968,716        | \$ -                | \$ -            | \$ 2,968,716        |
| Oversea mutual funds - benefit<br>certificates     | -                   | 2,885,614           | -               | 2,885,614           |
| Domestic listed shares                             | 219,164             | -                   | -               | 219,164             |
| Forward exchange contracts                         | <u>-</u>            | <u>-</u>            | <u>2,110</u>    | <u>2,110</u>        |
|  | <u>\$ 3,187,880</u> | <u>\$ 2,885,614</u> | <u>\$ 2,110</u> | <u>\$ 6,075,604</u> |

(Continued)

|   | Level 1           | Level 2     | Level 3             | Total               |
|---|-------------------|-------------|---------------------|---------------------|
| Financial assets at FVTOCI                          |                   |             |                     |                     |
| Domestic listed shares                              | \$ 381,431        | \$ -        | \$ -                | \$ 381,431          |
| Domestic unlisted shares                            | -                 | -           | 916,725             | 916,725             |
| Real estate investment trust mutual funds           |                   |             |                     |                     |
| - beneficial certificates                           | 301,500           | -           | -                   | 301,500             |
| Oversea unlisted shares                             | <u>-</u>          | <u>-</u>    | <u>490,492</u>      | <u>490,492</u>      |
|   | <u>\$ 682,931</u> | <u>\$ -</u> | <u>\$ 1,407,217</u> | <u>\$ 2,090,148</u> |
| Financial assets for hedging                        |                   |             |                     |                     |
| Fair value hedges - foreign exchange swap contracts | \$ -              | \$ -        | \$ 1,868            | \$ 1,868            |
| Cash flow hedges - interest rate swap contracts     | <u>-</u>          | <u>-</u>    | <u>65,356</u>       | <u>65,356</u>       |
|   | <u>\$ -</u>       | <u>\$ -</u> | <u>\$ 67,224</u>    | <u>\$ 67,224</u>    |
| Financial liabilities at FVTPL                      |                   |             |                     |                     |
| Forward exchange contracts                          | <u>\$ -</u>       | <u>\$ -</u> | <u>\$ 6,848</u>     | <u>\$ 6,848</u>     |
|   |                   |             |                     | (Concluded)         |

June 30, 2018

|   | Level 1             | Level 2             | Level 3             | Total               |
|---|---------------------|---------------------|---------------------|---------------------|
| Financial assets at FVTPL                           |                     |                     |                     |                     |
| Open-end mutual funds - beneficial certificates     | \$ 3,171,359        | \$ -                | \$ -                | \$ 3,171,359        |
| Oversea mutual funds - benefit certificates         | -                   | 1,371,125           | -                   | 1,371,125           |
| Domestic listed shares                              | 334,737             | -                   | -                   | 334,737             |
| Guarantee deposits - cotton futures contracts       | -                   | -                   | 18,298              | 18,298              |
| Forward exchange contracts                          | <u>-</u>            | <u>-</u>            | <u>5,061</u>        | <u>5,061</u>        |
|   | <u>\$ 3,506,096</u> | <u>\$ 1,371,125</u> | <u>\$ 23,359</u>    | <u>\$ 4,900,580</u> |
| Financial assets at FVTOCI                          |                     |                     |                     |                     |
| Domestic listed shares                              | \$ 396,215          | \$ -                | \$ -                | \$ 396,215          |
| Domestic unlisted shares                            | -                   | -                   | 774,810             | 774,810             |
| Oversea unlisted shares                             | <u>-</u>            | <u>-</u>            | <u>341,627</u>      | <u>341,627</u>      |
|   | <u>\$ 396,215</u>   | <u>\$ -</u>         | <u>\$ 1,116,437</u> | <u>\$ 1,512,652</u> |
| Financial assets for hedging                        |                     |                     |                     |                     |
| Cash flow hedges - interest rate swap contracts     | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 58,971</u>    | <u>\$ 58,971</u>    |
| Financial liabilities at FVTPL                      |                     |                     |                     |                     |
| Forward exchange contracts                          | \$ -                | \$ -                | \$ 31,241           | \$ 31,241           |
| Option contracts                                    | -                   | -                   | 1,868               | 1,868               |
| Combined exchange options                           | <u>-</u>            | <u>-</u>            | <u>50,984</u>       | <u>50,984</u>       |
|   | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 84,093</u>    | <u>\$ 84,093</u>    |
| Financial liabilities for hedging                   |                     |                     |                     |                     |
| Fair value hedges - foreign exchange swap contracts | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 4,013</u>     | <u>\$ 4,013</u>     |

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2019 and 2018.

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

For the six months ended June 30, 2019

|  | Financial Assets<br>at FVTPL | Financial Assets<br>at FVTOCI | Financial<br>Instruments for<br>Hedging | Total               |
|--|------------------------------|-------------------------------|---|---------------------|
| Balance at January 1, 2019                             | \$ (4,738)                   | \$ 1,407,217                  | \$ 67,224                               | \$ 1,469,703        |
| Recognized in profit or loss                           |                              |                               |   |                     |
| Realized   | (20,445)                     | -                             | 12,285                                  | (8,160)             |
| Unrealized   | 413                          | -                             | (1,868)                                 | (1,455)             |
| Recognized in other comprehensive<br>income            | -                            | (8,126)                       | (110,841)                               | (118,967)           |
| Settlements and effect of exchange rate<br>differences | <u>25,183</u>                | <u>6,017</u>                  | <u>(12,285)</u>                         | <u>18,915</u>       |
| Balance at June 30, 2019                               | <u>\$ 413</u>                | <u>\$ 1,405,108</u>           | <u>\$ (45,485)</u>                      | <u>\$ 1,360,036</u> |

For the six months ended June 30, 2018

|  | Financial Assets<br>at FVTPL | Financial Assets<br>at FVTOCI | Financial<br>Instruments for<br>Hedging | Total               |
|--|------------------------------|-------------------------------|---|---------------------|
| Balance at January 1, 2018                             | \$ 13,229                    | \$ -                          | \$ 37,244                               | \$ 50,473           |
| Adjustment on initial application of<br>IFRS 9         | <u>-</u>                     | <u>1,151,681</u>              | <u>-</u>                                | <u>1,151,681</u>    |
| Balance at January 1, 2018 after<br>adjustment         | 13,229                       | 1,151,681                     | 37,244                                  | 1,202,154           |
| Recognized in profit or loss                           |                              |                               |   |                     |
| Realized   | (27,090)                     | -                             | (5,631)                                 | (32,721)            |
| Unrealized   | (60,734)                     | -                             | -                                       | (60,734)            |
| Recognized in other comprehensive<br>income            | -                            | 23,205                        | 23,427                                  | 46,632              |
| Return on the capital reduction                        | -                            | (61,500)                      | -                                       | (61,500)            |
| Settlements and effect of exchange rate<br>differences | <u>13,861</u>                | <u>3,051</u>                  | <u>(82)</u>                             | <u>16,830</u>       |
| Balance at June 30, 2018                               | <u>\$ (60,734)</u>           | <u>\$ 1,116,437</u>           | <u>\$ 54,958</u>                        | <u>\$ 1,110,661</u> |

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

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

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

| <u>Financial Instruments</u>  | <u>Valuation Techniques and Inputs</u>  |
|---|---|
| Unlisted shares   | <p>a) Asset-based approach. Valuation is based on the fair value of an investee, calculated through each investment of the investee using the income approach, market approach or a combination of the two approaches, while also taking the liquidity premium into consideration.</p> <p>b) Transaction method of market approach. The approach is a valuation strategy that looks at market ratios of companies with similar profitability at the end of the reporting period, while taking the liquidity premium into consideration.</p> |
| Future contracts  | The fair values of futures contracts are determined using futures contract pricing models where the significant unobservable inputs are historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value.  |
| Forward exchange contracts, option contracts, combined exchange options, interest rate swap and foreign exchange contracts swap contracts | Cash flow is discounted. Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates and discounted at a rate that reflect the credit risk and value of the currency.   |

c. Categories of financial instruments

|   | <b>June 30, 2019</b> | <b>December 31, 2018</b> | <b>June 30, 2018</b> |
|---|----------------------|--------------------------|----------------------|
| <u>Financial assets</u>                     |                      |                          |                      |
| Financial assets at FVTPL                   | \$ 4,572,184         | \$ 6,075,604             | \$ 4,900,580         |
| Financial assets for hedging                | -                    | 67,224                   | 58,971               |
| Financial assets at amortized cost (Note 1) | 87,400,081           | 79,904,474               | 91,783,365           |
| Financial assets at FVTOCI                  | 2,106,451            | 2,090,148                | 1,512,652            |
| <u>Financial liabilities</u>                |                      |                          |                      |
| Financial liabilities at FVTPL              | 3,333                | 6,848                    | 84,093               |
| Financial liabilities for hedging           | 45,485               | -                        | 4,013                |
| Amortized cost (Note 2)                     | 278,177,607          | 266,263,137              | 259,584,181          |

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, debt investments, notes and accounts receivable (including related parties), other receivables (including related parties), long-term receivables, refundable deposits and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, short-term bills payable, notes and accounts payable (including related parties), other payables (including related parties), payables to suppliers of machinery and equipment, provisions, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

|                             | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|-----------------------------|----------------------|------------------------------|----------------------|
| 5% change in profit or loss |                      |                              |                      |
| USD                         | <u>\$ (425,379)</u>  | <u>\$ (276,110)</u>          | <u>\$ (575,826)</u>  |

## Hedge accounting

The Group hedged exposure to changes in fair value by using foreign exchange swap contracts to minimize currency exposure to changes in the fair value of certain assets in foreign currencies.

The following tables summarize the information relating to the hedges of foreign currency risk:

### December 31, 2018

| Hedging Instruments  | Currency        | Notional Amount     | Maturity   | Forward Rate          | Line Item in Balance Sheet                                 | Carrying Amount  |           | Change in Value Used for Calculating Hedge Ineffectiveness |
|--|-----------------|---------------------|--|-----------------------|--|--|-----------|--|
|  |                 |                     |  |                       |  | Asset  | Liability |  |
| Fair value hedge<br>Foreign exchange swap contracts                    | USD/NTD         | US\$10,000 thousand | January 3, 2019-<br>January 31, 2019               | \$30.770/<br>\$30.825 | Financial assets (liabilities) for hedging                 | \$ 1,868   | \$ -      | \$ -   |
| Hedged Items   | Carrying Amount |                     | Accumulated Amount of Fair Value Hedge Adjustments |                       | Change in Value Used for Calculating Hedge Ineffectiveness | Accumulated Amount of Fair Value Hedge Adjustments for Hedged Items That Have Ceased to Be Adjusted for Hedging Gains and Losses |           |  |
|  | Asset           | Liability           | Asset  | Liability             |  |  |           |  |
| Fair value hedge<br>Overseas mutual funds -<br>beneficial certificates |                 | \$ 291,245          | \$ -   | \$ 7,850              | \$ -   | \$ -   | \$ -      |  |

### June 30, 2018

| Hedging Instruments  | Currency        | Notional Amount     | Maturity   | Forward Rate           | Line Item in Balance Sheet                                 | Carrying Amount  |           | Change in Value Used for Calculating Hedge Ineffectiveness |
|--|-----------------|---------------------|--|------------------------|--|--|-----------|--|
|  |                 |                     |  |                        |  | Asset  | Liability |  |
| Fair value hedge<br>Foreign exchange swap contracts                    | USD/NTD         | US\$10,000 thousand | August 20, 2018 -<br>September 28, 2018            | \$29.7815/<br>\$30.255 | Financial assets (liabilities) for hedging                 | \$ -   | \$ 4,013  | \$ -   |
| Hedged Items   | Carrying Amount |                     | Accumulated Amount of Fair Value Hedge Adjustments |                        | Change in Value Used for Calculating Hedge Ineffectiveness | Accumulated Amount of Fair Value Hedge Adjustments for Hedged Items That Have Ceased to Be Adjusted for Hedging Gains and Losses |           |  |
|  | Asset           | Liability           | Asset  | Liability              |  |  |           |  |
| Fair value hedge<br>Overseas mutual funds -<br>beneficial certificates |                 | \$ 299,596          | \$ -   | \$ (5,300)             | \$ -   | \$ -   | \$ -      |  |

The Group invested in overseas mutual funds, whose fair value are exposed to the changes of net asset value and exchange rates. Thus, the Group used foreign exchange swap contracts to minimize the currency risk.

#### b) Interest rate risk

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

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

|                               | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|-------------------------------|----------------------|------------------------------|----------------------|
| Fair value interest rate risk |                      |                              |                      |
| Financial assets              | \$ 17,849,058        | \$ 18,532,265                | \$ 22,813,179        |
| Financial liabilities         | 193,609,648          | 178,174,390                  | 162,392,667          |
| Cash flow interest rate risk  |                      |                              |                      |
| Financial assets              | 14,092,695           | 12,713,223                   | 16,306,061           |
| Financial liabilities         | 37,244,557           | 40,917,276                   | 41,991,895           |

#### Sensitivity analysis

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

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate as of June 30, 2019, December 31, 2018 and June 30, 2018 would have decreased/increase by \$44,511 thousand, \$46,215 thousand and \$56,891 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$35,232 thousand, \$31,783 thousand and \$40,765 thousand, respectively.

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate as of June 30, 2019, December 31, 2018 and June 30, 2018 would have decreased/increase by \$482,817 thousand, \$444,325 thousand and \$404,969 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increase by \$93,111 thousand, \$102,293 thousand and \$104,980 thousand, respectively.

#### Hedge accounting

##### For the six months ended June 30, 2019

The Group entered into interest rate swap contracts to mitigate the risk of changes in floating interest rates on cash flow exposure related to its outstanding variable rate debt.

All interest rate swap contracts that exchange floating rate interest amounts with fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on loans occur simultaneously, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

The following tables summarize the information relating to the hedges for interest rate risk.

June 30, 2019

| Hedging Instruments                    | Notional Amount        | Maturity      | Range of Interest Rates Paid | Range of Interest Rates Received | Line Item in Balance Sheet        | Carrying Amount |           | Change In Value Used for Calculating Hedge Ineffectiveness |
|--|------------------------|---------------|------------------------------|----------------------------------|-----------------------------------|-----------------|-----------|--|
|  |                        |               |                              |                                  |                                   | Asset           | Liability |  |
| Cash flow hedge<br>Interest rate swaps | NT\$3,294,000 thousand | November 2025 | 0%-4.8%                      | 0.60%-4.18%                      | Financial liabilities for hedging | \$ -            | \$ 45,485 | \$ -   |

| Hedged Items  | Change in Value Used for Calculating Hedge Ineffectiveness | Balance in Other Equity Hedge |                              |
|---|--|-------------------------------|------------------------------|
|   |  | Continuing Hedges             | Accounting No Longer Applied |
| Cash flow hedge<br>Interest expense from long term debt | \$ -   | \$ (45,485)                   | \$ -                         |

For the three months ended June 30, 2019

| Comprehensive Income                                    | Hedging Gains (Losses) Recognized in OCI | Amount of Hedge Ineffectiveness Recognized in Profit or Loss | Line Item in Which Hedge Ineffectiveness is Included | Amount Reclassified to P/L and the Adjusted Line Item Due to Hedged Item Affecting P/L |
|---|--|--|--|--|
| Cash flow hedge<br>Interest expense from long-term debt | \$ (20,784)                              | \$ -   | -  | \$10,366<br>Increase in interest expense   |

For the six months ended June 30, 2019

| Comprehensive Income                                    | Hedging Gains (Losses) Recognized in OCI | Amount of Hedge Ineffectiveness Recognized in Profit or Loss | Line Item in Which Hedge Ineffectiveness is Included | Amount Reclassified to P/L and the Adjusted Line Item Due to Hedged Item Affecting P/L |
|---|--|--|--|--|
| Cash flow hedge<br>Interest expense from long-term debt | \$ (110,841)                             | \$ -   | -  | \$12,285<br>Increase in interest expense   |

December 31, 2018

| Hedging Instruments                    | Notional Amount        | Maturity      | Range of Interest Rates Paid | Range of Interest Rates Received | Line Item in Balance Sheet   | Carrying Amount |           | Change In Value Used for Calculating Hedge Ineffectiveness |
|--|------------------------|---------------|------------------------------|----------------------------------|------------------------------|-----------------|-----------|--|
|  |                        |               |                              |                                  |                              | Asset           | Liability |  |
| Cash flow hedge<br>Interest rate swaps | NT\$31,693 thousand    | February 2019 | 0%-4.8%                      | 3m TIBOR+1.10% (Note)            | Financial assets for hedging | \$ 65,356       | \$ -      | \$ -   |
|  | NT\$3,294,000 thousand | November 2025 | 0%-4.8%                      | 0.60%-4.90%                      |                              |                 |           |  |

Note: The reference interest rate refers to the “Taiwan Financial Industry Disposal Fixed Rate (TIBOR)” announcement by the Republic of China Banking Association for a three-month interest rate (90 days).



| Hedged Items                         | Change in Value Used for Calculating Hedge Ineffectiveness | Balance in Other Equity |                              |
|--------------------------------------|--|-------------------------|------------------------------|
|                                      |  | Continuing Hedges       | Accounting No Longer Applied |
| Cash flow hedge                      |  |                         |                              |
| Interest expense from long-term debt | \$ -   | \$ 65,356               | \$ -                         |

For the year ended December 31, 2018

| Comprehensive Income                 | Hedging Gains (Losses) Recognized in OCI | Amount of Hedge Ineffectiveness Recognized in Profit or Loss | Line Item in Which Hedge Ineffectiveness Is Included | Amount Reclassified to P/L and the Adjusted Line Item |  |
|--------------------------------------|--|--|--|---|--|
|                                      |  |  |  | Due to Hedged Item Affecting P/L                      | Due to Hedged Future Cash Flow No Longer Expected to Occur |
| Cash flow hedge                      |  |  |  |   |  |
| Interest expense from long-term debt | \$ 29,812                                | \$ -   | \$ -   | \$ 5,238<br>Decrease in interest expense              | \$ -   |

June 30, 2018

| Hedging Instruments | Notional Amount        | Maturity          | Range of Interest Rates Paid | Range of Interest Rates Received | Line Item in Balance Sheet                 | Carrying Amount |           | Change In Value Used for Calculating Hedge Ineffectiveness |
|---------------------|------------------------|-------------------|------------------------------|----------------------------------|--|-----------------|-----------|--|
|                     |                        |                   |                              |                                  |  | Asset           | Liability |  |
| Cash flow hedge     |                        |                   |                              |                                  |  |                 |           |  |
| Interest rate swaps | NT\$327,918 thousand   | February 10, 2019 | 0%-4.8%                      | 3m TIBOR+1.10% (Note)            | Financial assets (liabilities) for hedging | \$ 58,971       | \$ -      | \$ -   |
|                     | NT\$3,294,000 thousand | November 10, 2025 | 0%-4.8%                      | 0.60%-4.90%                      |  |                 |           |  |

Note: The reference interest rate refers to the “Taiwan Financial Industry Disposal Fixed Rate (TIBOR)” announcement by the Republic of China Banking Association for a three-month interest rate (90 days).

| Hedged Items                    | Change in Value Used for Calculating Hedge Ineffectiveness | Balance in Other Equity |                              |
|---------------------------------|--|-------------------------|------------------------------|
|                                 |  | Continuing Hedges       | Accounting No Longer Applied |
| Cash flow hedge                 |  |                         |                              |
| Long-term debt in floating rate | \$ -   | \$ 58,971               | \$ -                         |

For the three months ended June 30, 2018

| Comprehensive Income                 | Hedging Gains<br>(Losses)<br>Recognized in<br>OCI | Amount of<br>Hedge<br>Ineffectiveness<br>Recognized in<br>Profit or Loss | Line Item in<br>Which Hedge<br>Ineffectiveness<br>is Included | Amount Reclassified to P/L and<br>the Adjusted Line Item<br>Due to Hedged Item Affecting<br>P/L |
|--------------------------------------|---|--|---|---|
| Cash flow hedge                      |   |  |   |   |
| Interest expense from long-term debt | \$ 49,394   | \$ -   | -   | \$959<br>Decrease in interest expense   |

For the six months ended June 30, 2018

| Comprehensive Income                 | Hedging Gains<br>(Losses)<br>Recognized in<br>OCI | Amount of<br>Hedge<br>Ineffectiveness<br>Recognized in<br>Profit or Loss | Line Item in<br>Which Hedge<br>Ineffectiveness<br>is Included | Amount Reclassified to P/L and<br>the Adjusted Line Item<br>Due to Hedged Item Affecting<br>P/L |
|--------------------------------------|---|--|---|---|
| Cash flow hedge                      |   |  |   |   |
| Interest expense from long-term debt | \$ 23,427   | \$ -   | -   | \$82<br>Decrease in interest expense  |

c) Other price risks

The Group was exposed to equity price risk because of its investments in FVTPL and FVTOCI.

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of financial assets at FVTPL and fair value of financial assets at FVTOCI as of June 30, 2019, December 31, 2018 and June 30, 2018, would have decreased by \$333,744 thousand, \$408,182 thousand and \$319,494 thousand.

2) Credit risk

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

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

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

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

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

### 3) Liquidity risk

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

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

|                          | <b>1-2 Years</b>     | <b>2-3 Years</b>     | <b>Over 3 Years</b>  | <b>Total</b>         |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| <u>June 30, 2019</u>     |                      |                      |                      |                      |
| Long-term borrowings     | \$ 39,774,408        | \$ 15,265,285        | \$ 17,852,363        | \$ 72,892,056        |
| Bonds payable            | <u>17,300,000</u>    | <u>19,000,000</u>    | <u>43,000,000</u>    | <u>79,300,000</u>    |
|                          | <u>\$ 57,074,408</u> | <u>\$ 34,265,285</u> | <u>\$ 60,852,363</u> | <u>\$152,192,056</u> |
| <u>December 31, 2018</u> |                      |                      |                      |                      |
| Long-term borrowings     | \$ 39,602,346        | \$ 9,670,000         | \$ 19,446,963        | \$ 68,719,309        |
| Bonds payable            | <u>20,600,000</u>    | <u>13,200,000</u>    | <u>45,200,000</u>    | <u>79,000,000</u>    |
|                          | <u>\$ 60,202,346</u> | <u>\$ 22,870,000</u> | <u>\$ 64,646,963</u> | <u>\$147,719,309</u> |
| <u>June 30, 2018</u>     |                      |                      |                      |                      |
| Long-term borrowings     | \$ 30,864,563        | \$ 6,723,008         | \$ 22,648,487        | \$ 60,236,058        |
| Bonds payable            | <u>23,700,000</u>    | <u>17,300,000</u>    | <u>41,000,000</u>    | <u>82,000,000</u>    |
|                          | <u>\$ 54,564,563</u> | <u>\$ 24,023,008</u> | <u>\$ 63,648,487</u> | <u>\$142,236,058</u> |

#### Additional information about the maturity analysis for lease liabilities

|                   | <b>1-5 Years</b>    | <b>5-10 Years</b> | <b>10-15 Years</b> | <b>15-20 Years</b> | <b>20+ Years</b> |
|-------------------|---------------------|-------------------|--------------------|--------------------|------------------|
| Lease liabilities | <u>\$ 6,575,750</u> | <u>\$ 769,148</u> | <u>\$ 79,660</u>   | <u>\$ 58,958</u>   | <u>\$ 69,769</u> |

### 34. TRANSACTIONS WITH RELATED PARTIES

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the three months and six months ended June 30, 2019 and 2018 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

### 35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

|   | June 30, 2019        | December 31,<br>2018 | June 30, 2018        |
|---|----------------------|----------------------|----------------------|
| Financial assets at FVTPL - current               | \$ 26,306            | \$ 26,237            | \$ 26,177            |
| Other financial assets - current                  | 1,428,677            | 1,742,702            | 2,795,718            |
| Inventories - available-for-construction          | 200,654              | 200,654              | 200,654              |
| Inventories - construction in progress            | 492,503              | 492,503              | 492,503              |
| Financial assets at amortized cost - non-current  | -                    | 400,000              | -                    |
| Property, plant and equipment, net                | 28,844,550           | 29,505,689           | 31,555,254           |
| Investment properties                             | 37,251,296           | 35,503,299           | 35,733,200           |
| Investments accounted for using the equity method | 3,022,379            | 2,901,592            | 2,858,267            |
| Concessions - cost                                | 3,756,000            | 3,756,000            | 3,756,000            |
| Other financial assets - non-current              | <u>2,489,956</u>     | <u>2,631,972</u>     | <u>2,025,115</u>     |
|   | <u>\$ 77,512,321</u> | <u>\$ 77,160,648</u> | <u>\$ 79,442,888</u> |

As of June 30, 2019, December 31, 2018 and June 30, 2018, FENC and some of its subsidiaries had provided 61,622 thousand shares, 61,622 thousand shares and 87,520 thousand shares, respectively, of common stock of Far EasTone Telecommunications Co., Ltd. and 10,000 thousand of common stock of Yuan Ding Co., Ltd. as collaterals for short-term borrowings, short-term bills payable and long-term borrowings.

### 36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2019, December 31, 2018 and June 30, 2018 were as follows:

- a. The Group issued but unused letters of credit aggregated at approximately \$202,690 thousand, \$442,493 thousand and \$503,206 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.
- b. The Group (except for Far EasTone and its subsidiaries) had unpaid construction contract and property, plant and equipment amounting to \$8,581,397 thousand, \$3,738,851 thousand and \$4,749,301 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.

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

|   | June 30, 2019       | December 31,<br>2018 | June 30, 2018       |
|---|---------------------|----------------------|---------------------|
| Acquisition of property, plant and equipment under contracts    | \$ 4,528,345        | \$ 4,879,774         | \$ 6,657,995        |
| Less: Payments for acquisition of property, plant and equipment | <u>1,496,864</u>    | <u>1,245,097</u>     | <u>3,402,349</u>    |
|   | <u>\$ 3,031,481</u> | <u>\$ 3,634,677</u>  | <u>\$ 3,255,646</u> |
| Acquisition of inventories under contract                       | \$ 8,357,578        | \$ 10,855,083        | \$ 10,792,042       |
| Less: Payments for acquisition inventories                      | <u>4,880,280</u>    | <u>5,495,652</u>     | <u>5,025,782</u>    |
|   | <u>\$ 3,477,298</u> | <u>\$ 5,359,431</u>  | <u>\$ 5,766,260</u> |

- c. The letters of bank guarantees issued for importing from manufactures all amounted to \$100,000 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018.
- d. There were undelivered cotton contracts which were unable to be cancelled amounting to \$106,884 thousand, \$248,124 thousand and \$308,461 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.
- e. Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$45,842,060 thousand, \$45,448,684 thousand and \$46,971,830 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.
- f. Far Eastern Electronic Toll Collection Co., Ltd. (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement amounted to \$3,865,812 thousand, \$3,839,110 thousand and \$3,843,898 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively.
- g. Endorsements and guarantees provided to related parties are shown in Table 6 (attached).
- h. A subsidiary of FENC, Far Eastern General Contractor Corporation (FEGC), contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose because of adverse economic factors and the rising prices of stainless steel and cable materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss and got no indemnification. Thus, FEGC filed a lawsuit for indemnification with the Supreme Court. As of August 9, 2019, the result of the lawsuit was still being awaited.

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

- i. As of June 30, 2011, the usage rate of electronic toll collection (ETC) services had not reached the requirement as stated in the contract of the Electronic Toll Collection BOT Project ("ETC Project"). Thus, Far Eastern Electronic Toll Collection Co., Ltd. (FETC) filed a lawsuit against Taiwan Area National Freeway Bureau (TANFB), and the Supreme Court remanded this case to the Taipei District Court Civil Division in September 2015. FETC had accrued the related penalties, and on October 19, 2018, the Taipei District Court pronounced the judgment in FETC's favor. The TANFB filed an appeal on November 9, 2018, and the Supreme Court rejected the appeal on July 11, 2019. As of August 9, 2019, TANFB has not filed an appeal yet.

FETC failed to complete the taximeter system infrastructure within a specified period under the ETC Project requirements. The Taipei District Court Civil Division pronounced on May 20, 2016 that FETC should pay the compensation for breach of contract to TANFB. FETC had filed an appeal on May 31, 2016 and accrued related penalties.

### 37. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

- a. On July 3, 2019, the NCC announced the amendment to the “Regulations for Administration of Mobile Broadband Businesses” and started preparations for the 5G spectrum licensing auction. In order to meet future market demands and respond to competition in the future 5G new telecom generation and provide consumers with a wider bandwidth and more high-speed data services, on August 2, 2019, the board of directors of Far EasTone resolved to participate in the 5G spectrum licensing auction in accordance with the aforementioned NCC administration rule.
- b. To fulfill the needs for long-term working capital or the repayment of loans and borrowings, on August 2, 2019, the board of directors of Far EasTone resolved to issue domestic unsecured corporate bonds in an amount not exceeding \$10,000,000 thousand, and the bonds are to be issued separately within one year after the date of approval, pursuant to the related laws and regulations. The chairman, or his appointed deputy in his absence, are authorized to decide on all matters pertaining to the issuance of bonds or the requirements of the government authorities and to amend or improve the plan.

### 38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2019

|                              | Foreign<br>Currencies<br>(In Thousands) | Exchange Rate   | Carrying<br>Amount (NT\$) |
|------------------------------|---|-----------------|---------------------------|
| <u>Financial assets</u>      |   |                 |                           |
| Monetary items               |   |                 |                           |
| USD                          | \$ 438,486                              | 31.06 (USD:NTD) | \$ 13,619,375             |
| USD                          | 93,069                                  | 6.870 (USD:RMB) | 2,890,723                 |
| USD                          | 38,745                                  | 7.800 (USD:HKD) | 1,203,420                 |
| USD                          | 3,596                                   | 4.303 (USD:MYR) | <u>111,692</u>            |
|                              |   |                 | <u>\$ 17,825,210</u>      |
| <u>Financial liabilities</u> |   |                 |                           |
| Monetary items               |   |                 |                           |
| USD                          | 188,043                                 | 31.06 (USD:NTD) | \$ 5,840,616              |
| USD                          | 34,104                                  | 6.870 (USD:RMB) | 1,059,270                 |
| USD                          | 74,230                                  | 7.800 (USD:HKD) | 2,305,584                 |
| USD                          | 3,611                                   | 4.303 (USD:MYR) | <u>112,158</u>            |
|                              |   |                 | <u>\$ 9,317,628</u>       |

December 31, 2018

|                              | <b>Foreign<br/>Currencies<br/>(In Thousands)</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount (NT\$)</b> |
|------------------------------|--|----------------------|-----------------------------------|
| <u>Financial assets</u>      |  |                      |                                   |
| Monetary items               |  |                      |                                   |
| USD                          | \$ 300,238                                       | 30.715 (USD:NTD)     | \$ 9,221,810                      |
| USD                          | 97,958   | 6.868 (USD:RMB)      | 3,008,780                         |
| USD                          | 40,779   | 7.800 (USD:HKD)      | 1,252,527                         |
| USD                          | 2,774  | 4.319 (USD:MYR)      | <u>85,203</u>                     |
|                              |  |                      | <u>\$ 13,568,320</u>              |
| <u>Financial liabilities</u> |  |                      |                                   |
| Monetary items               |  |                      |                                   |
| USD                          | 149,982  | 30.715 (USD:NTD)     | \$ 4,606,697                      |
| USD                          | 48,050   | 6.868 (USD:RMB)      | 1,475,856                         |
| USD                          | 61,154   | 7.800 (USD:HKD)      | 1,878,345                         |
| USD                          | 2,774  | 4.319 (USD:MYR)      | <u>85,203</u>                     |
|                              |  |                      | <u>\$ 8,046,101</u>               |

June 30, 2018

|                              | <b>Foreign<br/>Currencies<br/>(In Thousands)</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount (NT\$)</b> |
|------------------------------|--|----------------------|-----------------------------------|
| <u>Financial assets</u>      |  |                      |                                   |
| Monetary items               |  |                      |                                   |
| USD                          | \$ 464,848                                       | 30.46 (USD:NTD)      | \$ 14,159,270                     |
| USD                          | 117,314  | 6.632 (USD:RMB)      | 3,573,384                         |
| USD                          | 76,983   | 7.800 (USD:HKD)      | 2,344,902                         |
| USD                          | 1,243  | 4.192 (USD:MYR)      | <u>37,862</u>                     |
|                              |  |                      | <u>\$ 20,115,418</u>              |
| <u>Financial liabilities</u> |  |                      |                                   |
| Monetary items               |  |                      |                                   |
| USD                          | 173,950  | 30.46 (USD:NTD)      | \$ 5,298,517                      |
| USD                          | 63,932   | 6.632 (USD:RMB)      | 1,947,369                         |
| USD                          | 38,102   | 7.800 (USD:HKD)      | 1,160,587                         |
| USD                          | 6,317  | 4.192 (USD:MYR)      | <u>192,416</u>                    |
|                              |  |                      | <u>\$ 8,598,889</u>               |

For the three months and six months ended June 30, 2019 and 2018, (realized and unrealized) net foreign exchange gains were \$189,437 thousand, \$258,717 thousand, \$224,975 thousand and \$374,043 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the functional currencies of the Group entities.

### 39. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees
  - 1) Financing provided to others: Table 5 (attached)
  - 2) Endorsements/guarantees provided: Table 6 (attached)
  - 3) Marketable securities held: Table 7 (attached)
  - 4) Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
  - 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
  - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 9 (attached)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 10 (attached)
  - 9) Trading in derivative instruments: Notes 7 and 33
  - 10) Intercompany relationships and significant intercompany transactions: Table 11 (attached)
  - 11) Information on investees: Table 12 (attached)
- b. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Tables 13 and 13-1 (attached)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 3, 4, 5, 6, 9, 10, 11 and 12(attached)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
    - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.



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

#### 40. SEGMENT INFORMATION

##### Industry Information

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

Segment operating income is the profit generated by each operating segment, which excludes interest revenue, revaluation gain on investment properties, gain or loss on disposal of property, plant and equipment, gain or loss on disposal of concessions, gain or loss on disposal of intangible assets, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance.

##### a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

|   | <u>Segments Revenue</u>                 |                       | <u>Segments Profit</u>                  |                   |
|---|---|-----------------------|---|-------------------|
|   | <u>For the Six Months Ended June 30</u> |                       | <u>For the Six Months Ended June 30</u> |                   |
|   | <u>2019</u>                             | <u>2018</u>           | <u>2019</u>                             | <u>2018</u>       |
| Petrochemical business                    |   |                       | \$ 143,231                              | \$ 144,625        |
| Revenue generated from external customers | \$ 16,595,044                           | \$ 8,339,246          |   |                   |
| Intersegment revenue                      | <u>16,752,081</u>                       | <u>6,866,258</u>      |   |                   |
|   | <u>33,347,125</u>                       | <u>15,205,504</u>     |   |                   |
| Chemical fiber business                   |   |                       | 1,799,333                               | 1,874,026         |
| Revenue generated from external customers | 45,721,620                              | 31,106,195            |   |                   |
| Intersegment revenue                      | <u>1,072,664</u>                        | <u>1,367,648</u>      |   |                   |
|   | <u>46,794,284</u>                       | <u>32,473,843</u>     |   |                   |
| Textile business                          |   |                       | 455,145                                 | 497,770           |
| Revenue generated from external customers | 18,972,330                              | 16,716,565            |   |                   |
| Intersegment revenue                      | <u>21,045</u>                           | <u>78,020</u>         |   |                   |
|   | <u>18,993,375</u>                       | <u>16,794,585</u>     |   |                   |
| Telecommunication services business       |   |                       | 6,106,443                               | 6,832,084         |
| Revenue generated from external customers | 41,162,152                              | 43,150,380            |   |                   |
| Intersegment revenue                      | <u>82,567</u>                           | <u>136,793</u>        |   |                   |
|   | <u>41,244,719</u>                       | <u>43,287,173</u>     |   |                   |
| Real estate development                   |   |                       | 342,650                                 | 443,271           |
| Revenue generated from external customers | 3,933,623                               | 3,333,561             |   |                   |
| Intersegment revenue                      | <u>378,420</u>                          | <u>374,987</u>        |   |                   |
|   | <u>4,312,043</u>                        | <u>3,708,548</u>      |   |                   |
| Investment and other                      |   |                       | 1,855,267                               | 1,876,109         |
| Revenue generated from external customers | 6,125,098                               | 5,865,122             |   |                   |
| Intersegment revenue                      | <u>166,259</u>                          | <u>159,251</u>        |   |                   |
|   | <u>6,291,357</u>                        | <u>6,024,373</u>      |   |                   |
| Adjustment and elimination                | <u>(18,906,436)</u>                     | <u>(8,851,544)</u>    | <u>448,831</u>                          | <u>75,051</u>     |
|   | <u>\$ 132,076,467</u>                   | <u>\$ 108,642,482</u> | <u>11,150,900</u>                       | <u>11,742,936</u> |

(Continued)

|                          | <u>Segments Revenue</u>                 |      | <u>Segments Profit</u>                  |                                     |
|--------------------------|---|------|---|-------------------------------------|
|                          | <u>For the Six Months Ended June 30</u> |      | <u>For the Six Months Ended June 30</u> |                                     |
|                          | 2019                                    | 2018 | 2019                                    | 2018                                |
| Interest revenue         |   |      | \$ 170,618                              | \$ 126,732                          |
| Exchange gain            |   |      | 224,975                                 | 374,043                             |
| Interest expense         |   |      | (1,688,045)                             | (1,223,792)                         |
| Other revenue and income |   |      | <u>25,225</u>                           | <u>1,950,390</u>                    |
| Profit before tax        |   |      | <u>\$ 9,883,673</u>                     | <u>\$ 12,970,309</u><br>(Concluded) |

Note: For the six months ended June 30, 2019 and 2018, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profit of \$3,412,328 thousand and \$17,640, respectively, and dividend income from associates, which amounted to \$3,232,802 thousand and \$13,211 thousand, respectively.

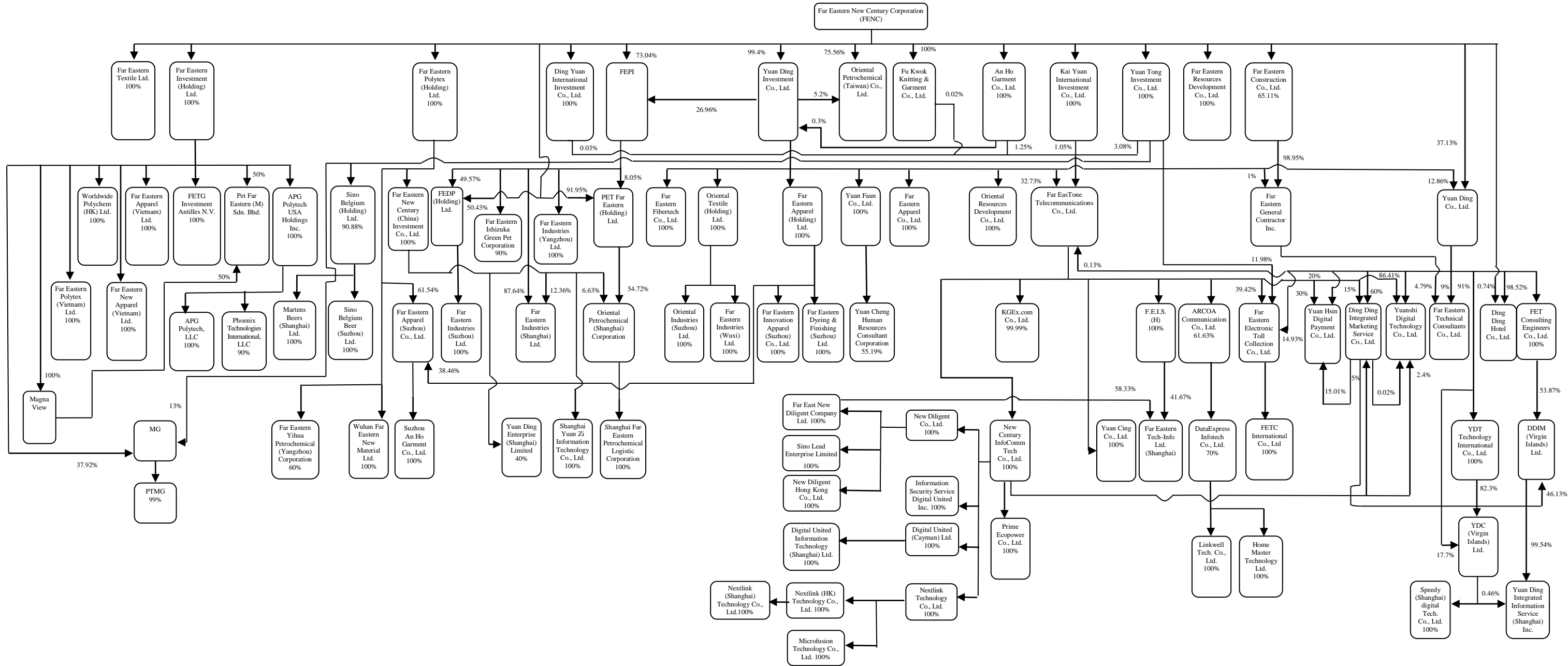
b. Segment total assets and liabilities

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

**TABLE 1**

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP  
JUNE 30, 2019**



**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAME AND CATEGORIES****JUNE 30, 2019**

| <b>Related Party Name</b>                                  | <b>Related Party Categories</b>                          |
|--|--|
| Asia Cement Corporation                                    | Associates   |
| Oriental Union Chemical Corporation                        | Associates   |
| Far Eastern Department Stores Co., Ltd.                    | Associates   |
| Everest Textile Corporation                                | Associates   |
| Far Eastern International Bank                             | Associates   |
| Oriental Securities Corporation                            | Associates   |
| Kowloon Cement Corporation                                 | Associates   |
| Da Ju Fiber Co., Ltd.                                      | Associates   |
| Liquid Air Far East Co., Ltd.                              | Associates   |
| Freudenberg Far Eastern Spunweb Co., Ltd.                  | Associates   |
| Tong Da Air Industry (Yangzhou) Co., Ltd.                  | Associates   |
| Yu Yuan Investment Co., Ltd.                               | Associates   |
| Yue Ming Corporation                                       | Associates   |
| Yu Ding Industry Co., Ltd.                                 | Associates   |
| Far Eastern Union Petrochemical (Yangzhou) Corporation     | Associates   |
| Yuan Ding Leasing Corporation                              | Associates   |
| Far Eastern International Leasing Corporation              | Associates   |
| Pacific Liu Tong Investment Co., Ltd.                      | Associates   |
| OPAS Fund Segregated Portfolio Company                     | Associates   |
| Everest Textile USA, LLC                                   | Other related party (the subsidiary of FENC's associate) |
| Pacific Petrochemical (Holding) Ltd. (PPL)                 | Other related party (the subsidiary of FENC's associate) |
| Shanghai Pacific Department Store Co., Ltd.                | Other related party (the subsidiary of FENC's associate) |
| Pacific Dept Stores (Dalian) Co., Ltd.                     | Other related party (the subsidiary of FENC's associate) |
| Pacific SOGO Department Stores Co., Ltd.                   | Other related party (the subsidiary of FENC's associate) |
| Chengdu Beicheng FEDS Co., Ltd.                            | Other related party (the subsidiary of FENC's associate) |
| Chengdu Quanxing Masion Pacific Department Store Co., Ltd. | Other related party (the subsidiary of FENC's associate) |
| Bai-Ding Investment Corporation                            | Other related party (the subsidiary of FENC's associate) |
| Shanghai BaiDing Business Management. Consulting Co., Ltd. | Other related party (the subsidiary of FENC's associate) |
| Chubei New Century Shopping Mall Co., Ltd.                 | Other related party (the subsidiary of FENC's associate) |
| Everest Textile (Shanghai) Ltd.                            | Other related party (the subsidiary of FENC's associate) |
| Shanghai Yali Cement Produce Ltd                           | Other related party (the subsidiary of FENC's associate) |
| Ya-Li Precast Prestressed Concrete Industries Corporation  | Other related party (the subsidiary of FENC's associate) |
| Sichuan Yadong Cement Co., Ltd.                            | Other related party (the subsidiary of FENC's associate) |
| Jiangxi Yadong Cement Co., Ltd.                            | Other related party (the subsidiary of FENC's associate) |
| Wuhan Yadong Cement Co., Ltd.                              | Other related party (the subsidiary of FENC's associate) |
| Yangzhou Yadong Cement Co., Ltd.                           | Other related party (the subsidiary of FENC's associate) |
| Hubei Yadong Cement Co., Ltd.                              | Other related party (the subsidiary of FENC's associate) |
| Huanggang Yadong Cement Co., Ltd.                          | Other related party (the subsidiary of FENC's associate) |

(Continued)

| Related Party Name  | Related Party Categories  |
|---|---|
| Oriental Petrochemical (YangZhou) Corporation                   | Other related party (the subsidiary of FENC's associate)                                  |
| Ya Tung Department Store Ltd.                                   | Other related party (the subsidiary of FENC's associate)                                  |
| Ya Tung Ready-mixed Concrete Corporation                        | Other related party (the subsidiary of FENC's associate)                                  |
| Oriental Securities Investment Consultant Co., Ltd.             | Other related party (the subsidiary of FENC's associate)                                  |
| Asia Cement (China) Holdings Corporation                        | Other related party (the subsidiary of FENC's associate)                                  |
| Asia Cement (Singapore) Private Ltd.                            | Other related party (the subsidiary of FENC's associate)                                  |
| Asia Investment Corporation                                     | Other related party (the subsidiary of FENC's associate)                                  |
| Ya Sing Ready-Mixed Concrete Corporation                        | Other related party (the subsidiary of FENC's associate)                                  |
| Wuhan Yaxin Cement Co., Ltd.                                    | Other related party (the subsidiary of FENC's associate)                                  |
| Nan Hwa Cement Corporation                                      | Other related party (the subsidiary of FENC's associate)                                  |
| FEDS Development Ltd.   | Other related party (the subsidiary of FENC's associate)                                  |
| Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd  | Other related party (the subsidiary of FENC's associate)                                  |
| Fu Ming Transport Corporation                                   | Other related party (the subsidiary of FENC's associate)                                  |
| Fu-Da Transport Corporation                                     | Other related party (the subsidiary of FENC's associate)                                  |
| Chiahui Power Co., Ltd.   | Other related party (the subsidiary of FENC's associate)                                  |
| Far Eastern Ai Mai Co., Ltd                                     | Other related party (the subsidiary of FENC's associate)                                  |
| Far Eastern Big City Shopping Malls Co., Ltd.                   | Other related party (the subsidiary of FENC's associate)                                  |
| Chengdu FEDS Co., Ltd.  | Other related party (the subsidiary of FENC's associate)                                  |
| Chongqing FEDS Co., Ltd.  | Other related party (the subsidiary of FENC's associate)                                  |
| Yuan Bo Asset Management Corporation                            | Other related party (the subsidiary of FENC's associate)                                  |
| Far Eastern Leasing Corporation                                 | Other related party (the subsidiary of FENC's associate)                                  |
| Far Eastern Asset Management Corporation                        | Other related party (the subsidiary of FENC's associate)                                  |
| Yuan Long Stainless Steel Co., Ltd.                             | Other related party (the subsidiary of FENC's associate)                                  |
| Der Ching Investment Corporation                                | Other related party (the subsidiary of FENC's associate)                                  |
| Far Eastern City Super Ltd.                                     | Other related party (the subsidiary of FENC's associate)                                  |
| Sony Music Entertainment Taiwan Ltd.                            | Other related party (corporate director of the subsidiary)                                |
| MiTAC Inc.  | Other related party (corporate director of the subsidiary)                                |
| Universal Music Taiwan Ltd.                                     | Other related party (corporate director of the subsidiary)                                |
| Forward Music Co., Ltd.   | Other related party (corporate director of the subsidiary)                                |
| Him International Music Incorporated                            | Other related parties (Supervisor of the subsidiary)                                      |
| Otiga Technologies Co., Ltd.                                    | Other related parties (Supervisor of the subsidiary)                                      |
| Telecommunication & Transportation Foundation                   | Other related parties (Far EasTone's donation is over one third of the foundation's fund) |
| Yuan Ze University  | Other related parties (the same chairman)   |
| Oriental Institute of Technology                                | Other related parties (the same chairman)   |
| Far Eastern Memorial Hospital                                   | Other related parties (the same chairman)   |
| Mr. Xu Yuanzhi Memorial Foundation                              | Other related parties (the same chairman)   |
| Far Eastern Medical Foundation                                  | Other related parties (the same chairman)   |
| Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation | Other related parties (the same chairman)   |
| U-Ming Marine Transport Corporation                             | Other related parties (the same chairman)   |
| Tranquil Enterprise Ltd.  | Other related parties (the same chairman)   |
| Far Eastern Polyclinic  | Other related parties (the same chairman)   |
| Eagle Investment Pte. Ltd.                                      | Other related party (related party in substance)  |
| U-Ming Marine Transport (Hong Kong) Corporation                 | Other related party (related party in substance)  |
| TECO Electric & Machinery Co., Ltd.                             | Other related party (related party in substance)  |
| Kaohsiung Rapid Transit Corporation                             | Other related party (related party in substance)  |
| U-Ming Marine Transport (Singapore) Private Limited             | Other related party (related party in substance)  |

(Continued)

| Related Party Name  | Related Party Categories   |
|---|--|
| Ding&Ding Management Consultants Co., Ltd.<br>SYSTEX Corporation<br>Deutsche Far Eastern Asset Management Co., Ltd.<br>(DFEAMC) | Other related party (related party in substance)<br>Other related party (related party in substance)<br>Other related party (related party in substance) |

(Concluded)

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

|                       | <b>For the Three Months Ended<br/>June 30</b> |                   | <b>For the Six Months Ended<br/>June 30</b> |                     |
|-----------------------|---|-------------------|---|---------------------|
|                       | <b>2019</b>                                   | <b>2018</b>       | <b>2019</b>                                 | <b>2018</b>         |
| Operating revenue     |   |                   |   |                     |
| Associates            | \$ 609,421                                    | \$ 578,089        | \$ 1,127,825                                | \$ 992,979          |
| Other related parties | <u>199,061</u>                                | <u>173,034</u>    | <u>358,134</u>                              | <u>360,639</u>      |
|                       | <u>\$ 808,482</u>                             | <u>\$ 751,123</u> | <u>\$ 1,485,959</u>                         | <u>\$ 1,353,618</u> |
| Operating cost        |   |                   |   |                     |
| Associates            | \$ 334,570                                    | \$ 722,846        | \$ 631,763                                  | \$ 1,507,970        |
| Other related parties | <u>175,112</u>                                | <u>274,497</u>    | <u>355,215</u>                              | <u>407,846</u>      |
|                       | <u>\$ 509,682</u>                             | <u>\$ 997,343</u> | <u>\$ 986,978</u>                           | <u>\$ 1,915,816</u> |
| Operating expense     |   |                   |   |                     |
| Associates            | \$ 9,660                                      | \$ 9,193          | \$ 19,838                                   | \$ 18,586           |
| Other related parties | <u>214,417</u>                                | <u>256,677</u>    | <u>413,220</u>                              | <u>448,594</u>      |
|                       | <u>\$ 224,077</u>                             | <u>\$ 265,870</u> | <u>\$ 433,058</u>                           | <u>\$ 467,186</u>   |

The Group had purchased the software equipment, other equipment and construction contracts from other related parties amounted to \$53,548 thousand for the three months ended June 30, 2019 and \$93,581 thousand for the six months ended June 30, 2019. The Group had purchased the software equipment, machinery equipment, construction contracts and securities from other related parties amounted to \$210,202 thousand for the three months ended June 30, 2018 and \$219,403 thousand for the six months ended June 30, 2018. In addition, the Group had subscribed new shares of a subsidiary from an associate on March 2, 2018, refer to Note 32.

The fund transaction between the Group and Opas Fund Segregated Portfolio Company (“Opas Company”) was carrying out investment to acquisition the overseas fund through the trading platform of Opas Company. The decisions on overseas mutual funds with different tranches were made by the investment committee which is formed with the Group and other investors. For the six months ended June 30, 2019 and 2018, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “D” and Opas Fund Segregated Portfolio Tranche “A”, “C” amounted to \$1,123 thousand and \$498,109 thousand, respectively. For the three months and six months ended June 30, 2019, the Group disposed funds all amounted to \$1,702,985 thousand, and recognized gain on disposal amounted to \$58,618 thousand, calculated by using original investing cost. In addition, the Group had recognized loss on financial assets at FVTPL amounted to \$600 thousand in the second half of 2018. For the three months and six months ended June 30, 2019, the Group recognized gain on financial assets at FVTPL amounted to \$59,218 thousand.

For the three months and six months ended June 30, 2019, the Group sold other equipments and securities to other related parties at book value for \$7,350 thousand and \$24,649 thousand, respectively, and recognized loss on disposal all amounted to \$542 thousand.

Lease arrangements - Group is lessee

|                                      | <b>For the Three<br/>Months Ended<br/>June 30, 2019</b> | <b>For the Six<br/>Months Ended<br/>June 30, 2019</b> |
|--------------------------------------|---|---|
| Acquisitions of right-of-use assets  |   |   |
| Associates                           | \$ <u>2,914</u>   | \$ <u>7,605</u>                                       |
|                                      |   | <b>June 30, 2019</b>                                  |
| Lease liabilities                    |   |   |
| Associates                           |   | \$ 853,550  |
| Other related parties                |   |   |
| Yuan Bo Asset Management Corporation |   | 1,128,284   |
| Others                               |   | <u>37,972</u>   |
|                                      |   | <u>\$ 2,019,806</u>                                   |

The Group did not have financial lease payable to the related parties as of December 31 and June 30, 2018.

|                                      | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                   |
|--------------------------------------|---|------------------|---|-------------------|
|                                      | <b>2019</b>                                   | <b>2018</b>      | <b>2019</b>                                 | <b>2018</b>       |
| Interest expense                     |   |                  |   |                   |
| Associates                           | \$ 2,620                                      | \$ -             | \$ 5,385                                    | \$ -              |
| Other related parties                |   |                  |   |                   |
| Yuan Bo Asset Management Corporation | 3,670   | -                | 7,429                                       | -                 |
| Others                               | <u>100</u>                                    | <u>-</u>         | <u>135</u>                                  | <u>-</u>          |
|                                      | <u>\$ 6,390</u>                               | <u>\$ -</u>      | <u>\$ 12,949</u>                            | <u>\$ -</u>       |
| Lease expense                        |   |                  |   |                   |
| Associates                           | \$ 170  | \$ 19,511        | \$ 270                                      | \$ 37,830         |
| Other related parties                | <u>125</u>                                    | <u>45,410</u>    | <u>269</u>                                  | <u>92,179</u>     |
|                                      | <u>\$ 295</u>                                 | <u>\$ 64,921</u> | <u>\$ 539</u>                               | <u>\$ 130,009</u> |

The lease contract's resolution and way of payment between the Group and related party are equivalent to the general lease transaction.

Modification of lease arrangement:

Because of the early termination of lease contract, the Group reduced the right-of-use assets' carrying amount for \$792 thousand and \$2,705 thousand, for the three months and six months ended June 30, 2019, respectively, and unpaid lease liabilities for \$792 thousand and \$2,715 thousand, respectively, and the benefit from modification were \$0 thousand and \$10 thousand, respectively.



Lease arrangement - Group is lessor

|                            | <b>June 30, 2019</b>                          | <b>December 31,<br/>2018</b>                | <b>June 30, 2018</b> |
|----------------------------|---|---|----------------------|
| Operating lease receivable |   |   |                      |
| Associates                 | \$ 108,218                                    | \$ 126,346                                  | \$ 115,565           |
| Other related parties      | <u>110,904</u>                                | <u>42,271</u>                               | <u>199,642</u>       |
|                            | <u>\$ 219,122</u>                             | <u>\$ 168,617</u>                           | <u>\$ 315,207</u>    |
| Future lease receivable    |   |   |                      |
| Associates                 | \$ 1,716,646                                  | \$ 1,877,769                                | \$ 2,035,723         |
| Other related parties      | <u>1,766,060</u>                              | <u>1,887,701</u>                            | <u>2,025,730</u>     |
|                            | <u>\$ 3,482,706</u>                           | <u>\$ 3,765,470</u>                         | <u>\$ 4,061,453</u>  |
|                            | <b>For the Three Months Ended<br/>June 30</b> | <b>For the Six Months Ended<br/>June 30</b> |                      |
|                            | <b>2019</b>                                   | <b>2018</b>                                 | <b>2019</b>          |
|                            | <b>2018</b>                                   | <b>2019</b>                                 | <b>2018</b>          |
| Lease revenue              |   |   |                      |
| Associates                 | \$ 81,149                                     | \$ 80,789                                   | \$ 161,609           |
| Other related parties      | <u>68,796</u>                                 | <u>67,664</u>                               | <u>132,984</u>       |
|                            | <u>\$ 149,945</u>                             | <u>\$ 148,453</u>                           | <u>\$ 294,593</u>    |

The Group leases the plants and spaces for operation and business to associates and other related parties as operating lease. The lease period is 3 to 20 years.

The lease contract's resolution and way of payment between the Group and related party are equivalent to the general lease transaction.

Compensation of key management personnel:

|                          | <b>For the Three Months Ended<br/>June 30</b> |                   | <b>For the Six Months Ended<br/>June 30</b> |                   |
|--------------------------|---|-------------------|---|-------------------|
|                          | <b>2019</b>                                   | <b>2018</b>       | <b>2019</b>                                 | <b>2018</b>       |
| Short-term benefits      | \$ 112,238                                    | \$ 138,320        | \$ 208,863                                  | \$ 226,620        |
| Post-employment benefits | <u>416</u>                                    | <u>539</u>        | <u>814</u>                                  | <u>1,080</u>      |
|                          | <u>\$ 112,654</u>                             | <u>\$ 138,859</u> | <u>\$ 209,677</u>                           | <u>\$ 227,700</u> |

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

(Concluded)

**TABLE 4****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF JUNE 30, 2019 AND 2018****(In Thousands of New Taiwan Dollars)**

|   | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|---|----------------------|------------------------------|----------------------|
| Notes and accounts receivable                           |                      |                              |                      |
| Associates  | \$ 436,991           | \$ 518,731                   | \$ 446,959           |
| Other related parties                                   | <u>336,679</u>       | <u>545,663</u>               | <u>377,777</u>       |
|   | <u>\$ 773,670</u>    | <u>\$ 1,064,394</u>          | <u>\$ 824,736</u>    |
| Notes and accounts payable - related parties (Note 1)   |                      |                              |                      |
| Associates  | \$ 106,902           | \$ 89,875                    | \$ 229,899           |
| Other related parties                                   | <u>179,815</u>       | <u>282,238</u>               | <u>240,749</u>       |
|   | <u>\$ 286,717</u>    | <u>\$ 372,113</u>            | <u>\$ 470,648</u>    |
| Progress billings (Note 2)                              |                      |                              |                      |
| Associates  | \$ 1,480,980         | \$ 1,024,261                 | \$ 716,907           |
| Other related parties                                   | <u>273,569</u>       | <u>172,509</u>               | <u>882,733</u>       |
|   | <u>\$ 1,754,549</u>  | <u>\$ 1,196,770</u>          | <u>\$ 1,599,640</u>  |
| Guarantee deposits received                             |                      |                              |                      |
| Associates  | \$ 58,557            | \$ 50,304                    | \$ 58,998            |
| Other related parties                                   | <u>72,507</u>        | <u>65,726</u>                | <u>71,810</u>        |
|   | <u>\$ 131,064</u>    | <u>\$ 116,030</u>            | <u>\$ 130,808</u>    |
| Deferred credit - gains on related parties transactions |                      |                              |                      |
| Associates  |                      |                              |                      |
| Oriental Securities Corporation                         | \$ 110,871           | \$ 111,149                   | \$ 111,428           |
| Others  | 2,810                | 2,810                        | 2,810                |
| Other related parties                                   | <u>9,122</u>         | <u>9,122</u>                 | <u>9,122</u>         |
|   | <u>\$ 122,803</u>    | <u>\$ 123,081</u>            | <u>\$ 123,360</u>    |

Note 1: Including retentions payable of \$7,358 thousand, \$6,596 thousand and \$0 thousand as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively, which was recognized as contract liabilities.

Note 2: The amount was recognized as contract assets (liabilities).

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

|  | June 30, 2019     | December 31,<br>2018 | June 30, 2018       |
|--|-------------------|----------------------|---------------------|
| Associates   |                   |                      |                     |
| Yu Ding Industry Co., Ltd.                             | \$ -              | \$ 70,000            | \$ 340,000          |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | 542,520           | -                    | 1,469,760           |
| Da Ju Fiber Corporation                                | -                 | -                    | 275,000             |
| Other related parties                                  |                   |                      |                     |
| Oriental Petrochemical (YangZhou) Corporation          | <u>316,470</u>    | <u>-</u>             | <u>321,510</u>      |
|  | <u>\$ 858,990</u> | <u>\$ 70,000</u>     | <u>\$ 2,406,270</u> |

Interests income from loans to related parties:

|  | <u>For the Three Months Ended<br/>June 30</u> |                  | <u>For the Six Months Ended<br/>June 30</u> |                  |
|--|---|------------------|---|------------------|
|  | 2019  | 2018             | 2019  | 2018             |
| Associates   |   |                  |   |                  |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | \$ 4,683                                      | \$ 2,947         | \$ 7,846                                    | \$ 18,116        |
| Others   | -   | 740              | 145   | 4,464            |
| Other related parties                                  | <u>2,980</u>                                  | <u>6,515</u>     | <u>3,918</u>                                | <u>7,567</u>     |
|  | <u>\$ 7,663</u>                               | <u>\$ 10,202</u> | <u>\$ 11,909</u>                            | <u>\$ 30,147</u> |

Loans from related parties:

|  | June 30, 2019       | December 31,<br>2018 | June 30, 2018       |
|--|---------------------|----------------------|---------------------|
| Other related parties (recognized as short-term borrowings - loans from related parties) | \$ 750,494          | \$ 3,668,174         | \$ 3,773,270        |
| Other related parties (recognized as long-term borrowings - bank loans)                  | <u>300,000</u>      | <u>300,000</u>       | <u>-</u>            |
|  | <u>\$ 1,050,494</u> | <u>\$ 3,968,174</u>  | <u>\$ 3,773,270</u> |

Interests expense from loans from associates:

|                                | <u>For the Three Months Ended<br/>June 30</u> |                 | <u>For the Six Months Ended<br/>June 30</u> |                 |
|--------------------------------|---|-----------------|---|-----------------|
|                                | 2019  | 2018            | 2019  | 2018            |
| Far Eastern International Bank | <u>\$ 466</u>                                 | <u>\$ 2,203</u> | <u>\$ 1,460</u>                             | <u>\$ 4,392</u> |

(Continued)

Bank deposits, time deposits and other financial assets

|                                | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--------------------------------|----------------------|------------------------------|----------------------|
| Far Eastern International Bank | <u>\$ 7,919,920</u>  | <u>\$ 9,028,379</u>          | <u>\$ 15,954,578</u> |

The Group had bank deposits and time deposits (recognized as cash and cash equivalents and financial assets at amortized cost - current) in Far Eastern International Bank. In addition, the deposits included the proceeds of Far EasTone's sale of prepaid cards, sale of international calling cards and highway toll fees which were consigned to Far Eastern International Bank as trust assets, were recognized as other financial assets. The interests income were \$35,811 thousand and \$24,065 thousand for the three months ended June 30, 2019 and 2018; \$49,543 thousand and \$38,600 thousand for the six months ended June 30, 2019 and 2018, respectively.

Financial assets (liabilities) at FVTPL - current

|                                | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--------------------------------|----------------------|------------------------------|----------------------|
| Associates                     |                      |                              |                      |
| Far Eastern International Bank | <u>\$ (7,256)</u>    | <u>\$ (3,466)</u>            | <u>\$ 1,897</u>      |

The Group signed forward exchange contracts, option contracts and combined exchange options with Far Eastern International Bank. The gain (loss) of financial assets (liabilities) at FVTPL were \$(10,459) thousand and \$16,182 thousand for the three months ended June 30, 2019 and 2018; \$(8,096) thousand and \$20,324 thousand for the six months ended June 30, 2019 and 2018, respectively.

Financial assets (liabilities) for hedging - current

|                                | <b>June 30, 2019</b> | <b>December 31,<br/>2018</b> | <b>June 30, 2018</b> |
|--------------------------------|----------------------|------------------------------|----------------------|
| Associates                     |                      |                              |                      |
| Far Eastern International Bank | <u>\$ -</u>          | <u>\$ 1,868</u>              | <u>\$ (4,013)</u>    |

The Group signed foreign exchange swap contracts with Far Eastern International Bank and recognized as financial assets for hedging. Notional amount were both US\$10,000 thousand as of June 30, 2019 and 2018.

Note:

1. The terms of sales to and purchases from other related parties were based on the agreements.
2. The Group had sold investment properties - land to Far Eastern Medical Foundation in 2015. As of June 30, 2019, December 31, 2018 and June 30, 2018, the unreceived amount which recognized as other receivables from related parties were \$450,000 thousand, \$990,000 thousand and \$180,000 thousand, respectively. And other receivables from related parties - non-current were \$450,000 thousand, \$450,000 thousand and \$1,260,000 thousand, respectively.
3. The Group purchased the materials and other inventories for an associate, Far Eastern Union Petrochemical (Yangzhou) Corporation, and recognized other revenue \$51,439 thousand for the six months ended June 30, 2018. As of June 30, 2019, December 31, 2018 and June 30, 2018, the amount which recognized as other receivables was \$50,566 thousand \$50,018 thousand, and \$536,019 thousand (Including \$7,384 thousand which recognized as long-term receivables).

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Lender                                      | Borrower                                     | Financial Statement Account      | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral      |       | Financing Limit for Each Borrower | Aggregate Financing Limits | Note  |
|-----|---|--|----------------------------------|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|---|
|     |   |  |                                  |                 |  |                                   |                         |                   |                     |                              |                                  |                               | Item            | Value |                                   |                            |   |
| 0   | Far Eastern New Century Corporation         | Far Eastern Resources Development Co., Ltd.  | Receivables from related parties | Yes             | \$ 1,500,000                           | \$ 1,500,000                      | \$ -                    | 1.045             | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 10,080,556                     | \$ 100,805,557             | Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note E) |
| 1   | Yuan Ding Investment Co., Ltd.              | Ding Yuan International Investment Co., Ltd. | Receivables from related parties | Yes             | 400,000                                | 400,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Far Eastern Resources Development Co., Ltd.  | Receivables from related parties | Yes             | 500,000                                | 500,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Oriental Resources Development Co., Ltd.     | Receivables from related parties | Yes             | 600,000                                | 600,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Yuan Tong Investment Co., Ltd.               | Receivables from related parties | Yes             | 750,000                                | 750,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Da Ju Fiber Co., Ltd.                        | Receivables from related parties | Yes             | 1,060,000                              | 1,060,000                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Kai Yuan International Investment Co., Ltd.  | Receivables from related parties | Yes             | 1,200,000                              | 1,200,000                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Oriental Petrochemical (Taiwan) Co., Ltd.    | Receivables from related parties | Yes             | 1,500,000                              | 1,500,000                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Far Eastern Apparel Co., Ltd.                | Receivables from related parties | Yes             | 350,000                                | 300,000                           | -                       | 1.25              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | Yu Ding Industry Co., Ltd.                   | Receivables from related parties | Yes             | 680,000                                | 680,000                           | -                       | 1.37              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
|     |   | An Ho Garment Co., Ltd.                      | Receivables from related parties | Yes             | 800,000                                | 800,000                           | 200,000                 | 1.25              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 3,969,014                         | 19,845,070                 | Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note E) |
| 2   | Far Eastern Resources Development Co., Ltd. | Kai Yuan International Investment Co., Ltd.  | Receivables from related parties | Yes             | 250,000                                | 250,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 2,713,342                         | 13,566,709                 | Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note K) |
|     |   | An Ho Garment Co., Ltd.                      | Receivables from related parties | Yes             | 250,000                                | 250,000                           | -                       | 1.25              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 2,713,342                         | 13,566,709                 | Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note K) |
| 3   | New Century InfoComm Tech Co., Ltd.         | Far EasTone Telecommunications Co., Ltd.     | Receivables from related parties | Yes             | 2,500,000                              | 1,500,000                         | -                       | 0.83              | 1                   | 2,547,152                    | -                                | -                             | -               | -     | 2,547,152                         | 11,295,404                 | Amounts allowed for ending period (Note R); Maximum amounts allowed for the period (Note E) |
|     |   | Far EasTone Telecommunications Co., Ltd.     | Receivables from related parties | Yes             | 7,500,000                              | 7,500,000                         | -                       | 0.83              | 2                   | -                            | For revolving fund               | -                             | -               | -     | 7,906,782                         | 11,295,404                 | Amounts allowed for ending period (Note D); Maximum amounts allowed for the period (Note E) |
|     |   | Yuanshi Digital Technology Co., Ltd.         | Receivables from related parties | Yes             | 300,000                                | 300,000                           | 140,000                 | 1.53              | 2                   | -                            | For revolving fund               | -                             | -               | -     | 7,906,782                         | 11,295,404                 | Amounts allowed for ending period (Note D); Maximum amounts allowed for the period (Note E) |
| 4   | Yuan Ding Co., Ltd.                         | Ding Hotel Co., Ltd.                         | Receivables from related parties | Yes             | 400,000                                | 400,000                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,551,045                         | 3,877,613                  | Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note K) |

(Continued)

| No.                                    | Lender                                | Borrower   | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral      |                 | Financing Limit for Each Borrower   | Aggregate Financing Limits | Note  |   |
|--|---------------------------------------|--|-----------------------------|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------------|---|----------------------------|---|---|
|  |                                       |  |                             |                 |  |                                   |                         |                   |                     |                              |                                  |                               | Item            | Value           |   |                            |   |   |
| 5                                      | Far Eastern Investment (Holding) Ltd. | FILSYN Corporation                                   | Receivables from affiliates | No              | \$ 62,120                              | \$ 62,120                         | \$ -                    | -                 | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -            | \$ 9,025,390  | \$ 9,025,390               | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |   |
|  |                                       | Worldwide Polychem (HK) Ltd.                         | Receivables from affiliates | Yes             | 310,600                                | 310,600                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Polytex (Holding) Ltd.                   | Receivables from affiliates | Yes             | 310,600                                | 310,600                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | PET Far Eastern (M) Sdn. Bhd.                        | Receivables from affiliates | Yes             | 310,600                                | 310,600                           | -                       | 2.85973-3.08839   | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Apparel (Holding) Ltd.                   | Receivables from affiliates | Yes             | 621,200                                | 621,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Apparel (Vietnam) Ltd.                   | Receivables from affiliates | Yes             | 931,800                                | 931,800                           | -                       | 2.85973-3.08839   | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | APG Polytech, LLC                                    | Receivables from affiliates | Yes             | 1,133,690                              | 1,133,690                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Polytex (Vietnam) Ltd.                   | Receivables from affiliates | Yes             | 1,553,000                              | 1,553,000                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 11,281,737  | 33,845,212                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern New Century (China) Investment Co., Ltd. | Receivables from affiliates | Yes             | 1,867,173                              | 145,698                           | 145,698                 | -                 | -                   | 2                            | -                                | For revolving fund            | -               | Promissory note | -   | 11,281,737                 | 33,845,212  | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |
|  |                                       | Sino Belgium (Holding) Ltd.                          | Receivables from affiliates | Yes             | 465,900                                | 465,900                           | 164,618                 | 2.85973-3.08839   | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 9,025,390   | 9,025,390                  | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |   |
| Far Eastern New Apparel (Vietnam) Ltd. | Receivables from affiliates           | Yes  | 1,242,400                   | 1,242,400       | 512,490                                | 2.85973-3.08839                   | 2                       | -                 | For revolving fund  | -                            | Promissory note                  | -                             | 11,281,737      | 33,845,212      | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |                            |   |   |
| 6                                      | Far Eastern Apparel (Holding) Ltd.    | Far Eastern Apparel (Suzhou) Co., Ltd.               | Receivables from affiliates | Yes             | 621,200                                | 621,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 1,738,087   | 5,214,260                  | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | Receivables from affiliates | Yes             | 621,200                                | 621,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 1,738,087   | 5,214,260                  | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
| 7                                      | Oriental Textile (Holding) Ltd.       | Oriental Industries (Suzhou) Ltd.                    | Receivables from affiliates | Yes             | 621,200                                | 621,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,959,777   | 11,879,332                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Industries (Wuxi) Ltd.                   | Receivables from affiliates | Yes             | 776,500                                | 776,500                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,959,777   | 11,879,332                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern New Century (China) Investment Co., Ltd. | Receivables from affiliates | Yes             | 1,989,240                              | 1,989,240                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,959,777   | 11,879,332                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Investment (Holding) Ltd.                | Receivables from affiliates | Yes             | 1,242,400                              | 1,242,400                         | -                       | 3.08839-3.94056   | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,959,777   | 11,879,332                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Polytex (Vietnam) Ltd.                   | Receivables from affiliates | Yes             | 3,106,000                              | 3,106,000                         | 1,553,000               | 2.85973-3.08839   | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,959,777   | 11,879,332                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
| 8                                      | Far Eastern Polychem Industries Ltd.  | Far Eastern Industries (Shanghai) Ltd.               | Receivables from affiliates | Yes             | 621,200                                | 621,200                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,305,028   | 15,915,083                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Polytex (Vietnam) Ltd.                   | Receivables from affiliates | Yes             | 931,800                                | 931,800                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,305,028   | 15,915,083                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern Investment (Holding) Ltd.                | Receivables from affiliates | Yes             | 1,242,400                              | 1,242,400                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,305,028   | 15,915,083                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |
|  |                                       | Far Eastern New Century (China) Investment Co., Ltd. | Receivables from affiliates | Yes             | 2,667,390                              | 2,667,390                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,305,028   | 15,915,083                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |   |

(Continued)

| No. | Lender  | Borrower   | Financial Statement Account                  | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral      |                 | Financing Limit for Each Borrower | Aggregate Financing Limits | Note  |
|-----|---|--|--|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------------|-----------------------------------|----------------------------|---|
|     |   |  |  |                 |  |                                   |                         |                   |                     |                              |                                  |                               | Item            | Value           |                                   |                            |   |
| 9   | PET Far Eastern (Holding) Ltd.                    | Oriental Petrochemical (Shanghai) Corporation        | Receivables from affiliates                  | Yes             | \$ 621,200                             | \$ 621,200                        | \$ -                    | -                 | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -            | \$ 2,716,824                      | \$ 2,716,824               | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |
|     |   | Far Eastern Investment (Holding) Ltd.                | Receivables from affiliates                  | Yes             | 931,800                                | 931,800                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,396,031                         | 10,188,092                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |
|     |   | Far Eastern New Century (China) Investment Co., Ltd. | Receivables from affiliates                  | Yes             | 2,124,870                              | 2,124,870                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 3,396,031                         | 10,188,092                 | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note N) |
|     |   | Yuan Ding Enterprise (Shanghai) Limited              | Receivables from affiliates                  | Yes             | 316,470                                | 316,470                           | 316,470                 | -                 | -                   | 2                            | -                                | For revolving fund            | -               | Promissory note | -                                 | 2,716,824                  | 2,716,824   |
| 10  | APG Polytech USA Holdings, Inc.                   | Phoenix Technologies International, LLC              | Receivables from affiliates                  | Yes             | 621,200                                | 621,200                           | 512,440                 | 3.10262-3.22205   | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 6,215,305                         | 6,215,305                  | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |
| 11  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | Oriental Petrochemical (YangZhou) Corporation        | Other receivables - loans to related parties | Yes             | 316,470                                | 316,470                           | 316,470                 | 3.92              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 1,121,288                         | 1,121,288                  | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |
|     |   | Oriental Industries (Suzhou) Ltd.                    | Other receivables - loans to related parties | Yes             | 2,486,550                              | 2,486,550                         | 2,069,795               | 3.67-3.9          | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 2,522,897                         | 5,606,438                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
| 12  | Far Eastern Apparel (Suzhou) Co., Ltd.            | Oriental Industries (Suzhou) Ltd.                    | Other receivables - loans to related parties | Yes             | 1,265,880                              | 1,265,880                         | 605,308                 | 3.43-4.54         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 1,424,184                         | 3,164,854                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
| 13  | Far Eastern Industries (Suzhou) Ltd.              | Oriental Industries (Suzhou) Ltd.                    | Other receivables - loans to related parties | Yes             | 1,356,300                              | 1,356,300                         | 1,288,829               | 1.21-3.5          | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 1,461,431                         | 3,247,624                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
| 14  | Oriental Industries (Suzhou) Ltd.                 | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.    | Other receivables - loans to related parties | Yes             | 226,050                                | 226,050                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,396,952                         | 11,993,227                 | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes             | 226,050                                | 226,050                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,396,952                         | 11,993,227                 | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   | Far Eastern Apparel (Suzhou) Co., Ltd.               | Other receivables - loans to related parties | Yes             | 452,100                                | 452,100                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,396,952                         | 11,993,227                 | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | Other receivables - loans to related parties | Yes             | 452,100                                | 452,100                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,396,952                         | 11,993,227                 | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   | Far Eastern Industries (Wuxi) Ltd.                   | Other receivables - loans to related parties | Yes             | 904,200                                | 904,200                           | -                       | 3.58-4.56         | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,396,952                         | 11,993,227                 | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   | Far Eastern Industries (Suzhou) Ltd.                 | Other receivables - loans to related parties | Yes             | 1,356,300                              | 1,356,300                         | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 5,396,952                         | 11,993,227                 | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
| 15  | Far Eastern Industries (Wuxi) Ltd.                | Oriental Industries (Suzhou) Ltd.                    | Other receivables - loans to related parties | Yes             | 904,200                                | 904,200                           | -                       | 4.26-4.4          | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 2,660,283                         | 5,911,741                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   |  |  |                 |  |                                   |                         |                   |                     |                              |                                  |                               |                 |                 |                                   |                            |   |
| 16  | Suzhou An Ho Apparel Ltd.                         | Far Eastern Apparel (Suzhou) Co., Ltd.               | Other receivables - loans to related parties | Yes             | 40,689                                 | -                                 | -                       | 1.21-3.5          | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 50,080                            | 111,289                    | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
| 17  | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | Oriental Industries (Suzhou) Ltd.                    | Other receivables - loans to related parties | Yes             | 949,410                                | 949,410                           | 452,100                 | 1.21-3.5          | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 966,848                           | 2,148,551                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |   | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | Other receivables - loans to related parties | Yes             | 904,200                                | 904,200                           | 509,969                 | 1.21-3.5          | 2                   | -                            | For revolving fund               | -                             | Promissory note | -               | 966,848                           | 2,148,551                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |

(Continued)

| No. | Lender   | Borrower  | Financial Statement Account                  | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral      |       | Financing Limit for Each Borrower | Aggregate Financing Limits | Note  |
|-----|--|---|--|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|---|
|     |  |   |  |                 |  |                                   |                         |                   |                     |                              |                                  |                               | Item            | Value |                                   |                            |   |
| 18  | Oriental Petrochemical (Shanghai) Corporation        | Far Eastern New Century (China) Investment Co., Ltd.    | Other receivables - loans to related parties | Yes             | \$ 226,050                             | \$ 226,050                        | \$ -                    | -                 | 2                   | \$ -                         | For revolving fund               | \$ -                          | Promissory note | \$ -  | \$ 288,434                        | \$ 865,302                 | Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H) |
| 19  | Far Eastern Industries (Shanghai) Ltd.               | Oriental Petrochemical (Shanghai) Corporation           | Other receivables - loans to related parties | Yes             | 904,200                                | -                                 | -                       | 4.35              | 1                   | 8,304,223                    | -                                | -                             | Promissory note | -     | 4,196,098                         | 4,196,098                  | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K) |
|     |  | Far Eastern New Century (China) Investment Co., Ltd.    | Other receivables - loans to related parties | Yes             | 678,150                                | 678,150                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 4,196,098                         | 7,552,977                  | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note L) |
| 20  | Wuhan Far Eastern New Material Ltd.                  | Far Eastern New Century (China) Investment Co., Ltd.    | Other receivables - loans to related parties | Yes             | 135,630                                | 135,630                           | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 474,233                           | 853,619                    | Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note L) |
| 21  | Far Eastern New Century (China) Investment Co., Ltd. | Shanghai Yuan Zi Information Technology Co., Ltd.       | Other receivables - loans to related parties | Yes             | 45,210                                 | 45,210                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | Oriental Textile (Holding) Ltd                          | Other receivables - loans to related parties | Yes             | 90,420                                 | 90,420                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | Far Eastern Polychem Industries Ltd                     | Other receivables - loans to related parties | Yes             | 90,420                                 | 90,420                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | PET Far Eastern (Holding) Ltd.                          | Other receivables - loans to related parties | Yes             | 90,420                                 | 90,420                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | Wuhan Far Eastern New Material Ltd.                     | Other receivables - loans to related parties | Yes             | 135,630                                | 135,630                           | -                       | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | Oriental Industries (Suzhou) Ltd.                       | Other receivables - loans to related parties | Yes             | 1,130,250                              | 1,130,250                         | -                       | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | Far Eastern Industries (Shanghai) Ltd.                  | Other receivables - loans to related parties | Yes             | 3,164,700                              | 3,164,700                         | 4                       | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
|     |  | Shanghai Far Eastern Petrochemical Logistic Corporation | Other receivables - loans to related parties | Yes             | 54,252                                 | 54,252                            | 9                       | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 6,007,957                         | 8,411,140                  | Amounts allowed for ending period (Note P); Maximum amounts allowed for the period (Note Q) |
| 22  | Shanghai Yuan Zi Information Technology Co., Ltd.    | Oriental Petrochemical (Shanghai) Corporation           | Other receivables - loans to related parties | Yes             | 497,310                                | 226,050                           | 77                      | 1.21              | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 961,273                           | 961,273                    | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |
|     |  | Far Eastern New Century (China) Investment Co., Ltd.    | Other receivables - loans to related parties | Yes             | 45,210                                 | 45,210                            | -                       | -                 | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 58,891                            | 88,336                     | Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N) |
| 23  | Far Eastern Industries (Yangzhou) Ltd.               | Far Eastern Dyeing & Finishing (Suzhou) Ltd.            | Other receivables - loans to related parties | Yes             | 316,470                                | 316,470                           | 316,470                 | 3.6               | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 1,269,883                         | 2,821,963                  | Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O) |
|     |  | Far Eastern Union Petrochemical (Yangzhou) Corporation  | Other receivables - loans to related parties | Yes             | 542,520                                | 542,520                           | 542,520                 | 3.6               | 2                   | -                            | For revolving fund               | -                             | Promissory note | -     | 564,393                           | 564,393                    | Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note J) |

Notes: A. Reasons for financing are as follows:

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

B. The limitation is 5% of the net value of the financier based on reviewed financial statements as of June 30, 2019.

C. The limitation is 10% of the net value of the financier based on reviewed financial statements as of June 30, 2019.

D. The limitation is 35% of the net value of the financier based on reviewed financial statements as of June 30, 2019.

E. The limitation is 50% of the net value of the financier based on reviewed financial statements as of June 30, 2019.

(Continued)



- F. The limitation is 5% of the net value of the financier based on audited financial statements as of December 31, 2018.
- G. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2018.
- H. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2018.
- I. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2018.
- J. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2018.
- K. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2018.
- L. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2018.
- M. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2018.
- N. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2018.
- O. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2018.
- P. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2018.
- Q. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2018.
- R. The limitation is business transaction amount.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Endorser/<br>Guarantor                         | Endorsee/Guarantee                            |              | Limits on Each<br>Counterparty's<br>Endorsement/<br>Guarantee<br>Amounts | Maximum<br>Amounts<br>Allowed for the<br>Period | Outstanding<br>Endorsement/<br>Guarantee at<br>the End of the<br>Period | Actual<br>Borrowing<br>Amount | Amount<br>Endorsed/<br>Guaranteed by<br>Collateral | Ratio of<br>Accumulated<br>Endorsements/<br>Guarantees to<br>Net Equity in<br>Latest Financial<br>Statements (%) | Aggregate<br>Endorsement/<br>Guarantee<br>Limit | Endorsements/<br>Guarantees<br>Given by<br>Parent on<br>Behalf of<br>Subsidiaries<br>(Note O) | Endorsements/<br>Guarantees<br>Given by<br>Subsidiaries on<br>Behalf of<br>Parent (Note O) | Endorsements/<br>Guarantees<br>Given on Behalf<br>of Companies<br>in Mainland<br>China (Note O) | Note  |   |
|-----|--|---|--------------|--|---|---|-------------------------------|--|--|---|---|--|---|---|---|
|     |  | Name  | Relationship |  |   |   |                               |  |  |   |   |  |   |   |   |
| 1   | Yuan Ding Investment Co.,<br>Ltd.              | Da Ju Fiber Co., Ltd.                         | (Note B)     | \$ 19,845,070  | \$ 268,000                                      | \$ 268,000  | \$ 196,000                    | \$ -   | 0.68   | \$ 39,690,139                                   | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note E);<br>maximum amounts allowed for the period<br>(Note F). |   |
|     |  | APG Polytech, LLC                             | (Note C)     | 19,845,070   | 8,355,140                                       | 8,355,140   | 2,726,241                     | -  | 21.05  | 20,161,111                                      | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note I);<br>maximum amounts allowed for the period<br>(Note J). |   |
|     |  | APG Polytech USA<br>Holdings, Inc.            | (Note C)     | 19,845,070   | 2,453,740                                       | 2,453,740   | -                             | -  | 6.18   | 20,161,111                                      | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note I);<br>maximum amounts allowed for the period<br>(Note J). |   |
|     |  | Far Eastern Ishizuka Green<br>Pet Corporation | (Note C)     | 19,845,070   | 697,200   | 692,640   | 461,760                       | -  | 1.75   | 20,161,111                                      | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note I);<br>maximum amounts allowed for the period<br>(Note J). |   |
|     |  | PET Far Eastern (Holding)<br>Ltd.             | (Note C)     | 19,845,070   | 632,000   | -   | -                             | -  | -  | -   | 20,161,111  | -  | -   | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note I);<br>maximum amounts allowed for the period<br>(Note J). |
|     |  | Oriental Textile (Holding)<br>Ltd             | (Note A)     | 19,845,070   | 632,000   | -   | -                             | -  | -  | -   | 39,690,139  | -  | -   | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note E);<br>maximum amounts allowed for the period<br>(Note F). |
|     |  | Far Eastern Polychem<br>Industries Ltd        | (Note C)     | 19,845,070   | 948,000   | -   | -                             | -  | -  | -   | 20,161,111  | -  | -   | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note I);<br>maximum amounts allowed for the period<br>(Note J). |
|     |  | Oriental Industries (Suzhou)<br>Ltd.          | (Note A)     | 19,845,070   | 1,580,000                                       | -   | -                             | -  | -  | -   | 39,690,139  | -  | -   | Yes   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note E);<br>maximum amounts allowed for the period<br>(Note F). |
| 2   | Far Eastern Resources<br>Development Co., Ltd. | Far Eastern New Century<br>Corporation        | (Note D)     | 13,566,709   | 5,708,448                                       | 5,658,332   | 5,658,332                     | 5,658,332  | 2.81   | 27,133,417                                      | -   | Yes  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note G);<br>maximum amounts allowed for the period<br>(Note H). |   |
| 3   | Yuan Ding Co., Ltd.                            | Ding Ding Hotel Co., Ltd.                     | (Note A)     | 3,877,613  | 1,773,000                                       | 1,773,000   | 1,170,000                     | 250,000  | 0.88   | 7,755,225                                       | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note G);<br>maximum amounts allowed for the period<br>(Note H). |   |
| 4   | Far Eastern Construction<br>Co., Ltd.          | Far Eastern General<br>Contractor Inc.        | (Note A)     | 41,826,669   | 77,150  | -   | -                             | -  | -  | 41,826,669                                      | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note K);<br>maximum amounts allowed for the period<br>(Note K). |   |

(Continued)

| No. | Endorser/<br>Guarantor                   | Endorsee/Guarantee   |              | Limits on Each<br>Counterparty's<br>Endorsement/<br>Guarantee<br>Amounts | Maximum<br>Amounts<br>Allowed for the<br>Period | Outstanding<br>Endorsement/<br>Guarantee at<br>the End of the<br>Period | Actual<br>Borrowing<br>Amount | Amount<br>Endorsed/<br>Guaranteed by<br>Collateral | Ratio of<br>Accumulated<br>Endorsements/<br>Guarantees to<br>Net Equity in<br>Latest Financial<br>Statements (%) | Aggregate<br>Endorsement/<br>Guarantee<br>Limit | Endorsements/<br>Guarantees<br>Given by<br>Parent on<br>Behalf of<br>Subsidiaries<br>(Note O) | Endorsements/<br>Guarantees<br>Given by<br>Subsidiaries on<br>Behalf of<br>Parent (Note O) | Endorsements/<br>Guarantees<br>Given on Behalf<br>of Companies<br>in Mainland<br>China (Note O) | Note  |
|-----|--|--|--------------|--|---|---|-------------------------------|--|--|---|---|--|---|---|
|     |  | Name   | Relationship |  |   |   |                               |  |  |   |   |  |   |   |
| 5   | PET Far Eastern<br>(Holding) Ltd.        | Far Eastern Union<br>Petrochemical<br>(Yangzhou) Corporation | (Note B)     | \$ 100,805,557   | \$ 474,000                                      | \$ 465,900  | \$ 337,945                    | \$ -   | 0.23   | \$ 201,611,114                                  | -   | -  | Yes   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note L);<br>maximum amounts allowed for the period<br>(Note M). |
|     |  | Oriental Petrochemical<br>(Shanghai) Corporation             | (Note A)     | 100,805,557  | 1,580,000                                       | 1,553,000   | 863,511                       | -  | 0.77   | 201,611,114                                     | -   | -  | Yes   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note L);<br>maximum amounts allowed for the period<br>(Note M). |
| 6   | Far Eastern Investment<br>(Holding) Ltd. | APG Polytech USA<br>Holdings, Inc.                           | (Note A)     | 100,805,557  | 7,382,813                                       | 7,256,651   | 1,035,333                     | -  | 3.60   | 201,611,114                                     | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note L);<br>maximum amounts allowed for the period<br>(Note M). |
|     |  | APG Polytech, LLC  | (Note A)     | 100,805,557  | 2,565,920                                       | 2,180,412   | 602,533                       | -  | 1.08   | 201,611,114                                     | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note L);<br>maximum amounts allowed for the period<br>(Note M). |
| 7   | APG Polytech, LLC                        | APG Polytech USA<br>Holdings, Inc.                           | (Note D)     | 100,805,557  | 15,800  | -   | -                             | -  | -  | 201,611,114                                     | -   | -  | -   | Limits on each counterparty's<br>endorsement/guarantee amounts (Note L);<br>maximum amounts allowed for the period<br>(Note M). |

Notes: A. Subsidiary.

B. Equity-method investee.

C. The guarantee provider and counterparty have the same ultimate parent company.

D. Parent company.

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

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

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

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

I. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and 50% of the net value of Yuan Ding Investment Co., Ltd. from the reviewed financial statements as of June 30, 2019.

J. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and the net value of Yuan Ding Investment Co., Ltd. from the reviewed financial statements as of June 30, 2019.

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

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

M. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest reviewed financial statements.

N. The ratio of accumulated endorsements/guarantees to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.

O. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.

P. The tariff guarantee maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB3,000 thousand (NT\$13,563 thousand), the actual remittance: RMB3,000 thousand (NT\$13,563 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB2,000 thousand (NT\$9,042 thousand), the actual remittance: RMB2,000 thousand (NT\$9,042 thousand).

Q. The amount for the endorsement/guarantee to APG USA Holdings, Inc. which provided by Yuan Ding Investment Co., Ltd. is \$79,000 thousand which provided by bank to APG Polytech, LLC. and APG USA Holdings, Inc.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

JUNE 30, 2019

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

| Holding Company Name                          | Type and Name of Marketable Securities         | Relationship with the Holding Company             | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note   |
|---|--|---|---|--|-----------------|-----------------------------|--|--|
|   |  |   |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I)                             |  |
| Far Eastern New Century Corporation           | Asia Cement Corporation                        | (Note A)  | Investments accounted for using the equity method | 750,511  | \$ 18,328,379   | 22.33                       | \$ 35,686,813  | 19,900 thousand shares pledged or mortgaged as collateral for loans. |
|   | Far Eastern Department Stores Co., Ltd.        | (Note A)  | Investments accounted for using the equity method | 241,770  | 4,805,554       | 17.06                       | 5,439,818  |  |
|   | Oriental Union Chemical Corporation            | (Note A)  | Investments accounted for using the equity method | 81,216   | 1,246,001       | 9.17                        | 2,091,312  |  |
|   | Everest Textile Corporation                    | (Note A)  | Investments accounted for using the equity method | 137  | 1,622           | 0.03                        | 1,563  |  |
|   | Oriental Securities Corporation                | (Note A)  | Investments accounted for using the equity method | 140,278  | 1,981,441       | 19.65                       | -  |  |
|   | Pacific Liu Tong Investment Co., Ltd. (Note F) | (Note A)  | Investments accounted for using the equity method | 135,000  | 1,848,463       | 16.83                       | -  |  |
|   | Far Eastern International Bank                 | (Note A)  | Investments accounted for using the equity method | 85,501   | 1,067,895       | 2.62                        | 1,051,664  |  |
|   | Yuan Ding Investment Co., Ltd.                 | (Note A)  | Investments accounted for using the equity method | 1,822,822  | 39,122,715      | 99.40                       | -  |  |
|   | Far Eastern Resources Development Co., Ltd.    | (Note A)  | Investments accounted for using the equity method | 667,242  | 103,333,929     | 100.00                      | -  |  |
|   | Far Eastern Polytex (Holding) Ltd.             | (Note A)  | Investments accounted for using the equity method | 153  | 9,120,812       | 100.00                      | -  |  |
|   | Far Eastern Polychem Industries Ltd.           | (Note A)  | Investments accounted for using the equity method | 830,815  | 7,882,758       | 73.04                       | -  |  |
|   | Yuan Tong Investment Co., Ltd.                 | (Note A)  | Investments accounted for using the equity method | 705,147  | 8,270,819       | 100.00                      | -  |  |
|   | Kai Yuan International Investment Co., Ltd.    | (Note A)  | Investments accounted for using the equity method | 339,966  | 5,431,858       | 100.00                      | -  |  |
|   | Far Eastern Investment (Holding) Ltd.          | (Note A)  | Investments accounted for using the equity method | 4,655  | 26,135,208      | 100.00                      | -  |  |
|   | PET Far Eastern (Holding) Ltd.                 | (Note A)  | Investments accounted for using the equity method | 397  | 6,207,404       | 91.95                       | -  |  |
|   | Oriental Petrochemical (Taiwan) Co., Ltd.      | (Note A)  | Investments accounted for using the equity method | 1,712,218  | 10,355,902      | 75.56                       | -  |  |
|   | Far Eastern Construction Co., Ltd.             | (Note A)  | Investments accounted for using the equity method | 198,791  | 8,639,454       | 65.11                       | -  |  |
|   | Yuan Ding Co., Ltd.                            | (Note A)  | Investments accounted for using the equity method | 186,929  | 3,135,252       | 37.13                       | -  |  |
|   | An Ho Garment Co., Ltd.                        | (Note A)  | Investments accounted for using the equity method | 66,346   | 2,019,530       | 100.00                      | -  |  |
|   | Ding Yuan International Investment Co., Ltd.   | (Note A)  | Investments accounted for using the equity method | 235,601  | 3,044,038       | 100.00                      | -  |  |
| FEDP (Holding) Ltd.                           | (Note A)                                       | Investments accounted for using the equity method | 244   | 943,838  | 50.43           | -                           |  |  |
| Fu Kwok Knitting & Garment Co., Ltd.          | (Note A)                                       | Investments accounted for using the equity method | 4,000   | 216,267  | 100.00          | -                           |  |  |
| Ding Ding Hotel Co., Ltd.                     | (Note A)                                       | Investments accounted for using the equity method | 769   | 6,965  | 0.74            | -                           |  |  |
| Far Eastern Textile Ltd.                      | (Note A)                                       | Investments accounted for using the equity method | 100   | 1,607  | 100.00          | -                           |  |  |
| Yuan Ding Investment Co., Ltd.                | Asia Cement Corporation                        | (Note A)  | Investments accounted for using the equity method | 21,900   | 729,957         | 0.65                        | 1,041,322  | 11,307 thousand shares pledged or mortgaged as collateral for loans. |
|   | Oriental Union Chemical Corporation            | (Note A)  | Investments accounted for using the equity method | 70,818   | 1,262,599       | 8.00                        | 1,823,555  |  |
|   | Far Eastern Department Stores Co., Ltd.        | (Note A)  | Investments accounted for using the equity method | 23,473   | 486,748         | 1.66                        | 528,142  |  |
|   | Everest Textile Corporation                    | (Note A)  | Investments accounted for using the equity method | 126,096  | 1,203,770       | 25.23                       | 1,437,500  |  |
|   | Far Eastone Telecommunications Co., Ltd.       | (Note A)  | Investments accounted for using the equity method | 1,066,658  | 21,346,304      | 32.73                       | 83,519,291   |  |
|   | Far Eastern Polychem Industries Ltd.           | (Note A)  | Investments accounted for using the equity method | 306,644  | 2,909,627       | 26.96                       | -  |  |
|   | Far Eastern Apparel (Holding) Ltd.             | (Note A)  | Investments accounted for using the equity method | 111  | 3,749,163       | 100.00                      | -  |  |
|   | Da Ju Fiber Co., Ltd.                          | (Note A)  | Investments accounted for using the equity method | 55,563   | 2,040,142       | 41.86                       | -  |  |
|   | Far Eastern Apparel Co., Ltd.                  | (Note A)  | Investments accounted for using the equity method | 24,772   | 144,091         | 100.00                      | -  |  |
|   | Yuan Faun Co., Ltd.                            | (Note A)  | Investments accounted for using the equity method | 5,000  | 152,268         | 100.00                      | -  |  |
|   | Yue Ming Corporation                           | (Note A)  | Investments accounted for using the equity method | 4,745  | 70,841          | 45.50                       | -  |  |
|   | Yuan Ding Leasing Corporation                  | (Note A)  | Investments accounted for using the equity method | 36,706   | 388,096         | 46.20                       | -  |  |
|   | Far Eastern Fibertech Co., Ltd.                | (Note A)  | Investments accounted for using the equity method | 91,000   | 1,107,246       | 100.00                      | -  |  |
|   | Oriental Resources Development Co., Ltd.       | (Note A)  | Investments accounted for using the equity method | 48,918   | 573,647         | 100.00                      | -  |  |
|   | Liquid Air Far East Co., Ltd.                  | (Note A)  | Investments accounted for using the equity method | 86,615   | 1,796,936       | 35.00                       | -  |  |
|   | Freudenberg Far Eastern Spunweb Co., Ltd.      | (Note A)  | Investments accounted for using the equity method | 20,585   | 432,791         | 29.80                       | -  |  |
|   | Oriental Securities Corporation                | (Note A)  | Investments accounted for using the equity method | 185,247  | 2,723,244       | 25.96                       | -  |  |
|   | Yuan Ding Co., Ltd.                            | (Note A)  | Investments accounted for using the equity method | 64,759   | 1,104,370       | 12.86                       | -  |  |
| Far Eastern International Leasing Corporation | (Note A)                                       | Investments accounted for using the equity method | 75,268  | 926,213  | 16.87           | -                           | 51,600 thousand shares pledged or mortgaged as collateral for loans. |  |

(Continued)

| Holding Company Name                  | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note |
|---------------------------------------|--|---------------------------------------|---|--|-----------------|-----------------------------|--|------|
|                                       |  |                                       |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I) |      |
|                                       | Oriental Textile (Holding) Ltd.                            | (Note A)                              | Investments accounted for using the equity method | 110  | \$ 8,143,122    | 100.00                      | \$ -                                     |      |
|                                       | Pacific Liu Tong Investment Co., Ltd. (Note F)             | (Note A)                              | Investments accounted for using the equity method | 119,653  | 1,552,074       | 14.92                       | -  |      |
|                                       | Yu Yuan Investment Co., Ltd.                               | (Note A)                              | Investments accounted for using the equity method | 98,198   | 711,813         | 18.96                       | -  |      |
|                                       | Far Eastern General Contractor Inc.                        | (Note A)                              | Investments accounted for using the equity method | 1,490  | 21,906          | 1.00                        | -  |      |
|                                       | Oriental Petrochemical (Taiwan) Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method | 117,746  | 733,305         | 5.20                        | -  |      |
|                                       | Far Eastern International Bank                             | (Note A)                              | Investments accounted for using the equity method | 116,321  | 1,452,499       | 3.56                        | 1,430,742                                |      |
|                                       | Chung Nan Textile Co., Ltd.                                | (Note L)                              | Financial asset at FVTOCI - non-current           | 2,985  | 81,546          | 5.27                        | 81,546                                   |      |
|                                       | Overseas Investment and Development Co., Ltd.              | -                                     | Financial asset at FVTOCI - non-current           | 1,000  | 6,360           | 1.11                        | 6,360                                    |      |
|                                       | Universal Venture Capital Investment Corporation           | (Note M)                              | Financial asset at FVTOCI - non-current           | 1,400  | 10,836          | 1.16                        | 10,836                                   |      |
|                                       | China Investment and Development Co., Ltd.                 | (Note L)                              | Financial asset at FVTOCI - non-current           | 1,287  | 9,395           | 0.80                        | 9,395                                    |      |
|                                       | Taiwan Stock Exchange Corporation                          | -                                     | Financial asset at FVTOCI - non-current           | 1,081  | 61,769          | 0.16                        | 61,769                                   |      |
|                                       | Oriental Securities Investment Consultant Co., Ltd.        | (Note I)                              | Financial asset at FVTOCI - non-current           | 1  | 11              | -                           | 11                                       |      |
|                                       | Dah Chung Bills Finance Corporation                        | (Note L)                              | Financial asset at FVTOCI - non-current           | 2,254  | 30,628          | 0.50                        | 30,628                                   |      |
|                                       | U-Ming Marine Transport Corporation                        | (Note B)                              | Financial asset at FVTOCI - non-current           | 8,869  | 296,668         | 1.05                        | 296,668                                  |      |
|                                       | Financial assets under asset management contracts (Note E) |                                       |   |  |                 |                             |  |      |
|                                       | Stabard Foods Corporation                                  | -                                     | Financial asset at FVTPL - current                | 110  | 6,677           | -                           | 6,677                                    |      |
|                                       | Grand Pacific Petrochemical Corporation                    | -                                     | Financial asset at FVTPL - current                | 900  | 18,450          | -                           | 18,450                                   |      |
|                                       | Tong Yang Industry Co., Ltd                                | -                                     | Financial asset at FVTPL - current                | 50   | 2,245           | -                           | 2,245                                    |      |
|                                       | Formosa Chemicals & Fiber Corporation                      | -                                     | Financial asset at FVTPL - current                | 120  | 12,360          | -                           | 12,360                                   |      |
|                                       | Ta Chen Stainless Pipe Co., Ltd.                           | -                                     | Financial asset at FVTPL - current                | 250  | 11,325          | -                           | 11,325                                   |      |
|                                       | Hon Hai Precision Industry Co., Ltd.                       | -                                     | Financial asset at FVTPL - current                | 69   | 5,341           | -                           | 5,341                                    |      |
|                                       | Taiwan Semiconductor Manufacturing Co., Ltd.               | -                                     | Financial asset at FVTPL - current                | 90   | 21,510          | -                           | 21,510                                   |      |
|                                       | Elite Material Co., Ltd.                                   | -                                     | Financial asset at FVTPL - current                | 25   | 2,343           | -                           | 2,343                                    |      |
|                                       | Merry Electronics Co., Ltd.                                | -                                     | Financial asset at FVTPL - current                | 40   | 6,760           | -                           | 6,760                                    |      |
|                                       | EVA Airways Corporation                                    | -                                     | Financial asset at FVTPL - current                | 895  | 13,380          | -                           | 13,380                                   |      |
|                                       | Fubon Financial Holding Co., Ltd.                          | -                                     | Financial asset at FVTPL - current                | 297  | 13,617          | -                           | 13,617                                   |      |
|                                       | CTBC Financial Holding Co., Ltd.                           | -                                     | Financial asset at FVTPL - current                | 575  | 12,276          | -                           | 12,276                                   |      |
|                                       | Sino-American Silicon Products Inc.                        | -                                     | Financial asset at FVTPL - current                | 100  | 8,160           | -                           | 8,160                                    |      |
|                                       | Sigurd Microelectronics Corp.                              | -                                     | Financial asset at FVTPL - current                | 53   | 1,574           | -                           | 1,574                                    |      |
|                                       | Pou Chen Group   | -                                     | Financial asset at FVTPL - current                | 774  | 29,799          | -                           | 29,799                                   |      |
|                                       | Cathay FTSE China A50 ETF                                  | -                                     | Financial asset at FVTPL - current                | 198  | 4,316           | -                           | 4,316                                    |      |
| Far Eastern Investment (Holding) Ltd. | Filsyn Corporation   | (Note A)                              | Investments accounted for using the equity method | 45,066   | -               | 21.85                       | -  |      |
|                                       | FETG Investment Antilles N.V.                              | (Note A)                              | Investments accounted for using the equity method | 6  | 34,882          | 100.00                      | -  |      |
|                                       | PET Far Eastern (M) Sdn. Bhd.                              | (Note A)                              | Investments accounted for using the equity method | Common stock<br>5,000<br>Preferred shares<br>3,000                     | 239,063         | 50.00                       | -  |      |
|                                       | Com2B  | (Note A)                              | Investments accounted for using the equity method | 9,000  | -               | 20.00                       | -  |      |
|                                       | Far Eastern Apparel (Vietnam) Ltd.                         | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,092,841       | 100.00                      | -  |      |
|                                       | Worldwide Polychem (HK) Ltd.                               | (Note A)                              | Investments accounted for using the equity method | 2,700  | 33,268          | 100.00                      | -  |      |
|                                       | Opas Fund Segregated Portfolio Company                     | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,699           | 34.00                       | -  |      |
|                                       | Far Eastern Polytex (Vietnam) Ltd.                         | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 7,071,864       | 100.00                      | -  |      |
|                                       | Far Eastern New Apparel (Vietnam) Ltd.                     | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 330,234         | 100.00                      | -  |      |
|                                       | Magna View Sdn. Bhd.                                       | (Note A)                              | Investments accounted for using the equity method | 3,000  | 237,231         | 100.00                      | -  |      |
|                                       | Malaysia Garment Manufactures Pte. Ltd.                    | (Note A)                              | Investments accounted for using the equity method | 30   | 495,819         | 37.92                       | -  |      |
|                                       | Drive Catalyst SPC   | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 534             | 34.00                       | -  |      |
|                                       | APG Polytech USA Holdings, Inc                             | (Note A)                              | Investments accounted for using the equity method | 4,965  | 15,918,823      | 100.00                      | -  |      |
|                                       | Drive Catalyst SPC-SP Tranche One                          | (Note A)                              | Investments accounted for using the equity method | 4  | 124,951         | 25.00                       | -  |      |
|                                       | Far Eastern International Garments                         | (Note A)                              | Other liabilities - non-current                   | 59   | (12,794)        | 41.00                       | -  |      |
|                                       | Cemtex Apparel Inc.  | (Note A)                              | Other liabilities - non-current                   | 90   | (11,872)        | 50.00                       | -  |      |
|                                       | Opas Fund Segregated Portfolio Tranche C                   | (Note K)                              | Financial asset at FVTPL - current                | 6  | 264,897         | -                           | 264,897                                  |      |

(Continued)

| Holding Company Name                         | Type and Name of Marketable Securities            | Relationship with the Holding Company | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note   |
|--|---|---------------------------------------|---|--|-----------------|-----------------------------|--|--|
|  |   |                                       |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I) |  |
| APG Polytech USA Holdings, Inc               | Corpus Christi Polymers LLC                       | (Note N)                              | Investments accounted for using the equity method | (Note G)   | \$ 12,827,970   | 33.33                       | \$ -                                     |  |
|  | APG Polytech, LLC                                 | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 3,068,163       | 100.00                      | -  |  |
|  | Phoenix Technologies International, LLC           | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 301,202         | 90.00                       | -  |  |
| Phoenix Technologies International, LLC      | Perform Technologies, LLC                         | -                                     | Financial asset at FVTPL - current                | (Note G)   | 2,438           | -                           | 2,438                                    |  |
| Magna View Sdn. Bhd.                         | PET Far Eastern (M) Sdn. Bhd.                     | (Note A)                              | Investments accounted for using the equity method | Common stock<br>5,000<br>Preferred shares<br>3,000                     | 239,063         | 50.00                       | -  |  |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation                           | (Note A)                              | Investments accounted for using the equity method | 13,222   | 478,533         | 0.39                        | 628,692                                  |  |
|  | Far Eastern Department Stores Co., Ltd.           | (Note A)                              | Investments accounted for using the equity method | 5,903  | 124,834         | 0.42                        | 132,818                                  |  |
|  | Everest Textile Corporation                       | (Note A)                              | Investments accounted for using the equity method | 1,160  | 9,939           | 0.23                        | 13,219                                   |  |
|  | Oriental Union Chemical Corporation               | (Note A)                              | Investments accounted for using the equity method | 27,365   | 656,037         | 3.09                        | 704,661                                  |  |
|  | Far EasTone Telecommunications Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 920  | 40,273          | 0.03                        | 72,009                                   |  |
|  | Pacific Liu Tong Investment Co., Ltd. (Note F)    | (Note A)                              | Investments accounted for using the equity method | 18,000   | 228,093         | 2.24                        | -  |  |
|  | Yu Ding Industry Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method | 14,159   | 391,602         | 13.20                       | -  |  |
|  | Far Eastern International Bank                    | (Note A)                              | Investments accounted for using the equity method | 86,435   | 1,078,921       | 2.64                        | 1,063,152                                | 5,000 thousand shares pledged or mortgaged as collateral for loans.  |
| Kai Yuan International Investment Co., Ltd.  | Asia Cement Corporation                           | (Note A)                              | Investments accounted for using the equity method | 20,207   | 721,735         | 0.60                        | 960,866                                  |  |
|  | Far EasTone Telecommunications Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 34,149   | 1,078,111       | 1.05                        | 2,673,869                                | 13,300 thousand shares pledged or mortgaged as collateral for loans. |
|  | Oriental Union Chemical Corporation               | (Note A)                              | Investments accounted for using the equity method | 32,473   | 658,603         | 3.67                        | 836,184                                  |  |
|  | Far Eastern Department Stores Co., Ltd.           | (Note A)                              | Investments accounted for using the equity method | 20,672   | 573,826         | 1.46                        | 465,124                                  |  |
|  | Kowloon Cement Corporation                        | (Note A)                              | Investments accounted for using the equity method | 1,127  | 451,544         | 49.00                       | -  |  |
|  | Far Eastern International Leasing Corporation     | (Note A)                              | Investments accounted for using the equity method | 74,970   | 935,876         | 16.80                       | -  |  |
|  | Pacific Liu Tong Investment Co., Ltd. (Note F)    | (Note A)                              | Investments accounted for using the equity method | 18,000   | 228,294         | 2.24                        | -  |  |
|  | Far Eastern International Bank                    | (Note A)                              | Investments accounted for using the equity method | 104,936  | 1,310,222       | 3.21                        | 1,290,711                                |  |
|  | U-Ming Marine Transport Corporation               | (Note C)                              | Financial asset at FVTOCI - non-current           | 793  | 26,526          | 0.09                        | 26,526                                   |  |
| Far Eastern Polychem Industries Ltd.         | Far Eastern Industries (Shanghai) Ltd.            | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 7,691,084       | 87.64                       | -  |  |
|  | PET Far Eastern (Holding) Ltd.                    | (Note A)                              | Investments accounted for using the equity method | 35   | 545,075         | 8.05                        | -  |  |
|  | FEDP (Holding) Ltd.                               | (Note A)                              | Investments accounted for using the equity method | 240  | 927,742         | 49.57                       | -  |  |
|  | Far Eastern Industries (Yangzhou) Ltd.            | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,415,947       | 100.00                      | -  |  |
|  | Far Eastern Ishizuka Green Pet Corporation        | (Note A)                              | Investments accounted for using the equity method | 3,578  | 921,843         | 90.00                       | -  |  |
|  | Nippon Parison Co., Ltd                           | -                                     | Financial asset at FVTOCI - non-current           | 4  | 135,811         | 10.00                       | 135,811                                  |  |
| Far Eastern Construction Co., Ltd.           | Asia Cement Corporation                           | (Note A)                              | Investments accounted for using the equity method | 17,726   | 583,995         | 0.53                        | 842,877                                  |  |
|  | Far Eastern General Contractor Inc.               | (Note A)                              | Investments accounted for using the equity method | 147,413  | 1,987,878       | 98.95                       | -  |  |
|  | U-Ming Marine Transport Corporation               | (Note C)                              | Financial asset at FVTPL - current                | 1,590  | 53,179          | 0.19                        | 53,179                                   |  |
| Far Eastern Apparel (Holding) Ltd.           | Far Eastern Apparel (Suzhou) Co., Ltd.            | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 616,774         | 38.46                       | -  |  |
|  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 2,905,686       | 100.00                      | -  |  |
|  | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,076,740       | 100.00                      | -  |  |
|  | Opas Fund Segregated Portfolio Tranche C          | (Note K)                              | Financial asset at FVTPL - current                | 5  | 236,641         | -                           | 236,641                                  |  |
| Far Eastern Apparel Co., Ltd.                | Asia Cement Corporation                           | (Note A)                              | Investments accounted for using the equity method | 469  | 16,687          | 0.01                        | 22,301                                   |  |
|  | Far EasTone Telecommunications Co., Ltd.          | (Note A)                              | Investments accounted for using the equity method | 90   | 5,964           | -                           | 7,047                                    |  |
|  | Yu Ding Industry Co., Ltd.                        | (Note A)                              | Investments accounted for using the equity method | 9  | 134             | 0.01                        | -  |  |

(Continued)

| Holding Company Name                    | Type and Name of Marketable Securities                     | Relationship with the Holding Company | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note  |
|---|--|---------------------------------------|---|--|-----------------|-----------------------------|--|---|
|   |  |                                       |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I) |   |
| Far Eastern General Contractor Inc.     | Far Eastern Technical Consultants Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method | 450  | \$ 6,056        | 9.00                        | \$ -                                     | 2,246 thousand shares pledged or mortgaged as collateral for contract and warranty. |
|   | U-Ming Marine Transport Corporation                        | (Note C)                              | Financial asset at FVTPL - current                | 746  | 24,970          | 0.09                        | 24,970                                   |   |
|   | Kaohsiung Rapid Transit Corporation                        | (Note K)                              | Financial asset at FVTOCI - non-current           | 9,687  | 45,239          | 3.48                        | 45,239                                   |   |
|   | Ya-Li Precast Prestressed Concrete Industries Corporation  | (Note I)                              | Financial asset at FVTOCI - non-current           | 3,106  | 17,363          | 16.03                       | 17,363                                   |   |
|   | Deutsche Far Eastern DWS Taiwan Money Market Fund          | (Note K)                              | Financial asset at FVTPL - current                | 2,246  | 26,306          | -                           | 26,306                                   |   |
|   | Jih Sun Money Market Fund                                  | -                                     | Financial asset at FVTPL - current                | 1,484  | 22,013          | -                           | 22,013                                   |   |
| Malaysia Garment Manufactures Pte. Ltd. | Filsyn Corporation   | (Note A)                              | Investments accounted for using the equity method | 20,513   | -               | 9.95                        | -  |   |
|   | PT Malaysia Garment Bintan                                 | (Note A)                              | Other liabilities - non-current                   | (Note G)   | (43)            | 99.00                       | -  |   |
| An Ho Garment Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 40,818   | 995,118         | 1.25                        | 3,196,017                                | 9,800 thousand shares pledged or mortgaged as collateral for loans.                 |
|   | Asia Cement Corporation                                    | (Note A)                              | Investments accounted for using the equity method | 6,094  | 246,778         | 0.18                        | 289,754                                  |   |
|   | Oriental Union Chemical Corporation                        | (Note A)                              | Investments accounted for using the equity method | 11,204   | 256,573         | 1.26                        | 288,503                                  |   |
|   | Far Eastern Department Stores Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method | 370  | 11,470          | 0.03                        | 8,321                                    |   |
|   | Oriental Securities Corporation                            | (Note A)                              | Investments accounted for using the equity method | 8,193  | 112,025         | 1.15                        | -  |   |
|   | Yu Ding Industry Co., Ltd.                                 | (Note A)                              | Investments accounted for using the equity method | 16,808   | 366,492         | 15.66                       | -  |   |
|   | Pacific Liu Tong Investment Co., Ltd. (Note F)             | (Note A)                              | Investments accounted for using the equity method | 9,681  | 131,443         | 1.21                        | -  |   |
|   | Yuan Ding Investment Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 5,502  | 161,732         | 0.30                        | -  |   |
|   | Far Eastern International Bank                             | (Note A)                              | Investments accounted for using the equity method | 21,524   | 268,861         | 0.66                        | 264,742                                  |   |
| Yuan Faun Co., Ltd.                     | Yuan Cheng Human Resources Consultant Corporation          | (Note A)                              | Investments accounted for using the equity method | 745  | 12,508          | 55.19                       | -  |   |
|   | Yi Tong Fiber Co., Ltd.                                    | -                                     | Financial asset at FVTOCI - non-current           | 3,154  | 64,497          | 3.56                        | 64,497                                   |   |
|   | Far Eastern International Bank                             | (Note A)                              | Investments accounted for using the equity method | 4,561  | 56,983          | 0.14                        | 56,099                                   |   |
| Fu Kwok Knitting & Garment Co., Ltd.    | Far EasTone Telecommunications Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 520  | 19,988          | 0.02                        | 40,716                                   |   |
| Yuan Tong Investment Co., Ltd.          | Far EasTone Telecommunications Co., Ltd.                   | (Note A)                              | Investments accounted for using the equity method | 100,237  | 2,614,310       | 3.08                        | 7,848,560                                | 27,125 thousand shares pledged or mortgaged as collateral for loans.                |
|   | Far Eastern Department Stores Co., Ltd.                    | (Note A)                              | Investments accounted for using the equity method | 39,619   | 1,244,220       | 2.80                        | 891,417                                  |   |
|   | Oriental Union Chemical Corporation                        | (Note A)                              | Investments accounted for using the equity method | 49,705   | 1,663,007       | 5.61                        | 1,279,914                                |   |
|   | Asia Cement Corporation                                    | (Note A)                              | Investments accounted for using the equity method | 28,579   | 1,123,085       | 0.85                        | 1,358,951                                |   |
|   | Pacific Liu Tong Investment Co., Ltd. (Note F)             | (Note A)                              | Investments accounted for using the equity method | 18,000   | 227,096         | 2.24                        | -  |   |
|   | Far Eastern Electronic Toll Collection Co., Ltd.           | (Note A)                              | Investments accounted for using the equity method | 35,934   | 420,609         | 11.98                       | -  |   |
|   | Liquid Air Far East Co., Ltd.                              | (Note A)                              | Investments accounted for using the equity method | 1  | 26              | -                           | -  |   |
|   | Sino Belgium (Holding) Ltd.                                | (Note A)                              | Other liabilities - non-current                   | 36   | (705,187)       | 90.88                       | -  |   |
|   | Freudenberg Far Eastern Spunweb Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method | 2  | 42              | -                           | -  |   |
|   | Malaysia Garment Manufactures Pte. Ltd.                    | (Note A)                              | Investments accounted for using the equity method | 10   | 169,980         | 13.00                       | -  |   |
|   | Far Eastern International Bank                             | (Note A)                              | Investments accounted for using the equity method | 104,726  | 1,307,334       | 3.20                        | 1,288,128                                |   |
|   | Ding Shen Investment Co., Ltd.                             | (Note M)                              | Financial asset at FVTOCI - non-current           | 39,600   | 320,364         | 18.00                       | 320,364                                  |   |
|   | Bockhold N.V- stock  | -                                     | Financial asset at FVTOCI - non-current           | 1  | 172,304         | 12.51                       | 172,304                                  |   |
|   | Financial assets under asset management contracts (Note E) |                                       |   |  |                 |                             |  |   |
|   | EVA Airways Corporation                                    | -                                     | Financial asset at FVTPL - current                | 310  | 4,635           | -                           | 4,635                                    |   |
|   | Fubon Financial Holding Co., Ltd.                          | -                                     | Financial asset at FVTPL - current                | 100  | 4,585           | -                           | 4,585                                    |   |
|   | Sino-American Silicon Products Inc.                        | -                                     | Financial asset at FVTPL - current                | 85   | 6,936           | -                           | 6,936                                    |   |
|   | Taiwan Semiconductor Manufacturing Co., Ltd.               | -                                     | Financial asset at FVTPL - current                | 45   | 10,755          | -                           | 10,755                                   |   |
|   | Hon Hai Precision Industry Co., Ltd.                       | -                                     | Financial asset at FVTPL - current                | 10   | 774             | -                           | 774                                      |   |
| Formosa Chemicals & Fiber Corporation   | -  | Financial asset at FVTPL - current    | 30  | 3,090  | -               | 3,090                       |  |   |
| Tong Yang Industry Co., Ltd             | -  | Financial asset at FVTPL - current    | 39  | 1,751  | -               | 1,751                       |  |   |
| WPG Holdings Limited                    | -  | Financial asset at FVTPL - current    | 120   | 4,842  | -               | 4,842                       |  |   |
| Merry Electronics Co., Ltd.             | -  | Financial asset at FVTPL - current    | 10  | 1,690  | -               | 1,690                       |  |   |

(Continued)

| Holding Company Name                                   | Type and Name of Marketable Securities                  | Relationship with the Holding Company | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note  |
|--|---|---------------------------------------|---|--|-----------------|-----------------------------|--|---|
|  |   |                                       |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I) |   |
|  | CTBC Financial Holding Co., Ltd.                        | -                                     | Financial asset at FVTPL - current                | 175  | \$ 3,736        | -                           | \$ 3,736                                 |   |
|  | STANDARD FOODS CORPORATION                              | -                                     | Financial asset at FVTPL - current                | 110  | 6,677           | -                           | 6,677                                    |   |
|  | Taiwan Hon Chuan Enterprise Co., Ltd.                   | -                                     | Financial asset at FVTPL - current                | 36   | 1,991           | -                           | 1,991                                    |   |
|  | Elite Material Co., Ltd.                                | -                                     | Financial asset at FVTPL - current                | 57   | 5,341           | -                           | 5,341                                    |   |
|  | Quanta Computer Inc.                                    | -                                     | Financial asset at FVTPL - current                | 81   | 4,892           | -                           | 4,892                                    |   |
|  | Ta Chen Stainless Pipe Co., Ltd.                        | -                                     | Financial asset at FVTPL - current                | 173  | 7,837           | -                           | 7,837                                    |   |
|  | Formosa Laboratories, Inc.                              | -                                     | Financial asset at FVTPL - current                | 33   | 4,109           | -                           | 4,109                                    |   |
| Far Eastern Apparel (Suzhou) Co., Ltd.                 | Suzhou An Ho Apparel Ltd.                               | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 56,005          | 100.00                      | -  |   |
| PET Far Eastern (Holding) Ltd.                         | Oriental Petrochemical (Shanghai) Corporation           | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 3,294,189       | 54.72                       | -  |   |
|  | Far Eastern Union Petrochemical (Yangzhou) Corporation  | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 2,345,885       | 50.00                       | -  |   |
|  | Tong Da Air Industry (Yangzhou) Co., Ltd.               | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,213,147       | 50.00                       | -  |   |
| Oriental Textile (Holding) Ltd.                        | Far Eastern Industries (Wuxi) Ltd.                      | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 2,982,532       | 100.00                      | -  |   |
|  | Oriental Industries (Suzhou) Ltd.                       | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 6,068,808       | 100.00                      | -  |   |
|  | Opas Fund Segregated Portfolio Tranche A                | (Note K)                              | Financial asset at FVTPL - current                | 8  | 277,713         | -                           | 277,713                                  |   |
| FEDP (Holding) Ltd.                                    | Far Eastern Industries (Suzhou) Ltd.                    | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,646,929       | 100.00                      | -  |   |
| Far Eastern Polytex (Holding) Ltd.                     | Wuhan Far Eastern New Material Ltd.                     | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 957,423         | 100.00                      | -  |   |
|  | Far Eastern Apparel (Suzhou) Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 986,902         | 61.54                       | -  |   |
|  | Far Eastern New Century (China) Investment Co., Ltd.    | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 3,203,056       | 100.00                      | -  |   |
|  | Far Eastern Yihua Petrochemical (Yangzhou) Corporation  | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 3,958,447       | 60.00                       | -  |   |
| Far Eastern New Century (China) Investment Co., Ltd.   | Far Eastern Industries (Shanghai) Ltd.                  | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 1,084,685       | 12.36                       | -  |   |
|  | Shanghai Yuan Zi Information Technology Co., Ltd.       | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 58,866          | 100.00                      | -  |   |
|  | Oriental Petrochemical (Shanghai) Corporation           | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 364,296         | 6.63                        | -  |   |
|  | Yuan Ding Enterprise (Shanghai) Limited                 | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 2,019,679       | 40.00                       | -  |   |
| Sino Belgium (Holding) Ltd.                            | Sino Belgium Beer (Suzhou) Ltd.                         | (Note A)                              | Other liabilities - non-current                   | (Note G)   | (629,164)       | 100.00                      | -  |   |
|  | Martens Beers (Shanghai) Ltd.                           | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 15,438          | 100.00                      | -  |   |
| Oriental Petrochemical (Shanghai) Corporation          | Shanghai Far Eastern Petrochemical Logistic Corporation | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 139,071         | 100.00                      | -  |   |
| Far Eastern Industries (Yangzhou) Ltd.                 | Harvest Money Market A                                  | -                                     | Financial asset at FVTPL - current                | 919  | 4,154           | -                           | 4,154                                    |   |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | Harvest Money Market A                                  | -                                     | Financial asset at FVTPL - current                | 593,095  | 2,681,381       | -                           | 2,681,381                                |   |
| Yuan Ding Co., Ltd.                                    | YDT Technology International Co., Ltd.                  | (Note A)                              | Investments accounted for using the equity method | 13,992   | 251,159         | 100.00                      | -  |   |
|  | Ding Ding Integrated Marketing Service Co., Ltd.        | (Note A)                              | Investments accounted for using the equity method | 20,393   | 212,518         | 60.00                       | -  |   |
|  | Far Eastern Technical Consultants Co., Ltd.             | (Note A)                              | Investments accounted for using the equity method | 4,550  | 60,023          | 91.00                       | -  |   |
|  | YDC (Virgin Islands) Ltd.                               | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 9,050           | 17.70                       | -  |   |
|  | Yuanshi Digital Technology Co., Ltd.                    | (Note A)                              | Other liabilities - non-current                   | 4,995  | (27,860)        | 4.79                        | -  |   |
|  | FET Consulting Engineers Co., Ltd.                      | (Note A)                              | Investments accounted for using the equity method | 37,000   | 56,661          | 100.00                      | -  |   |
|  | Asia Cement Corporation                                 | (Note A)                              | Investments accounted for using the equity method | 5,329  | 220,346         | 0.16                        | 253,377                                  |   |
|  | Far EasTone Telecommunications Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method | 4,164  | 104,964         | 0.13                        | 326,002                                  |   |
|  | Yu Yuan Investment Co., Ltd.                            | (Note A)                              | Investments accounted for using the equity method | 129,637  | 1,726,925       | 25.02                       | -  | 119,000 thousand shares pledged or mortgaged as collateral for loans. |

(Continued)



| Holding Company Name                             | Type and Name of Marketable Securities                          | Relationship with the Holding Company | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note   |
|--|---|---------------------------------------|---|--|-----------------|-----------------------------|--|--|
|  |   |                                       |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I) |  |
|  | Yue Ming Corporation  | (Note A)                              | Investments accounted for using the equity method | 104  | \$ 781          | 1.00                        | \$ -                                     | 10,236 thousand shares pledged or mortgaged as collateral for loans. |
|  | Yu Ding Industry Co., Ltd.                                      | (Note A)                              | Investments accounted for using the equity method | 2,781  | 58,934          | 2.59                        | -  |  |
|  | FEDS Asia Pacific Development Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method | 10,650   | 135,462         | 5.00                        | -  |  |
|  | Far Eastern Electronic Toll Collection Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method | 44,796   | 518,887         | 14.93                       | -  |  |
|  | Far Eastern International Bank                                  | (Note A)                              | Investments accounted for using the equity method | 8,137  | 101,674         | 0.25                        | 100,081                                  |  |
|  | Yuan Hsin Digital Payment Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 20,418   | 133,978         | 20.00                       | -  |  |
|  | Ding Ding Hotel Co., Ltd.                                       | (Note A)                              | Other liabilities - non-current                   | 102,509  | (17,180)        | 98.52                       | -  |  |
|  | Far Eastern New Century Corporation                             | (Note D)                              | Financial asset at FVTPL - current                | 779  | 26,109          | -                           | 26,109                                   |  |
| Ding Ding Integrated Marketing Service Co., Ltd. | Yuanshi Digital Technology Co., Ltd.                            | (Note A)                              | Other liabilities - non-current                   | 17   | (111)           | 0.02                        | -  |  |
|  | Yuan Hsin Digital Payment Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 15,323   | 100,546         | 15.01                       | -  |  |
|  | DDIM (Virgin Islands) Ltd.                                      | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 28,454          | 46.13                       | -  |  |
|  | Pacific SOGO Department Stores Co., Ltd.                        | (Note J)                              | Financial asset at FVTOCI - non-current           | 1  | 31              | -                           | 31                                       |  |
|  | Deutsche Far Eastern DWS Taiwan Money Market Fund               | (Note K)                              | Financial asset at FVTPL - current                | 3,577  | 41,892          | -                           | 41,892                                   |  |
| Far Eastern Technical Consultants Co., Ltd.      | Cosmos Foreign Exchange Intl. Co., Ltd.                         | -                                     | Financial asset at FVTOCI - non-current           | 480  | 9,139           | 4.00                        | 9,139                                    |  |
| FET Consulting Engineers Co., Ltd.               | DDIM (Virgin Islands) Ltd.                                      | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 33,228          | 53.87                       | -  |  |
| YDC (Virgin Islands) Ltd.                        | Yuan Ding Integrated Information Service (Shanghai) Inc.        | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 283             | 0.46                        | -  |  |
|  | Speedy (Shanghai) digital Tech. Co., Ltd.                       | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 49,356          | 100.00                      | -  |  |
| DDIM (Virgin Islands) Ltd.                       | Yuan Ding Integrated Information Service (Shanghai) Inc.        | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 61,322          | 99.54                       | -  |  |
| YDT Technology International Co., Ltd.           | Everest Textile Corporation                                     | (Note A)                              | Investments accounted for using the equity method | 128  | 1,260           | 0.03                        | 1,456                                    |  |
|  | Far Eastern Department Stores Co., Ltd.                         | (Note A)                              | Investments accounted for using the equity method | 2,764  | 95,672          | 0.20                        | 62,187                                   |  |
|  | Asia Cement Corporation   | (Note A)                              | Investments accounted for using the equity method | 61   | 2,493           | -                           | 2,878                                    |  |
|  | YDC (Virgin Islands) Ltd.                                       | (Note A)                              | Investments accounted for using the equity method | (Note G)   | 42,080          | 82.30                       | -  |  |
|  | Far Eastern International Bank                                  | (Note A)                              | Investments accounted for using the equity method | 2,861  | 35,910          | 0.09                        | 35,194                                   |  |
|  | Oriental Securities Investment Consultant Co., Ltd.             | (Note J)                              | Financial asset at FVTOCI - non-current           | 1  | 11              | -                           | 11                                       |  |
| Far Eastern Electronic Toll Collection Co., Ltd. | FETC International Co., Ltd                                     | (Note A)                              | Investments accounted for using the equity method | 20,000   | 147,314         | 100.00                      | -  |  |
|  | Millerful No. 1 Real Estate Investment Trust                    | -                                     | Financial asset at FVTOCI - non-current           | 30,000   | 300,000         | -                           | 300,000                                  |  |
|  | Subordinated corporate bonds of Cathay Life Insurance Co., Ltd. | -                                     | Financial assets at amortized cost                | 500  | 500,000         | -                           | -  |  |
| Far EasTone Telecommunications Co., Ltd.         | New Century InfoComm Tech Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 21,000   | 25,233,504      | 100.00                      | -  |  |
|  | ARCOA Communication Co., Ltd.                                   | (Note A)                              | Investments accounted for using the equity method | 82,762   | 818,861         | 61.63                       | -  |  |
|  | KGEx.com Co., Ltd.  | (Note A)                              | Investments accounted for using the equity method | 68,897   | 804,408         | 99.99                       | -  |  |
|  | Yuanshi Digital Technology Co., Ltd.                            | (Note A)                              | Other liabilities - non-current                   | 90,014   | (502,605)       | 86.41                       | -  |  |
|  | Yuan Cing Co., Ltd.   | (Note A)                              | Investments accounted for using the equity method | 2,000  | 27,093          | 100.00                      | -  |  |
|  | Far Eastern Info Service (Holding) Ltd.                         | (Note A)                              | Investments accounted for using the equity method | 1  | 5,068           | 100.00                      | -  |  |
|  | Far Eastern Electronic Toll Collection Co., Ltd.                | (Note A)                              | Investments accounted for using the equity method | 118,251  | 961,182         | 39.42                       | -  |  |
|  | Yuan Hsin Digital Payment Co., Ltd.                             | (Note A)                              | Investments accounted for using the equity method | 30,626   | 200,911         | 30.00                       | -  |  |
|  | Ding Integrated Marketing Service Co., Ltd.                     | (Note A)                              | Investments accounted for using the equity method | 5,447  | 52,957          | 15.00                       | -  |  |
|  | App Works Fund II Co., Ltd.                                     | (Note L)                              | Financial asset at FVTOCI - non-current           | 8,850  | 101,330         | 11.11                       | 101,330                                  |  |
|  | CDIB Capital Innovation Accelerator Co., Ltd.                   | (Note L)                              | Financial asset at FVTOCI - non-current           | 9,000  | 90,000          | 10.71                       | 90,000                                   |  |
| ARCOA Communication Co., Ltd.                    | DataExpress Infotech Co., Ltd.                                  | (Note A)                              | Investments accounted for using the equity method | 12,866   | 195,676         | 70.00                       | -  |  |
|  | THI consultants   | (Note L)                              | Financial asset at FVTOCI - non-current           | 1,214  | 12,190          | 18.32                       | 12,190                                   |  |
|  | Web Point Co., Ltd.   | -                                     | Financial asset at FVTOCI - non-current           | 161  | 1,618           | 0.63                        | 1,618                                    |  |

(Continued)

| Holding Company Name                    | Type and Name of Marketable Securities                | Relationship with the Holding Company   | Financial Statement Account                       | June 30, 2019  |                 |                             |  | Note |
|---|---|---|---|--|-----------------|-----------------------------|--|------|
|   |   |   |   | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note I) |      |
| New Century InfoComm Tech Co., Ltd.     | New Diligent Co., Ltd.                                | (Note A)                                | Investments accounted for using the equity method | 54,000   | \$ 87,480       | 100.00                      | \$ -                                     |      |
|   | Information Security Service Digital United Inc.      | (Note A)                                | Investments accounted for using the equity method | 10,249   | 108,383         | 100.00                      | -  |      |
|   | Digital United (Cayman) Ltd.                          | (Note A)                                | Investments accounted for using the equity method | 10,320   | 201,104         | 100.00                      | -  |      |
|   | Yuanshi Digital Technology Co., Ltd.                  | (Note A)                                | Other liabilities - non-current                   | 2,500  | (13,957)        | 2.40                        | -  |      |
|   | Ding Integrated Marketing Service Co., Ltd.           | (Note A)                                | Investments accounted for using the equity method | 1,816  | 17,652          | 5.00                        | -  |      |
|   | Drive Catalyst SPC-SP Tranche One                     | (Note A)                                | Investments accounted for using the equity method | 4  | 124,951         | 25.00                       | -  |      |
|   | Prime Ecopower Co., Ltd.                              | (Note A)                                | Investments accounted for using the equity method | 16,000   | 147,137         | 100.00                      | -  |      |
|   | Nextlink Technology Co., Ltd                          | (Note A)                                | Investments accounted for using the equity method | 3,430  | 419,460         | 70.00                       | -  |      |
|   | Opas Fund Segregated Portfolio Tranche A              | (Note K)                                | Financial asset at FVTPL - current                | 13   | 459,125         | -                           | 459,125                                  |      |
|   | Opas Fund Segregated Portfolio Tranche B              | (Note K)                                | Financial asset at FVTPL - current                | 5  | 159,737         | -                           | 159,737                                  |      |
|   | Deutsche Far Eastern DWS Taiwan Money Market Fund     | (Note K)                                | Financial asset at FVTPL - current                | 12,877   | 150,805         | -                           | 150,805                                  |      |
|   | Kaohsiung Rapid Transit Corporation                   | (Note K)                                | Financial asset at FVTOCI - non-current           | 8,858  | 41,368          | 3.18                        | 41,368                                   |      |
|   | Bank Pro E-service Technology Co., Ltd.               | -                                       | Financial asset at FVTOCI - non-current           | 450  | 4,500           | 3.33                        | 4,500                                    |      |
| Changing.ai Inc.                        | -   | Financial asset at FVTOCI - non-current | 500   | 31,060   | 2.50            | 31,060                      |  |      |
| New Diligent Co., Ltd.                  | Sino Lead Enterprise Limited                          | (Note A)                                | Investments accounted for using the equity method | 30   | 278             | 100.00                      | -  |      |
|   | Far East New Diligent Company Ltd.                    | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 25,140          | 100.00                      | -  |      |
|   | New Diligent Hong Kong Co., Ltd.                      | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 2,918           | 100.00                      | -  |      |
| DataExpress Infotech Co., Ltd.          | Linkwell Tech. Co., Ltd.                              | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 62,578          | 100.00                      | -  |      |
|   | Home Master Technology Ltd.                           | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 28,948          | 100.00                      | -  |      |
| Nextlink Technology Co., Ltd            | Microfusion Technology Co., Ltd                       | (Note A)                                | Investments accounted for using the equity method | 2,600  | 9,416           | 100.00                      | -  |      |
|   | Nextlink (HK) Technology Co., Ltd                     | (Note A)                                | Investments accounted for using the equity method | -  | 17,304          | 100.00                      | -  |      |
| Microfusion Technology Co., Ltd         | Microfusion (HK) Technology Co., Ltd.                 | (Note A)                                | Investments accounted for using the equity method | -  | -               | -                           | -  |      |
| Digital United (Cayman) Ltd.            | Digital United Information Technology (Shanghai) Ltd. | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 2,292           | 100.00                      | -  |      |
|   | TBCASoft, Inc.  | -                                       | Financial asset at FVTOCI - non-current           | 980  | 155,300         | 6.77                        | 155,300                                  |      |
| Far East New Diligent Company Ltd.      | Far Eastern Tech-Info Ltd. (Shanghai)                 | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 6,829           | 58.33                       | -  |      |
| Far Eastern Info Service (Holding) Ltd. | Far Eastern Tech-Info Ltd. (Shanghai)                 | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 4,878           | 41.67                       | -  |      |
| Nextlink (HK) Technology Co., Ltd       | Nextlink (Shanghai) Technology Co., Ltd               | (Note A)                                | Investments accounted for using the equity method | (Note G)   | 2,965           | 70.00                       | -  |      |

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

C. The chairman of investee is the chairman of FENC.

D. Parent company.

E. Financial assets under asset management contracts can be sold in the open market investee, Oriental Securities Investment Consultant Co., Ltd.

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

G. Company limited.

H. The fair value of unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.

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

(Continued)

- J. The subsidiary of FENC's associate.
- K. Related party in substance.
- L. The investor is the corporate director of the investee.
- M. The investor is the corporate supervisor of the investee.
- N. Joint operation entity.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name   | Type and Name of Marketable Securities                                    | Financial Statement Account                       | Counterparty                           | Relationship | Beginning Balance                     |                       | Acquisition                           |              | Disposal                              |             |             |                   | Investment Income under the Equity Method | Ending Balance                        |              |
|--|---|---|--|--------------|---------------------------------------|-----------------------|---------------------------------------|--------------|---------------------------------------|-------------|-------------|-------------------|---|---------------------------------------|--------------|
|  |   |   |  |              | Shares (Thousands)/<br>Thousand Units | Amount                | Shares (Thousands)/<br>Thousand Units | Amount       | Shares (Thousands)/<br>Thousand Units | Price       | Book Value  | Disposal Gain     |   | Shares (Thousands)/<br>Thousand Units | Amount       |
| Far Eastern New Century Corporation                  | Far Eastern Polytex (Holding) Ltd.  | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | 135                                   | \$ 7,581,955 (Note C) | \$ 18                                 | \$ 1,107,745 | -                                     | \$ -        | \$ -        | \$ -              | \$ 431,112                                | 153                                   | \$ 9,120,812 |
|  | Far Eastern Investment (Holding) Ltd.                                     | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | 4,016                                 | 22,068,603            | 639                                   | 3,605,677    | -                                     | -           | -           | -                 | 460,928                                   | 4,655                                 | 26,135,208   |
|  | Oriental Petrochemical (Taiwan) Co., Ltd.                                 | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | 1,561,102                             | 9,183,032             | 151,116                               | 1,511,163    | -                                     | -           | -           | -                 | (338,293)                                 | 1,712,218                             | 10,355,902   |
| Far Eastern Investment (Holding) Ltd.                | APG Polytech USA Holdings, Inc  | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | (Note B)                              | US\$ 500,187 (Note D) | (Note B)                              | US\$ 10,000  | -                                     | -           | -           | -                 | US\$ 2,331                                | (Note B)                              | US\$ 512,518 |
|  | Opas Fund Segregated Portfolio Tranche D                                  | Financial asset at FVTPL - current                | Opas Fund Segregated Portfolio Company | (Note D)     | 20                                    | US\$ 19,993           | -                                     | US\$ 14      | 20                                    | US\$ 20,728 | US\$ 20,007 | US\$ 721 (Note F) | -   | -                                     | -            |
| Far Eastern Apparel (Holding) Ltd.                   | Opas Fund Segregated Portfolio Tranche D                                  | Financial asset at FVTPL - current                | Opas Fund Segregated Portfolio Company | (Note D)     | 12                                    | US\$ 11,996           | -                                     | US\$ 9       | 12                                    | US\$ 12,437 | US\$ 12,005 | US\$ 432 (Note F) | -   | -                                     | -            |
| Oriental Textile (Holding) Ltd.                      | Opas Fund Segregated Portfolio Tranche D                                  | Financial asset at FVTPL - current                | Opas Fund Segregated Portfolio Company | (Note D)     | 20                                    | US\$ 19,993           | -                                     | US\$ 14      | 20                                    | US\$ 20,728 | US\$ 20,007 | US\$ 721 (Note F) | -   | -                                     | -            |
| APG Polytech USA Holdings, Inc                       | Phoenix Technologies International, LLC                                   | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | -                                     | -                     | (Note B)                              | US\$ 10,000  | -                                     | -           | -           | -                 | US\$ (303)                                | (Note B)                              | US\$ 9,697   |
| Far Eastern Polytex (Holding) Ltd.                   | Far Eastern New Century (China) Investment Co., Ltd.                      | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | (Note B)                              | 1,736,219 (Note C)    | (Note B)                              | 1,107,028    | -                                     | -           | -           | -                 | 359,809                                   | (Note B)                              | 3,203,056    |
| Far Eastern Electronic Toll Collection Co., Ltd.     | Subordinated perpetual corporate bonds of Taiwan Life Insurance Co., Ltd. | Financial assets at amortized cost                | -                                      | -            | 4,000                                 | 402,800               | -                                     | -            | 4,000                                 | 400,000     | 402,800     | (2,800)           | -   | -                                     | -            |
|  | Subordinated corporate bonds of Cathay Life Insurance Co., Ltd.           | Financial assets at amortized cost                | -                                      | -            | -                                     | -                     | 500                                   | 500,000      | -                                     | -           | -           | -                 | -   | 500                                   | 500,000      |
| Far Eastern New Century (China) Investment Co., Ltd. | Yuan Ding Enterprise (Shanghai) Limited                                   | Investments accounted for using the equity method | Cash capital increase                  | (Note A)     | (Note B)                              | RMB 134,072 (Note E)  | (Note B)                              | RMB 244,000  | -                                     | -           | -           | -                 | RMB 68,661                                | (Note B)                              | RMB 446,733  |
| New Century InfoComm Tech Co., Ltd.                  | Nextlink Technology Co., Ltd  | Investments accounted for using the equity method | Nextlink Inc.                          | (Note A)     | -                                     | -                     | 3,430                                 | 420,000      | -                                     | -           | -           | -                 | (540)                                     | 3,430                                 | 419,460      |

Notes: A. Subsidiary.

B. Company limited.

C. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(70) thousand.

D. Associates.

E. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(6) thousand.

F. Gain on financial asset at FVTPL.

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars)

| Company Name                                 | Related Party                                 | Nature of Relationship | Transaction Details |                |            |                   | Abnormal Transaction |               | Notes Payable or Receivable |            | Accounts Payable or Receivable |            | Note |
|--|---|------------------------|---------------------|----------------|------------|-------------------|----------------------|---------------|-----------------------------|------------|--------------------------------|------------|------|
|  |   |                        | Purchase/Sale       | Amount         | % to Total | Payment Terms     | Unit Price           | Payment Terms | Ending Balance              | % to Total | Ending Balance                 | % to Total |      |
| Far Eastern New Century Corporation          | Far Eastern Industries (Shanghai) Ltd.        | (Note A)               | Sale                | \$ (1,029,670) | (4)        | Based on contract | -                    | -             | \$ -                        | -          | \$ 416,660                     | 6          |      |
|  | Worldwide Polychem (HK) Ltd.                  | (Note A)               | Sale                | (863,343)      | (3)        | Based on contract | -                    | -             | -                           | -          | 636,211                        | 10         |      |
|  | Far Eastern Polytex (Vietnam) Ltd.            | (Note A)               | Sale                | (295,174)      | (1)        | Based on contract | -                    | -             | -                           | -          | 88,397                         | 1          |      |
|  | Far Eastern Polychem Industries Ltd.          | (Note A)               | Sale                | (130,768)      | (1)        | Based on contract | -                    | -             | -                           | -          | 67,506                         | 1          |      |
|  | Oriental Petrochemical (Taiwan) Co., Ltd.     | (Note A)               | Purchase            | 8,112,084      | 37         | Based on contract | -                    | -             | -                           | -          | (1,247,865)                    | (45)       |      |
|  | Oriental Resources Development Co., Ltd.      | (Note A)               | Purchase            | 486,449        | 2          | Based on contract | -                    | -             | -                           | -          | (73,024)                       | (3)        |      |
|  | Everest Textile Corporation                   | (Note D)               | Sale                | (106,420)      | -          | Based on contract | -                    | -             | -                           | -          | 25,438                         | -          |      |
|  | Freudenberg Far Eastern Spunweb Co., Ltd.     | (Note D)               | Sale                | (232,173)      | (1)        | Based on contract | -                    | -             | -                           | -          | 70,132                         | 1          |      |
|  | Oriental Union Chemical Corporation           | (Note D)               | Purchase            | 560,736        | 3          | Based on contract | -                    | -             | -                           | -          | (72,949)                       | (3)        |      |
| Oriental Petrochemical (Taiwan) Co., Ltd.    | Far Eastern New Century Corporation           | (Note B)               | Sale                | (8,112,084)    | (36)       | Based on contract | -                    | -             | -                           | -          | 1,247,865                      | 18         |      |
|  | Far Eastern Industries (Shanghai) Ltd.        | (Note C)               | Sale                | (650,585)      | (3)        | Based on contract | -                    | -             | -                           | -          | 257,872                        | 4          |      |
|  | Far Eastern Polytex (Vietnam) Ltd.            | (Note C)               | Sale                | (3,157,626)    | (14)       | Based on contract | -                    | -             | -                           | -          | 1,359,075                      | 19         |      |
| Oriental Resources Development Co., Ltd.     | Far Eastern New Century Corporation           | (Note B)               | Sale                | (486,449)      | (77)       | Based on contract | -                    | -             | -                           | -          | 73,024                         | 71         |      |
| Far Eastern Apparel (Holding) Ltd.           | Far Eastern Apparel (Vietnam) Ltd.            | (Note C)               | Purchase            | 1,263,890      | 29         | Based on contract | -                    | -             | -                           | -          | (500,856)                      | (30)       |      |
|  | Far Eastern New Apparel (Vietnam) Ltd.        | (Note C)               | Purchase            | 1,061,551      | 24         | Based on contract | -                    | -             | -                           | -          | (334,685)                      | (20)       |      |
|  | Far Eastern Apparel (Suzhou) Co., Ltd.        | (Note C)               | Purchase            | 304,699        | 7          | Based on contract | -                    | -             | -                           | -          | (102,998)                      | (6)        |      |
|  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | (Note C)               | Purchase            | 1,786,955      | 40         | Based on contract | -                    | -             | -                           | -          | (651,417)                      | (40)       |      |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Far Eastern Apparel (Holding) Ltd.            | (Note C)               | Sale                | (1,786,955)    | (65)       | Based on contract | -                    | -             | -                           | -          | 651,417                        | 66         |      |
|  | Far Eastern Apparel (Suzhou) Co., Ltd.        | (Note C)               | Sale                | (225,041)      | (8)        | Based on contract | -                    | -             | -                           | -          | 79,203                         | 8          |      |
|  | Far Eastern Industries (Shanghai) Ltd.        | (Note C)               | Purchase            | 166,738        | 7          | Based on contract | -                    | -             | -                           | -          | (68,904)                       | (9)        |      |
|  | Far Eastern Industries (Wuxi) Ltd.            | (Note C)               | Purchase            | 133,465        | 5          | Based on contract | -                    | -             | -                           | -          | (48,346)                       | (7)        |      |
| Oriental Textile (Holding) Ltd.              | Oriental Industries (Suzhou) Ltd.             | (Note C)               | Purchase            | 2,315,887      | 96         | Based on contract | -                    | -             | -                           | -          | (701,692)                      | (94)       |      |
| Far Eastern Industries (Wuxi) Ltd.           | Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | (Note C)               | Sale                | (133,465)      | (9)        | Based on contract | -                    | -             | -                           | -          | 48,346                         | 18         |      |
| Oriental Industries (Suzhou) Ltd.            | Oriental Textile (Holding) Ltd.               | (Note C)               | Sale                | (2,315,887)    | (53)       | Based on contract | -                    | -             | -                           | -          | 701,692                        | 52         |      |
|  | Far Eastern Industries (Shanghai) Ltd.        | (Note C)               | Purchase            | 532,805        | 14         | Based on contract | -                    | -             | -                           | -          | (137,217)                      | (30)       |      |
| Far Eastern Polychem Industries Ltd.         | Pet Far Eastern (M) Sdn. Bhd.                 | (Note C)               | Sale                | (270,297)      | (9)        | Based on contract | -                    | -             | -                           | -          | 128,840                        | 14         |      |
|  | Wuhan Far Eastern New Material Ltd.           | (Note C)               | Sale                | (153,750)      | (5)        | Based on contract | -                    | -             | -                           | -          | 59,873                         | 7          |      |
|  | Far Eastern Industries (Shanghai) Ltd.        | (Note C)               | Purchase            | 2,655,465      | 87         | Based on contract | -                    | -             | -                           | -          | (256,901)                      | (74)       |      |
|  | Far Eastern New Century Corporation           | (Note B)               | Purchase            | 130,768        | 4          | Based on contract | -                    | -             | -                           | -          | (67,506)                       | (20)       |      |
|  | Wuhan Far Eastern New Material Ltd.           | (Note C)               | Purchase            | 294,926        | 10         | Based on contract | -                    | -             | -                           | -          | (65,459)                       | (19)       |      |
| Far Eastern Industries (Shanghai) Ltd.       | Far Eastern Polychem Industries Ltd.          | (Note C)               | Sale                | (2,655,465)    | (22)       | Based on contract | -                    | -             | -                           | -          | 256,901                        | 11         |      |
|  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | (Note C)               | Sale                | (166,738)      | (1)        | Based on contract | -                    | -             | -                           | -          | 68,904                         | 3          |      |
|  | Wuhan Far Eastern New Material Ltd.           | (Note C)               | Sale                | (284,793)      | (2)        | Based on contract | -                    | -             | -                           | -          | 190,572                        | 8          |      |
|  | Oriental Industries (Suzhou) Ltd.             | (Note C)               | Sale                | (532,805)      | (4)        | Based on contract | -                    | -             | -                           | -          | 137,217                        | 6          |      |
|  | Far Eastern New Century Corporation           | (Note B)               | Purchase            | 1,029,670      | 9          | Based on contract | -                    | -             | -                           | -          | (416,660)                      | (12)       |      |
|  | Oriental Petrochemical (Shanghai) Corporation | (Note C)               | Purchase            | 4,819,404      | 41         | Based on contract | -                    | -             | (649,674)                   | (43)       | (79,178)                       | (2)        |      |
| Oriental Petrochemical (Taiwan) Co., Ltd.    | Oriental Petrochemical (Taiwan) Co., Ltd.     | (Note C)               | Purchase            | 650,585        | 6          | Based on contract | -                    | -             | -                           | -          | (257,872)                      | (8)        |      |
|  | Far Eastern Industries (Shanghai) Ltd.        | (Note C)               | Sale                | (4,819,404)    | (48)       | Based on contract | -                    | -             | 649,674                     | 58         | 79,178                         | 100        |      |

(Continued)

| Company Name                             | Related Party                                | Nature of Relationship | Transaction Details   |              |            |                   | Abnormal Transaction |               | Notes Payable or Receivable |            | Accounts Payable or Receivable |            | Note     |
|--|--|------------------------|---|--------------|------------|-------------------|----------------------|---------------|-----------------------------|------------|--------------------------------|------------|----------|
|  |  |                        | Purchase/Sale   | Amount       | % to Total | Payment Terms     | Unit Price           | Payment Terms | Ending Balance              | % to Total | Ending Balance                 | % to Total |          |
| Wuhan Far Eastern New Material Ltd.      | Far Eastern Polychem Industries Ltd.         | (Note C)               | Sale  | \$ (294,926) | (44)       | Based on contract | -                    | -             | \$ -                        | -          | \$ 65,459                      | 37         |          |
|  | Far Eastern Industries (Shanghai) Ltd.       | (Note C)               | Purchase  | 284,793      | 47         | Based on contract | -                    | -             | -                           | -          | (190,572)                      | (60)       |          |
|  | Far Eastern Polychem Industries Ltd.         | (Note C)               | Purchase  | 153,750      | 25         | Based on contract | -                    | -             | -                           | -          | (59,873)                       | (19)       |          |
| Far Eastern Apparel (Suzhou) Co., Ltd.   | Far Eastern Apparel (Holding) Ltd.           | (Note C)               | Sale  | (304,699)    | (24)       | Based on contract | -                    | -             | -                           | -          | 102,998                        | 23         |          |
|  | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note C)               | Purchase  | 225,041      | 19         | Based on contract | -                    | -             | -                           | -          | (79,203)                       | (15)       |          |
| Pet Far Eastern (M) Sdn. Bhd.            | Far Eastern Polychem Industries Ltd.         | (Note C)               | Purchase  | 270,297      | 39         | Based on contract | -                    | -             | -                           | -          | (128,840)                      | (50)       |          |
|  | Far Eastern Polytex (Vietnam) Ltd.           | (Note C)               | Purchase  | 290,316      | 42         | Based on contract | -                    | -             | -                           | -          | (125,594)                      | (49)       |          |
| Far Eastern Apparel (Vietnam) Ltd.       | Far Eastern Apparel (Holding) Ltd.           | (Note C)               | Sale  | (1,263,890)  | (84)       | Based on contract | -                    | -             | -                           | -          | 500,856                        | 90         |          |
|  | Far Eastern Polytex (Vietnam) Ltd.           | (Note B)               | Purchase  | 183,817      | 14         | Based on contract | -                    | -             | -                           | -          | (85,951)                       | (41)       |          |
| Far Eastern New Apparel (Vietnam) Ltd.   | Far Eastern Apparel (Holding) Ltd.           | (Note C)               | Sale  | (1,061,551)  | (89)       | Based on contract | -                    | -             | -                           | -          | 334,685                        | 78         |          |
|  | Far Eastern Polytex (Vietnam) Ltd.           | (Note C)               | Purchase  | 264,247      | 25         | Based on contract | -                    | -             | -                           | -          | (101,688)                      | (67)       |          |
| Far Eastern Polytex (Vietnam) Ltd.       | Worldwide Polychem (HK) Ltd.                 | (Note C)               | Sale  | (922,224)    | (12)       | Based on contract | -                    | -             | -                           | -          | 945,785                        | 37         |          |
|  | Pet Far Eastern (M) Sdn. Bhd.                | (Note C)               | Sale  | (290,316)    | (4)        | Based on contract | -                    | -             | -                           | -          | 125,594                        | 5          |          |
|  | Far Eastern Apparel (Vietnam) Ltd.           | (Note C)               | Sale  | (183,817)    | (2)        | Based on contract | -                    | -             | -                           | -          | 85,951                         | 3          |          |
|  | Far Eastern New Apparel (Vietnam) Ltd.       | (Note C)               | Sale  | (264,247)    | (3)        | Based on contract | -                    | -             | -                           | -          | 101,688                        | 4          |          |
|  | Far Eastern New Century Corporation          | (Note B)               | Purchase  | 295,174      | 4          | Based on contract | -                    | -             | -                           | -          | (88,397)                       | (3)        |          |
|  | Oriental Petrochemical (Taiwan) Co., Ltd.    | (Note C)               | Purchase  | 3,157,626    | 46         | Based on contract | -                    | -             | -                           | -          | (1,359,075)                    | (52)       |          |
| Worldwide Polychem (HK) Ltd.             | Far Eastern New Century Corporation          | (Note B)               | Purchase  | 863,343      | 53         | Based on contract | -                    | -             | -                           | -          | (636,211)                      | (43)       |          |
|  | Far Eastern Polytex (Vietnam) Ltd.           | (Note C)               | Purchase  | 922,224      | 56         | Based on contract | -                    | -             | -                           | -          | (945,785)                      | (63)       |          |
| Far Eastern Construction Co., Ltd.       | Far Eastern General Contractor Inc.          | (Note C)               | Purchase  | 284,127      | 20         | Based on contract | -                    | -             | -                           | -          | (89,290)                       | (33)       |          |
| Far Eastern General Contractor Inc.      | Far Eastern Construction Co., Ltd.           | (Note C)               | Construction revenue  | (202,849)    | (6)        | Based on contract | -                    | -             | -                           | -          | -                              | -          |          |
|  | Far Eastern Department Stores Co., Ltd.      | (Note D)               | Construction revenue  | (463,339)    | (14)       | Based on contract | -                    | -             | -                           | -          | -                              | -          |          |
|  | Chubei New Century Shopping Mall Co., Ltd.   | (Note E)               | Construction revenue  | (131,543)    | (4)        | Based on contract | -                    | -             | -                           | -          | -                              | -          |          |
|  | Ya Tung Ready-mixed Concrete Corporation     | (Note E)               | Purchase  | 204,066      | 6          | Based on contract | -                    | -             | (58,536)                    | (8)        | (16,370)                       | (6)        |          |
| Far EasTone Telecommunications Co., Ltd. | ARCOA Communication Co., Ltd.                | (Note C)               | Cost of telecommunications services, marketing expenses and cost of sales | 3,884,099    | 16         | Based on contract | -                    | -             | -                           | -          | (1,200,330)                    | (13)       |          |
|  | ARCOA Communication Co., Ltd.                | (Note C)               | Operating revenue   | (126,332)    | -          | Based on contract | -                    | -             | -                           | -          | 122,697                        | 2          |          |
|  | New Century InfoComm Tech Co., Ltd.          | (Note C)               | Operating revenue   | (119,222)    | -          | Based on contract | -                    | -             | -                           | -          | 643                            | -          |          |
|  | New Century InfoComm Tech Co., Ltd.          | (Note C)               | Cost of telecommunications services, and cost of sales                    | 1,154,354    | 5          | Based on contract | -                    | -             | -                           | -          | (567,472)                      | (6)        | (Note E) |
| New Century InfoComm Tech Co., Ltd.      | Far EasTone Telecommunications Co., Ltd.     | (Note C)               | Operating revenue   | (1,154,354)  | (22)       | Based on contract | -                    | -             | -                           | -          | 567,472                        | 38         | (Note F) |
|  | Far EasTone Telecommunications Co., Ltd.     | (Note C)               | Cost of telecommunications services, and cost of sales                    | 119,222      | 3          | Based on contract | -                    | -             | -                           | -          | (643)                          | -          |          |
| ARCOA Communication Co., Ltd.            | Far EasTone Telecommunications Co., Ltd.     | (Note C)               | Operating revenue   | (3,884,099)  | (62)       | Based on contract | -                    | -             | -                           | -          | 1,200,330                      | 70         |          |
|  | Far EasTone Telecommunications Co., Ltd.     | (Note C)               | Cost of sales   | 126,332      | 2          | Based on contract | -                    | -             | -                           | -          | (122,697)                      | (11)       |          |
|  | Home Master Technology Ltd.                  | (Note C)               | Operating revenue   | (510,666)    | (8)        | Based on contract | -                    | -             | -                           | -          | 275,615                        | 16         |          |
| DataExpress Infotech Co., Ltd.           | Home Master Technology Ltd.                  | (Note C)               | Operating revenue   | (182,375)    | (9)        | Based on contract | -                    | -             | -                           | -          | 7,151                          | 2          |          |
| Home Master Technology Ltd.              | ARCOA Communication Co., Ltd.                | (Note C)               | Cost of sales   | 510,666      | 64         | Based on contract | -                    | -             | -                           | -          | (275,615)                      | (97)       |          |
|  | DataExpress Infotech Co., Ltd.               | (Note C)               | Cost of sales   | 182,375      | 23         | Based on contract | -                    | -             | -                           | -          | (7,151)                        | (3)        |          |

(Continued)

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

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

E. The subsidiary of the consolidated company's investee which accounted for using the equity method.

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

G. Including international service revenue collected by Far EasTone for NCIC.

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**FOR THE SIX MONTHS ENDED JUNE 30, 2019**

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

| Company Name                                  | Related Party                                 | Relationship | Ending Balance | Turnover Rate | Overdue |               | Amounts Received in Subsequent Period | Allowance for Bad Debts |
|---|---|--------------|----------------|---------------|---------|---------------|---------------------------------------|-------------------------|
|   |   |              |                |               | Amount  | Actions Taken |                                       |                         |
| Far Eastern New Century Corporation           | Worldwide Polychem (HK) Ltd.                  | (Note B)     | \$ 636,211     | 3.67          | \$ -    | -             | \$ 109,625                            | \$ -                    |
|   | Far Eastern Industries (Shanghai) Ltd.        | (Note B)     | 416,660        | 5.16          | -       | -             | 224,899                               | -                       |
| Oriental Petrochemical (Taiwan) Co., Ltd.     | Far Eastern New Century Corporation           | (Note C)     | 1,247,865      | 12.96         | -       | -             | 1,247,865                             | -                       |
|   | Far Eastern Industries (Shanghai) Ltd.        | (Note D)     | 257,872        | 5.34          | -       | -             | 102,721                               | -                       |
|   | Far Eastern Polytex (Vietnam) Ltd.            | (Note D)     | 1,359,075      | 4.84          | -       | -             | 668,085                               | -                       |
|   | Oriental Petrochemical (Shanghai) Corporation | (Note D)     | 383,822        | (Note J)      | -       | -             | 383,822                               | -                       |
| Far Eastern Polychem Industries Ltd.          | Pet Far Eastern (M) Sdn. Bhd.                 | (Note D)     | 128,840        | 3.07          | -       | -             | 48,596                                | -                       |
| Far Eastern Apparel (Vietnam) Ltd.            | Far Eastern Apparel (Holding) Ltd.            | (Note D)     | 500,856        | 4.82          | -       | -             | 159,332                               | -                       |
| Far Eastern New Apparel (Vietnam) Ltd.        | Far Eastern Apparel (Holding) Ltd.            | (Note D)     | 334,685        | 6.62          | -       | -             | 134,613                               | -                       |
| Far Eastern Polytex (Vietnam) Ltd.            | Worldwide Polychem (HK) Ltd.                  | (Note D)     | 945,785        | 2.47          | -       | -             | 78,256                                | -                       |
|   | Pet Far Eastern (M) Sdn. Bhd.                 | (Note D)     | 125,594        | 7.96          | -       | -             | 44,207                                | -                       |
|   | Far Eastern New Apparel (Vietnam) Ltd.        | (Note D)     | 101,688        | 8.35          | -       | -             | 74,184                                | -                       |
| Far Eastern Industries (Shanghai) Ltd.        | Wuhan Far Eastern New Material Ltd.           | (Note D)     | 190,572        | 2.44          | -       | -             | 96,563                                | -                       |
|   | Oriental Industries (Suzhou) Ltd.             | (Note D)     | 137,217        | 3.67          | -       | -             | 69,889                                | -                       |
|   | Far Eastern Polychem Industries Ltd.          | (Note D)     | 256,901        | 36.45         | -       | -             | 230,834                               | -                       |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | Far Eastern Apparel (Holding) Ltd.            | (Note D)     | 651,417        | 6.51          | -       | -             | 345,096                               | -                       |
| Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd.        | (Note D)     | 728,852        | 13.07         | -       | -             | 728,852                               | -                       |
| Oriental Industries (Suzhou) Ltd.             | Oriental Textile (Holding) Ltd.               | (Note D)     | 701,692        | 6.53          | -       | -             | 345,330                               | -                       |
| Far Eastern Apparel (Suzhou) Co., Ltd.        | Far Eastern Apparel (Holding) Ltd.            | (Note D)     | 102,998        | 7.57          | -       | -             | 62,461                                | -                       |
| Far Eastern Construction Co., Ltd.            | Far Eastern Department Stores Co., Ltd.       | (Note E)     | 108,218        | (Note G)      | -       | -             | -                                     | -                       |
| Ding Integrated Marketing Service Co., Ltd.   | Pacific SOGO Department Stores Co., Ltd.      | (Note F)     | 129,309        | (Note H)      | -       | -             | 9,586                                 | -                       |
| Far EasTone Telecommunications Co., Ltd.      | ARCOA Communication Co., Ltd.                 | (Note D)     | 124,264        | 12.53         | -       | -             | 104,612                               | -                       |
| New Century InfoComm Tech Co., Ltd.           | Far EasTone Telecommunications Co., Ltd.      | (Note D)     | 622,360        | (Note I)      | -       | -             | 281,697                               | -                       |
| ARCOA Communication Co., Ltd.                 | Far EasTone Telecommunications Co., Ltd.      | (Note D)     | 1,200,330      | 8.43          | -       | -             | 695,315                               | -                       |
|   | Home Master Technology Ltd.                   | (Note D)     | 275,843        | 3.59          | -       | -             | 101,949                               | -                       |

(Continued)



- Notes: A. This table does not include the receivables from financier. For more details, refer to Table 5. This table also does not include the other receivables from non-operating projects. For more details, refer to Table 4 and Table 11.
- B. Subsidiary.
  - C. Parent company.
  - D. Same ultimate parent company.
  - E. The consolidated company's investee which was accounted for using the equity method.
  - F. The subsidiary of the consolidated company's investee which was accounted for using the equity method.
  - G. The turnover rate was unavailable due to the main component of receivables from related parties was rental equalization.
  - H. The turnover rate was unavailable due to the receivables were points collections and payments on behalf of others.
  - I. The turnover rate was unavailable due to the receivables from related parties were mainly from the advance payments made for NCIC's daily operating expenditures, and the operating management service revenue from NCIC, the collection of telecommunications bills by Far EasTone for NCIC and other receivables from related parties which was the financing provided by NCIC to Far EasTone.
  - J. The turnover rate was unavailable due to the receivables were payments of raw materials on behalf of others.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars)

| No.<br>(Note A) | Investee Company                          | Related Party  | Relationship<br>(Note B) | Transaction Details         |            |                   |  |
|-----------------|---|--|--------------------------|-----------------------------|------------|-------------------|--|
|                 |   |  |                          | Financial Statement Account | Amount     | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 0               | Far Eastern New Century Corporation       | Worldwide Polychem (HK) Ltd.                         | 1                        | Accounts receivable         | \$ 636,211 | Based on contract | -  |
|                 |   | Worldwide Polychem (HK) Ltd.                         | 1                        | Sales                       | 863,343    | Based on contract | 1  |
|                 |   | Far Eastern Industries (Shanghai) Ltd.               | 1                        | Accounts receivable         | 416,660    | Based on contract | -  |
|                 |   | Far Eastern Industries (Shanghai) Ltd.               | 1                        | Sales                       | 1,029,670  | Based on contract | 1  |
|                 |   | Far Eastern Polytex (Vietnam) Ltd.                   | 1                        | Sales                       | 295,174    | Based on contract | -  |
|                 |   | Far Eastern Polychem Industries Ltd.                 | 1                        | Sales                       | 130,768    | Based on contract | -  |
|                 |   | Far Eastern Resources Development Co., Ltd.          | 1                        | Interest revenue            | 133        | Based on contract | -  |
| 1               | Yuan Ding Investment Co., Ltd.            | An Ho Garment Co., Ltd.                              | 3                        | Other receivables           | 200,000    | Based on contract | -  |
|                 |   | An Ho Garment Co., Ltd.                              | 3                        | Interest receivables        | 856        | Based on contract | -  |
|                 |   | An Ho Garment Co., Ltd.                              | 3                        | Interest revenue            | 856        | Based on contract | -  |
|                 |   | Far Eastern Apparel Co., Ltd.                        | 3                        | Interest revenue            | 77         | Based on contract | -  |
| 2               | Far Eastern Polychem Industries Ltd.      | Pet Far Eastern (M) Sdn. Bhd.                        | 3                        | Accounts receivable         | 128,840    | Based on contract | -  |
|                 |   | Pet Far Eastern (M) Sdn. Bhd.                        | 3                        | Sales                       | 270,297    | Based on contract | -  |
|                 |   | Wuhan Far Eastern New Material Ltd.                  | 3                        | Sales                       | 153,750    | Based on contract | -  |
| 3               | Oriental Petrochemical (Taiwan) Co., Ltd. | Far Eastern New Century Corporation                  | 2                        | Accounts receivable         | 1,247,865  | Based on contract | -  |
|                 |   | Far Eastern New Century Corporation                  | 2                        | Sales                       | 8,112,084  | Based on contract | 6  |
|                 |   | Far Eastern Industries (Shanghai) Ltd.               | 3                        | Accounts receivable         | 257,872    | Based on contract | -  |
|                 |   | Far Eastern Industries (Shanghai) Ltd.               | 3                        | Sales                       | 650,585    | Based on contract | 1  |
|                 |   | Far Eastern Polytex (Vietnam) Ltd.                   | 3                        | Accounts receivable         | 1,359,075  | Based on contract | -  |
|                 |   | Far Eastern Polytex (Vietnam) Ltd.                   | 3                        | Sales                       | 3,157,626  | Based on contract | 2  |
|                 |   | Oriental Petrochemical (Shanghai) Corporation        | 3                        | Accounts receivable         | 383,822    | Based on contract | -  |
| 4               | Far Eastern Investment (Holding) Ltd.     | Far Eastern Apparel (Vietnam) Ltd.                   | 3                        | Interest revenue            | 2,471      | Based on contract | -  |
|                 |   | Far Eastern New Century (China) Investment Co., Ltd. | 3                        | Other receivables           | 145,698    | Based on contract | -  |
|                 |   | Far Eastern New Apparel (Vietnam) Ltd.               | 3                        | Other receivables           | 512,490    | Based on contract | -  |
|                 |   | Far Eastern New Apparel (Vietnam) Ltd.               | 3                        | Interest revenue            | 6,722      | Based on contract | -  |
|                 |   | Pet Far Eastern (M) Sdn. Bhd.                        | 3                        | Interest receivables        | 59,478     | Based on contract | -  |
|                 |   | Pet Far Eastern (M) Sdn. Bhd.                        | 3                        | Interest revenue            | 1,412      | Based on contract | -  |
|                 |   | Sino Belgium (Holding) Ltd.                          | 3                        | Other receivables           | 164,618    | Based on contract | -  |
|                 |   | Sino Belgium (Holding) Ltd.                          | 3                        | Interest receivables        | 1,157      | Based on contract | -  |
|                 |   | Sino Belgium (Holding) Ltd.                          | 3                        | Interest revenue            | 2,184      | Based on contract | -  |
| 5               | PET Far Eastern (Holding) Ltd.            | Yuan Ding Enterprise (Shanghai) Limited              | 3                        | Other receivables           | 316,470    | Based on contract | -  |

(Continued)

| No.<br>(Note A) | Investee Company                              | Related Party  | Relationship<br>(Note B) | Transaction Details         |              |                   |  |
|-----------------|---|--|--------------------------|-----------------------------|--------------|-------------------|--|
|                 |   |  |                          | Financial Statement Account | Amount       | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 6               | Oriental Textile (Holding) Ltd.               | Far Eastern Polytex (Vietnam) Ltd.                   | 3                        | Other receivables           | \$ 1,553,000 | Based on contract | -  |
|                 |   | Far Eastern Polytex (Vietnam) Ltd.                   | 3                        | Interest receivables        | 19,420       | Based on contract | -  |
|                 |   | Far Eastern Polytex (Vietnam) Ltd.                   | 3                        | Interest revenue            | 19,372       | Based on contract | -  |
|                 |   | Far Eastern Investment (Holding) Ltd.                | 3                        | Interest revenue            | 527          | Based on contract | -  |
| 7               | Far Eastern Apparel (Vietnam) Ltd.            | Far Eastern Apparel (Holding) Ltd.                   | 3                        | Accounts receivable         | 500,856      | Based on contract | -  |
|                 |   | Far Eastern Apparel (Holding) Ltd.                   | 3                        | Sales                       | 1,263,890    | Based on contract | 1  |
| 8               | Far Eastern Polytex (Vietnam) Ltd.            | Worldwide Polychem (HK) Ltd.                         | 3                        | Accounts receivable         | 945,785      | Based on contract | -  |
|                 |   | Worldwide Polychem (HK) Ltd.                         | 3                        | Sales                       | 922,224      | Based on contract | 1  |
|                 |   | Pet Far Eastern (M) Sdn. Bhd.                        | 3                        | Accounts receivable         | 125,594      | Based on contract | -  |
|                 |   | Pet Far Eastern (M) Sdn. Bhd.                        | 3                        | Sales                       | 290,316      | Based on contract | -  |
|                 |   | Far Eastern New Apparel (Vietnam) Ltd.               | 3                        | Accounts receivable         | 101,688      | Based on contract | -  |
|                 |   | Far Eastern New Apparel (Vietnam) Ltd.               | 3                        | Sales                       | 264,247      | Based on contract | -  |
|                 |   | Far Eastern Apparel (Vietnam) Ltd.                   | 3                        | Sales                       | 183,817      | Based on contract | -  |
| 9               | Far Eastern New Apparel (Vietnam) Ltd.        | Far Eastern Apparel (Holding) Ltd.                   | 3                        | Accounts receivable         | 334,685      | Based on contract | -  |
|                 |   | Far Eastern Apparel (Holding) Ltd.                   | 3                        | Sales                       | 1,061,551    | Based on contract | 1  |
| 10              | Far Eastern Industries (Shanghai) Ltd.        | Far Eastern Polychem Industries Ltd.                 | 3                        | Accounts receivable         | 256,901      | Based on contract | -  |
|                 |   | Far Eastern Polychem Industries Ltd.                 | 3                        | Sales                       | 2,655,465    | Based on contract | 2  |
|                 |   | Wuhan Far Eastern New Material Ltd.                  | 3                        | Accounts receivable         | 190,572      | Based on contract | -  |
|                 |   | Wuhan Far Eastern New Material Ltd.                  | 3                        | Sales                       | 284,793      | Based on contract | -  |
|                 |   | Oriental Industries (Suzhou) Ltd.                    | 3                        | Accounts receivable         | 137,217      | Based on contract | -  |
|                 |   | Oriental Industries (Suzhou) Ltd.                    | 3                        | Sales                       | 532,805      | Based on contract | -  |
|                 |   | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 3                        | Sales                       | 166,738      | Based on contract | -  |
| 11              | Far Eastern Industries (Yangzhou) Ltd.        | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 3                        | Other receivables           | 316,470      | Based on contract | -  |
|                 |   | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 3                        | Interest receivables        | 3,766        | Based on contract | -  |
|                 |   | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 3                        | Interest revenue            | 3,583        | Based on contract | -  |
| 12              | Far Eastern Industries (Wuxi) Ltd.            | Far Eastern Dyeing & Finishing (Suzhou) Ltd.         | 3                        | Sales                       | 133,465      | Based on contract | -  |
| 13              | Far Eastern Dyeing & Finishing (Suzhou) Ltd.  | Far Eastern Apparel (Holding) Ltd.                   | 3                        | Accounts receivable         | 651,417      | Based on contract | -  |
|                 |   | Far Eastern Apparel (Holding) Ltd.                   | 3                        | Sales                       | 1,786,955    | Based on contract | 1  |
|                 |   | Oriental Industries (Suzhou) Ltd.                    | 3                        | Other receivables           | 2,069,795    | Based on contract | -  |
|                 |   | Oriental Industries (Suzhou) Ltd.                    | 3                        | Interest receivables        | 6,158        | Based on contract | -  |
|                 |   | Oriental Industries (Suzhou) Ltd.                    | 3                        | Interest revenue            | 32,533       | Based on contract | -  |
|                 |   | Far Eastern Apparel (Suzhou) Co., Ltd.               | 3                        | Sales                       | 225,041      | Based on contract | -  |
| 14              | Suzhou An Ho Apparel Ltd.                     | Far Eastern Apparel (Suzhou) Co., Ltd.               | 3                        | Interest revenue            | 409          | Based on contract | -  |
| 15              | Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd.               | 3                        | Accounts receivable         | 79,178       | Based on contract | -  |
|                 |   | Far Eastern Industries (Shanghai) Ltd.               | 3                        | Notes receivable            | 649,674      | Based on contract | -  |
|                 |   | Far Eastern Industries (Shanghai) Ltd.               | 3                        | Sales                       | 4,819,404    | Based on contract | 4  |
|                 |   | Far Eastern New Century (China) Investment Co., Ltd. | 3                        | Interest revenue            | 13           | Based on contract | -  |

(Continued)

| No.<br>(Note A) | Investee Company                                     | Related Party   | Relationship<br>(Note B) | Transaction Details         |            |                   |  |
|-----------------|--|---|--------------------------|-----------------------------|------------|-------------------|--|
|                 |  |   |                          | Financial Statement Account | Amount     | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 16              | Oriental Industries (Suzhou) Ltd.                    | Oriental Textile (Holding) Ltd.                         | 3                        | Accounts receivable         | \$ 701,692 | Based on contract | -  |
|                 |  | Oriental Textile (Holding) Ltd.                         | 3                        | Sales                       | 2,315,887  | Based on contract | 2  |
|                 |  | Sino Belgium Beer (Suzhou) Ltd.                         | 3                        | Other receivables           | 732,881    | Based on contract | -  |
|                 |  | Sino Belgium Beer (Suzhou) Ltd.                         | 3                        | Interest receivables        | 2,063      | Based on contract | -  |
|                 |  | Sino Belgium Beer (Suzhou) Ltd.                         | 3                        | Interest revenue            | 13,460     | Based on contract | -  |
|                 |  | Far Eastern Industries (Wuxi) Ltd.                      | 3                        | Interest receivables        | 24         | Based on contract | -  |
|                 |  | Far Eastern Industries (Wuxi) Ltd.                      | 3                        | Interest revenue            | 132        | Based on contract | -  |
| 17              | Far Eastern Industries (Suzhou) Ltd.                 | Oriental Industries (Suzhou) Ltd.                       | 3                        | Other receivables           | 1,288,829  | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest receivables        | 3,531      | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest revenue            | 12,250     | Based on contract | -  |
| 18              | Far Eastern Apparel (Suzhou) Co., Ltd.               | Oriental Industries (Suzhou) Ltd.                       | 3                        | Other receivables           | 605,308    | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest receivables        | 2,311      | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest revenue            | 17,964     | Based on contract | -  |
|                 |  | Far Eastern Apparel (Holding) Ltd.                      | 3                        | Accounts receivable         | 102,998    | Based on contract | -  |
|                 |  | Far Eastern Apparel (Holding) Ltd.                      | 3                        | Sales                       | 304,699    | Based on contract | -  |
| 19              | Far Eastern New Century (China) Investment Co., Ltd. | Oriental Petrochemical (Shanghai) Corporation           | 3                        | Other receivables           | 77         | Based on contract | -  |
|                 |  | Oriental Petrochemical (Shanghai) Corporation           | 3                        | Interest revenue            | 255        | Based on contract | -  |
|                 |  | Far Eastern Industries (Shanghai) Ltd.                  | 3                        | Other receivables           | 4          | Based on contract | -  |
|                 |  | Far Eastern Industries (Shanghai) Ltd.                  | 3                        | Interest revenue            | 1,295      | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest revenue            | 23         | Based on contract | -  |
|                 |  | Shanghai Far Eastern Petrochemical Logistic Corporation | 3                        | Other receivables           | 9          | Based on contract | -  |
|                 |  | Shanghai Far Eastern Petrochemical Logistic Corporation | 3                        | Interest revenue            | 61         | Based on contract | -  |
| 20              | Oriental Resources Development Co., Ltd.             | Far Eastern New Century Corporation                     | 2                        | Sales                       | 486,449    | Based on contract | -  |
| 21              | Wuhan Far Eastern New Material Ltd.                  | Far Eastern Polychem Industries Ltd.                    | 3                        | Sales                       | 294,926    | Based on contract | -  |
| 22              | Far Eastern Innovation Apparel (Suzhou) Co., Ltd.    | Far Eastern Dyeing & Finishing (Suzhou) Ltd.            | 3                        | Other receivables           | 509,969    | Based on contract | -  |
|                 |  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.            | 3                        | Interest receivables        | 3,551      | Based on contract | -  |
|                 |  | Far Eastern Dyeing & Finishing (Suzhou) Ltd.            | 3                        | Interest revenue            | 4,332      | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Other receivables           | 452,100    | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest receivables        | 3,021      | Based on contract | -  |
|                 |  | Oriental Industries (Suzhou) Ltd.                       | 3                        | Interest revenue            | 4,657      | Based on contract | -  |
| 23              | Far Eastern Electronic Toll Collection Co., Ltd.     | Yuan Ding Co., Ltd.                                     | 3                        | Interest revenue            | 27         | Based on contract | -  |
| 24              | FETC International Co., Ltd                          | Far Eastern Electronic Toll Collection Co., Ltd.        | 3                        | Interest revenue            | 616        | Based on contract | -  |
|                 |  | Far EasTone Telecommunications Co., Ltd.                | 3                        | Interest revenue            | 11         | Based on contract | -  |
| 25              | APG Polytech USA Holdings, Inc                       | Phoenix Technologies International, LLC                 | 3                        | Other receivables           | 512,440    | Based on contract | -  |
|                 |  | Phoenix Technologies International, LLC                 | 3                        | Interest revenue            | 1,125      | Based on contract | -  |

(Continued)

| No.<br>(Note A) | Investee Company                         | Related Party                            | Relationship<br>(Note B) | Transaction Details                |            |                   |  |
|-----------------|--|--|--------------------------|------------------------------------|------------|-------------------|--|
|                 |  |  |                          | Financial Statement Account        | Amount     | Payment Terms     | % of Consolidated<br>Sales or Assets<br>(Note C) |
| 26              | Far Eastern General Contractor Inc.      | Far Eastern Construction Co., Ltd.       | 3                        | Construction revenue               | \$ 202,849 | Based on contract | -  |
| 27              | Far EasTone Telecommunications Co., Ltd. | New Century InfoComm Tech Co., Ltd.      | 3                        | Telecommunications service revenue | 119,222    | Based on contract | -  |
|                 |  | ARCOA Communication Co., Ltd.            | 3                        | Accounts receivable                | 122,697    | Based on contract | -  |
|                 |  | ARCOA Communication Co., Ltd.            | 3                        | Sales                              | 124,609    | Based on contract | -  |
| 28              | New Century InfoComm Tech Co., Ltd.      | Far EasTone Telecommunications Co., Ltd. | 3                        | Telecommunications service revenue | 1,154,354  | Based on contract | 1  |
|                 |  | Far EasTone Telecommunications Co., Ltd. | 3                        | Other receivables                  | 598,771    | Based on contract | -  |
|                 |  | Yuanshi Digital Technology Co., Ltd.     | 3                        | Other receivables                  | 141,902    | Based on contract | -  |
| 29              | ARCOA Communication Co., Ltd.            | Far EasTone Telecommunications Co., Ltd. | 3                        | Operating revenue                  | 249,092    | Based on contract | -  |
|                 |  | Far EasTone Telecommunications Co., Ltd. | 3                        | Accounts receivable                | 1,140,921  | Based on contract | -  |
|                 |  | Far EasTone Telecommunications Co., Ltd. | 3                        | Sales                              | 3,618,610  | Based on contract | 3  |
|                 |  | Home Master Technology Ltd.              | 3                        | Accounts receivable                | 275,615    | Based on contract | -  |
|                 |  | Home Master Technology Ltd.              | 3                        | Sales                              | 510,372    | Based on contract | -  |
| 30              | DataExpress Infotech Co., Ltd.           | Home Master Technology Ltd.              | 3                        | Sales                              | 182,375    | Based on contract | -  |

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

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

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

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

Note C: The percentage of total assets or sales is the ratio of ending balance to consolidated total assets or consolidated total revenue.

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor                            | Investee                                       | Location           | Main Businesses and Products                     | Investment Amount |                   | Balance as of June 30, 2019 |                |                 | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes   |
|-------------------------------------|--|--------------------|--|-------------------|-------------------|-----------------------------|----------------|-----------------|-----------------------------------|------------------------|---|
|                                     |  |                    |  | June 30, 2019     | December 31, 2018 | Shares (Note F)             | % of Ownership | Carrying Amount |                                   |                        |   |
| Far Eastern New Century Corporation | Asia Cement Corporation                        | Taiwan             | Cement production                                | \$ 2,652,282      | \$ 2,652,282      | 750,511                     | 22.33          | \$ 18,328,379   | \$ 9,053,211                      | \$ 1,830,861           | Investment gain or loss recognized under the treasury shares method (Note A)  |
|                                     | Far Eastern Department Stores Co., Ltd.        | Taiwan             | Department store operations                      | 1,254,158         | 1,254,158         | 241,770                     | 17.06          | 4,805,554       | 687,622                           | 117,308                | (Note A)  |
|                                     | Oriental Union Chemical Corporation            | Taiwan             | Petrochemical materials production               | 1,176,211         | 1,176,211         | 81,216                      | 9.17           | 1,246,001       | 27,266                            | 2,500                  | (Note A)  |
|                                     | Everest Textile Corporation                    | Taiwan             | Chemical fiber production                        | 1,689             | 1,689             | 137                         | 0.03           | 1,622           | 5,357                             | 2                      | (Note A)  |
|                                     | Oriental Securities Corporation                | Taiwan             | Brokering  | 159,823           | 159,823           | 140,278                     | 19.65          | 1,981,441       | 159,994                           | 31,439                 | (Note A)  |
|                                     | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan             | Investment                                       | 810,000           | 810,000           | 135,000                     | 16.83          | 1,848,463       | 132,120                           | 22,236                 | (Note A)  |
|                                     | Far Eastern International Bank                 | Taiwan             | Deposit, loan and guarantee services             | 805,598           | 805,598           | 85,501                      | 2.62           | 1,067,895       | 2,189,680                         | 66,533                 | (Notes A and K)   |
|                                     | Yuan Ding Investment Co., Ltd.                 | Taiwan             | Investment                                       | 100,052           | 100,052           | 1,822,822                   | 99.40          | 39,122,715      | 2,361,318                         | 2,347,758              | Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$608 (Notes B and H)      |
|                                     | Far Eastern Resources Development Co., Ltd.    | Taiwan             | Real estate construction and sales               | 14,931,733        | 14,931,733        | 667,242                     | 100.00         | 103,333,929     | 369,705                           | 384,201                | Including the adjustments of the transactions between subsidiaries \$14,496 (Note B)  |
|                                     | Far Eastern Polytex (Holding) Ltd.             | Bermuda            | Investment                                       | 9,491,954         | 8,384,209         | 153                         | 100.00         | 9,120,812       | 10,382                            | 10,382                 | (Note B)  |
|                                     | Far Eastern Polychem Industries Ltd.           | Bermuda            | Investment and sale of chemical fiber production | 7,318,312         | 7,318,312         | 830,815                     | 73.04          | 7,882,758       | 207,963                           | 151,896                | (Note B)  |
|                                     | Yuan Tong Investment Co., Ltd.                 | Taiwan             | Investment                                       | 5,850,000         | 5,850,000         | 705,147                     | 100.00         | 8,270,819       | 253,049                           | 258,002                | Including the adjustments of the transactions between subsidiaries \$4,953 (Note B)   |
|                                     | Kai Yuan International Investment Co., Ltd.    | Taiwan             | Investment                                       | 999,993           | 999,993           | 339,966                     | 100.00         | 5,431,858       | 208,988                           | 208,988                | (Note B)  |
|                                     | Far Eastern Investment (Holding) Ltd.          | Bermuda            | Investment and sale of petrochemicals            | 22,057,695        | 18,452,018        | 4,655                       | 100.00         | 26,135,208      | 206,104                           | 206,104                | (Note B)  |
|                                     | PET Far Eastern (Holding) Ltd.                 | Bermuda            | Investment                                       | 6,626,110         | 6,626,110         | 397                         | 91.95          | 6,207,404       | (24,688)                          | (17,838)               | Including discounted amortization \$4,863 (Note B)  |
|                                     | Oriental Petrochemical (Taiwan) Co., Ltd.      | Taiwan             | Petrochemical materials production               | 16,209,038        | 14,697,875        | 1,712,218                   | 75.56          | 10,355,902      | (341,479)                         | (337,798)              | Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries (\$79,776) (Notes B and H) |
|                                     | Far Eastern Construction Co., Ltd.             | Taiwan             | Real estate construction and sales               | 143,450           | 143,450           | 198,791                     | 65.11          | 8,639,454       | 291,436                           | 189,754                | (Note B)  |
|                                     | Yuan Ding Co., Ltd.                            | Taiwan             | Real estate leasing and hotel                    | 857,511           | 857,511           | 186,929                     | 37.13          | 3,135,252       | 139,667                           | 57,009                 | (Notes B and I)   |
|                                     | An Ho Garment Co., Ltd.                        | Taiwan             | Garment production and investment                | 1,023             | 1,023             | 66,346                      | 100.00         | 2,019,530       | 104,954                           | 105,006                | Including the adjustments of the transactions between subsidiaries \$51 (Note B)  |
|                                     | Ding Yuan International Investment Co., Ltd.   | Taiwan             | Investment                                       | 2,000,062         | 2,000,062         | 235,601                     | 100.00         | 3,044,038       | 115,635                           | 115,675                | Including the adjustments of the transactions between subsidiaries \$40 (Note B)  |
|                                     | FEDP (Holding) Ltd.                            | Bermuda            | Investment                                       | 676,315           | 676,315           | 244                         | 50.43          | 943,838         | 14,249                            | 7,186                  | (Note B)  |
|                                     | Fu Kwok Knitting & Garment Co., Ltd.           | Taiwan             | Garment production                               | 9,205             | 9,205             | 4,000                       | 100.00         | 216,267         | 24,497                            | 24,497                 | (Note B)  |
|                                     | Ding Ding Hotel Co., Ltd.                      | Taiwan             | Hotel  | 393,651           | 393,651           | 769                         | 0.74           | 6,965           | (162,585)                         | (1,203)                | (Note B)  |
| Far Eastern Textile Ltd.            | Taiwan   | Textile production | 1,000  | 1,000             | 100               | 100.00                      | 1,607          | 18              | 18                                | (Note B)               |   |
| Yuan Ding Investment Co., Ltd.      | Asia Cement Corporation                        | Taiwan             | Cement production                                | 615,478           | 600,883           | 21,900                      | 0.65           | 729,957         | 9,053,211                         | -                      | (Note A)  |
|                                     | Oriental Union Chemical Corporation            | Taiwan             | Petrochemical materials production               | 1,085,488         | 1,085,488         | 70,818                      | 8.00           | 1,262,599       | 27,266                            | -                      | (Note A)  |
|                                     | Far Eastern Department Stores Co., Ltd.        | Taiwan             | Department store operations                      | 469,095           | 464,170           | 23,473                      | 1.66           | 486,748         | 687,622                           | -                      | (Note A)  |
|                                     | Everest Textile Corporation                    | Taiwan             | Chemical fiber production                        | 470,103           | 470,103           | 126,096                     | 25.23          | 1,203,770       | 5,357                             | -                      | (Note A)  |
|                                     | Far Eastone Telecommunications Co., Ltd.       | Taiwan             | Telecommunications                               | 2,723,598         | 2,723,598         | 1,066,658                   | 32.73          | 21,346,304      | 4,405,479                         | -                      | (Note B)  |
|                                     | Far Eastern Polychem Industries Ltd.           | Bermuda            | Investment and sale of chemical fiber production | 1,392,692         | 1,392,692         | 306,644                     | 26.96          | 2,909,627       | 207,963                           | -                      | (Note B)  |
|                                     | Far Eastern Apparel (Holding) Ltd.             | Bermuda            | Investment and sale of textile                   | 2,179,442         | 2,179,442         | 111                         | 100.00         | 3,749,163       | 152,635                           | -                      | (Note B)  |
|                                     | Da Ju Fiber Co., Ltd.                          | Taiwan             | Sale of polychemical products                    | 263,790           | 263,790           | 55,563                      | 41.86          | 2,040,142       | 21,679                            | -                      | (Note A)  |
|                                     | Far Eastern Apparel Co., Ltd.                  | Taiwan             | Sale of textiles, garments, and clothing         | 387,984           | 387,984           | 24,772                      | 100.00         | 144,091         | (32,934)                          | -                      | (Note B)  |
|                                     | Yuan Faun Co., Ltd.                            | Taiwan             | Production management consulting                 | 51,671            | 51,671            | 5,000                       | 100.00         | 152,268         | 5,703                             | -                      | (Note B)  |
|                                     | Yue Ming Corporation                           | Taiwan             | Trading  | 97,852            | 97,852            | 4,745                       | 45.50          | 70,841          | 1,825                             | -                      | (Note A)  |
|                                     | Yuan Ding Leasing Corporation                  | Taiwan             | Real estate construction and sales               | 319,380           | 319,380           | 36,706                      | 46.20          | 388,096         | 6,903                             | -                      | (Note A)  |
|                                     | Far Eastern Fibertech Co., Ltd.                | Taiwan             | Nylon production                                 | 585,000           | 585,000           | 91,000                      | 100.00         | 1,107,246       | 40,614                            | -                      | (Note B)  |

(Continued)

| Investor                                       | Investee                                       | Location                               | Main Businesses and Products   | Investment Amount     |                   | Balance as of June 30, 2019 |                |                 | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes           |          |
|--|--|--|--|-----------------------|-------------------|-----------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|----------|
|  |  |  |  | June 30, 2019         | December 31, 2018 | Shares (Note F)             | % of Ownership | Carrying Amount |                                   |                        |                 |          |
| Far Eastern Investment (Holding) Ltd.          | Oriental Resources Development Co., Ltd.       | Taiwan                                 | Medical materials manufacturing and wholesale and waste recycling and processing                     | \$ 509,448            | \$ 509,448        | 48,918                      | 100.00         | \$ 573,647      | \$ 80,008                         | \$ -                   | (Note B)        |          |
|  | Liquid Air Far East Co., Ltd.                  | Taiwan                                 | Industrial gas production and sales  | 504,806               | 504,806           | 86,615                      | 35.00          | 1,796,936       | 930,000                           | -                      | (Note A)        |          |
|  | Freudenberg Far Eastern Spunweb Co., Ltd.      | Taiwan                                 | Production of nonwoven industrial fabrics  | 144,786               | 144,786           | 20,585                      | 29.80          | 432,791         | 182,670                           | -                      | (Note A)        |          |
|  | Oriental Securities Corporation                | Taiwan                                 | Brokering  | 255,424               | 255,424           | 185,247                     | 25.96          | 2,723,244       | 159,994                           | -                      | (Note A)        |          |
|  | Yuan Ding Co., Ltd.                            | Taiwan                                 | Real estate leasing and hotel  | 188,846               | 188,846           | 64,759                      | 12.86          | 1,104,370       | 139,667                           | -                      | (Note B)        |          |
|  | Far Eastern International Leasing Corporation  | Taiwan                                 | Leasing  | 1,012,057             | 1,012,057         | 75,268                      | 16.87          | 926,213         | 44,056                            | -                      | (Note A)        |          |
|  | Oriental Textile (Holding) Ltd.                | Bermuda                                | Investment and sale of textile   | 7,142,602             | 7,142,602         | 110                         | 100.00         | 8,143,122       | 66,026                            | -                      | (Note B)        |          |
|  | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan                                 | Investment   | 796,491               | 796,491           | 119,653                     | 14.92          | 1,552,074       | 132,120                           | -                      | (Note A)        |          |
|  | Yu Yuan Investment Co., Ltd.                   | Taiwan                                 | Investment   | 673,704               | 673,704           | 98,198                      | 18.96          | 711,813         | 416,084                           | -                      | (Note A)        |          |
|  | Far Eastern General Contractor Inc.            | Taiwan                                 | Real estate construction   | 14,682                | 14,682            | 1,490                       | 1.00           | 21,906          | 32,317                            | -                      | (Note B)        |          |
|  | Oriental Petrochemical (Taiwan) Co., Ltd.      | Taiwan                                 | Petrochemical materials production   | 779,399               | 675,479           | 117,746                     | 5.20           | 733,305         | (341,479)                         | -                      | (Note B)        |          |
|  | Far Eastern International Bank                 | Taiwan                                 | Deposit, loan and guarantee services   | 1,095,981             | 1,095,981         | 116,321                     | 3.56           | 1,452,499       | 2,189,680                         | -                      | (Notes A and K) |          |
|  | APG Polytech USA Holdings, Inc                 | Filsyn Corporation                     | Philippines  | Polychemical products | PESO 225,324      | PESO 225,324                | 45,066         | 21.85           | -                                 | -                      | -               | (Note A) |
|  |  | FETG Investment Antilles N.V.          | Nederlandse Antillen   | Investment            | US\$ 6            | US\$ 6                      | 6              | 100.00          | 34,882                            | (362)                  | -               | (Note B) |
|  |  | PET Far Eastern (M) Sdn. Bhd.          | Malaysia   | Bottle production     | MYR 8,000         | MYR 8,000                   | (Note C)       | 50.00           | 239,063                           | 18,040                 | -               | (Note B) |
|  |  | Com2B                                  | Cayman Islands   | E-business            | US\$ 3,375        | US\$ 3,375                  | 9,000          | 20.00           | -                                 | -                      | -               | (Note A) |
|  |  | Far Eastern Apparel (Vietnam) Ltd.     | Vietnam  | Clothing production   | US\$ 9,000        | US\$ 9,000                  | (Note D)       | 100.00          | 1,092,841                         | 46,168                 | -               | (Note B) |
|  |  | Worldwide Polychem (HK) Ltd.           | Hong Kong  | Foreign trade         | US\$ 3,500        | US\$ 3,500                  | 2,700          | 100.00          | 33,268                            | (26,659)               | -               | (Note B) |
|  |  | Opas Fund Segregated Portfolio Company | Cayman Islands   | Investment            | US\$ 51           | US\$ 51                     | (Note D)       | 34.00           | 1,699                             | -                      | -               | (Note A) |
| Far Eastern Polytex (Vietnam) Ltd.             |  | Vietnam                                | Chemical fiber and textile production  | US\$ 240,000          | US\$ 240,000      | (Note D)                    | 100.00         | 7,071,864       | 205,691                           | -                      | (Note B)        |          |
| Far Eastern New Apparel (Vietnam) Ltd.         |  | Vietnam                                | Garment production   | US\$ 18,000           | US\$ 18,000       | (Note D)                    | 100.00         | 330,234         | 42,229                            | -                      | (Note B)        |          |
| Magna View Sdn. Bhd.                           |  | Malaysia                               | Investment   | US\$ 3,465            | US\$ 3,465        | 3,000                       | 100.00         | 237,231         | 9,020                             | -                      | (Note B)        |          |
| Malaysia Garment Manufactures Pte. Ltd.        |  | Singapore                              | Garment production and investment  | US\$ 15,849           | US\$ 15,849       | 30                          | 37.92          | 495,819         | (1,269)                           | -                      | (Note B)        |          |
| Drive Catalyst SPC                             |  | Cayman Islands                         | Investment   | US\$ 17               | US\$ 17           | (Note D)                    | 34.00          | 534             | -                                 | -                      | (Note A)        |          |
| APG Polytech USA Holdings, Inc                 |  | America                                | Investment   | US\$ 30,000           | US\$ 30,000       | 4,965                       | 100.00         | 15,918,823      | 72,228                            | -                      | (Note B)        |          |
| Drive Catalyst SPC-SP Tranche One              | Cayman Islands                                 | Investment                             | US\$ 4,000   | US\$ 4,000            | 4                 | 25.00                       | 124,951        | 2,829           | -                                 | (Note A)               |                 |          |
| Far Eastern International Garments             | Philippines                                    | Garment production                     | US\$ 1   | US\$ 1                | 59                | 41.00                       | (12,794)       | -               | -                                 | (Note A)               |                 |          |
| Cemtex Apparel Inc.                            | Philippines                                    | Clothing O.E.M.                        | US\$ 1   | US\$ 1                | 90                | 50.00                       | (11,872)       | -               | -                                 | (Note A)               |                 |          |
| Magna View Sdn. Bhd.                           | Corpus Christi Polymers LLC                    | America                                | Petrochemical materials production and chemical fiber production                                     | US\$ 415,800          | US\$ 415,800      | (Note D)                    | 33.33          | 12,827,970      | (258,105)                         | -                      | (Note L)        |          |
|  | APG Polytech, LLC                              | America                                | Chemical fiber production  | US\$ 90,000           | US\$ 90,000       | (Note D)                    | 100.00         | 3,068,163       | 157,640                           | -                      | (Note B)        |          |
|  | Phoenix Technologies International, LLC        | America                                | Production and sale of recycled plastic resins and their waste and general industrial waste handling | US\$ 10,000           | US\$ -            | (Note D)                    | 90.00          | 301,202         | (10,416)                          | -                      | (Note A)        |          |
| Ding Yuan International Investment Co., Ltd.   | PET Far Eastern (M) Sdn. Bhd.                  | Malaysia                               | Bottle production  | MYR 8,000             | MYR 8,000         | (Note C)                    | 50.00          | 239,063         | 18,040                            | -                      | (Note B)        |          |
| Kai Yuan International Investment Co., Ltd.    | Asia Cement Corporation                        | Taiwan                                 | Cement production  | 375,512               | 375,512           | 13,222                      | 0.39           | 478,533         | 9,053,211                         | -                      | (Note A)        |          |
|  | Far Eastern Department Stores Co., Ltd.        | Taiwan                                 | Department store operations  | 110,306               | 110,306           | 5,903                       | 0.42           | 124,834         | 687,622                           | -                      | (Note A)        |          |
|  | Everest Textile Corporation                    | Taiwan                                 | Chemical fiber production  | 34,561                | 34,561            | 1,160                       | 0.23           | 9,939           | 5,357                             | -                      | (Note A)        |          |
|  | Oriental Union Chemical Corporation            | Taiwan                                 | Petrochemical materials production   | 677,665               | 677,665           | 27,365                      | 3.09           | 656,037         | 27,266                            | -                      | (Note A)        |          |
|  | Far EasTone Telecommunications Co., Ltd.       | Taiwan                                 | Telecommunications   | 38,457                | 38,457            | 920                         | 0.03           | 40,273          | 4,405,479                         | -                      | (Note B)        |          |
|  | Pacific Liu Tong Investment Co., Ltd. (Note E) | Taiwan                                 | Investment   | 90,000                | 90,000            | 18,000                      | 2.24           | 228,093         | 132,120                           | -                      | (Note A)        |          |
|  | Yu Ding Industry Co., Ltd.                     | Taiwan                                 | Department store operations  | 95,624                | 95,624            | 14,159                      | 13.20          | 391,602         | 65,571                            | -                      | (Note A)        |          |
|  | Far Eastern International Bank                 | Taiwan                                 | Deposit, loan and guarantee services   | 814,399               | 814,399           | 86,435                      | 2.64           | 1,078,921       | 2,189,680                         | -                      | (Notes A and K) |          |
|  | Far Eastern Polychem Industries Ltd.           | Asia Cement Corporation                | Taiwan   | Cement production     | 483,448           | 483,448                     | 20,207         | 0.60            | 721,735                           | 9,053,211              | -               | (Note A) |
| Far EasTone Telecommunications Co., Ltd.       |  | Taiwan                                 | Telecommunications   | 793,702               | 793,702           | 34,149                      | 1.05           | 1,078,111       | 4,405,479                         | -                      | (Note B)        |          |
| Oriental Union Chemical Corporation            |  | Taiwan                                 | Petrochemical materials production   | 742,686               | 742,686           | 32,473                      | 3.67           | 658,603         | 27,266                            | -                      | (Note A)        |          |
| Far Eastern Department Stores Co., Ltd.        |  | Taiwan                                 | Department store operations  | 519,473               | 519,473           | 20,672                      | 1.46           | 573,826         | 687,622                           | -                      | (Note A)        |          |
| Kowloon Cement Corporation                     |  | Hong Kong                              | Cement production  | 226,896               | 226,896           | 1,127                       | 49.00          | 451,544         | 27,314                            | -                      | (Note A)        |          |
| Far Eastern International Leasing Corporation  |  | Taiwan                                 | Leasing  | 1,026,489             | 1,026,489         | 74,970                      | 16.80          | 935,876         | 44,056                            | -                      | (Note A)        |          |
| Pacific Liu Tong Investment Co., Ltd. (Note E) |  | Taiwan                                 | Investment   | 90,000                | 90,000            | 18,000                      | 2.24           | 228,294         | 132,120                           | -                      | (Note A)        |          |
| Far Eastern International Bank                 |  | Taiwan                                 | Deposit, loan and guarantee services   | 988,714               | 988,714           | 104,936                     | 3.21           | 1,310,222       | 2,189,680                         | -                      | (Notes A and K) |          |
| Far Eastern Construction Co., Ltd.             | PET Far Eastern (Holding) Ltd.                 | Bermuda                                | Investment   | US\$ 17,622           | US\$ 17,622       | 35                          | 8.05           | 545,075         | (24,688)                          | -                      | (Note B)        |          |
|  | FEDP (Holding) Ltd.                            | Bermuda                                | Investment   | US\$ 29,240           | US\$ 29,240       | 240                         | 49.57          | 927,742         | 14,249                            | -                      | (Note B)        |          |
|  | Far Eastern Ishizuka Green Pet Corporation     | Japan                                  | Production and sale of recycled plastic resins and their waste and general industrial waste handling | JPY 2,991,678         | 2,991,678         | 3,578                       | 90.00          | 921,843         | 99,537                            | -                      | (Note B)        |          |
| Far Eastern Construction Co., Ltd.             | Asia Cement Corporation                        | Taiwan                                 | Cement production  | 216,959               | 216,959           | 17,726                      | 0.53           | 583,995         | 9,053,211                         | -                      | (Note A)        |          |
|  | Far Eastern General Contractor Inc.            | Taiwan                                 | Real estate construction   | 271,587               | 271,587           | 147,413                     | 98.95          | 1,987,878       | 32,317                            | -                      | (Note B)        |          |

(Continued)

| Investor                                    | Investee  | Location               | Main Businesses and Products  | Investment Amount |                   | Balance as of June 30, 2019 |                |                 | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes           |
|---|---|------------------------|---|-------------------|-------------------|-----------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
|   |   |                        |   | June 30, 2019     | December 31, 2018 | Shares (Note F)             | % of Ownership | Carrying Amount |                                   |                        |                 |
| Far Eastern Apparel Co., Ltd.               | Asia Cement Corporation                           | Taiwan                 | Cement production   | \$ 16,246         | \$ 16,246         | 469                         | 0.01           | \$ 16,687       | \$ 9,053,211                      | -                      | (Note A)        |
|   | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications  | 6,353             | 6,353             | 90                          | -              | 5,964           | 4,405,479                         | -                      | (Note B)        |
|   | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations   | 29                | 29                | 9                           | 0.01           | 134             | 65,571                            | -                      | (Note A)        |
| Far Eastern General Contractor Inc.         | Far Eastern Technical Consultants Co., Ltd.       | Taiwan                 | Real estate development business consulting and management  | 3,864             | 3,864             | 450                         | 9.00           | 6,056           | 4,465                             | -                      | (Note B)        |
| Malaysia Garment Manufactures Pte. Ltd.     | Filsyn Corporation                                | Philippines            | Polychemical products   | PESO 102,565      | PESO 102,565      | 20,513                      | 9.95           | -               | -                                 | -                      | (Note A)        |
|   | PT Malaysia Garment Bintan                        | Indonesia              | Garment production  | SGD -             | SGD -             | (Note D)                    | 99.00          | (43)            | -                                 | -                      | (Note B)        |
| An Ho Garment Co., Ltd.                     | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications  | 748,158           | 748,158           | 40,818                      | 1.25           | 995,118         | 4,405,479                         | -                      | (Note B)        |
|   | Asia Cement Corporation                           | Taiwan                 | Cement production   | 206,551           | 206,551           | 6,094                       | 0.18           | 246,778         | 9,053,211                         | -                      | (Note A)        |
|   | Oriental Union Chemical Corporation               | Taiwan                 | Petrochemical materials production  | 287,121           | 287,121           | 11,204                      | 1.26           | 256,573         | 27,266                            | -                      | (Note A)        |
|   | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations   | 10,483            | 10,483            | 370                         | 0.03           | 11,470          | 687,622                           | -                      | (Note A)        |
|   | Oriental Securities Corporation                   | Taiwan                 | Brokering   | 118,125           | 118,125           | 8,193                       | 1.15           | 112,025         | 159,994                           | -                      | (Note A)        |
|   | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations   | 111,997           | 111,997           | 16,808                      | 15.66          | 366,492         | 65,571                            | -                      | (Note A)        |
|   | Pacific Liu Tong Investment Co., Ltd. (Note E)    | Taiwan                 | Investment  | 67,285            | 67,285            | 9,681                       | 1.21           | 131,443         | 132,120                           | -                      | (Note A)        |
|   | Yuan Ding Investment Co., Ltd.                    | Taiwan                 | Investment  | 148,994           | 148,994           | 5,502                       | 0.30           | 161,732         | 2,361,318                         | -                      | (Note B)        |
|   | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services  | 202,798           | 202,798           | 21,524                      | 0.66           | 268,861         | 2,189,680                         | -                      | (Notes A and K) |
| Yuan Faun Co., Ltd.                         | Yuan Cheng Human Resources Consultant Corporation | Taiwan                 | Personnel recruitment   | 7,214             | 7,214             | 745                         | 55.19          | 12,508          | 2,526                             | -                      | (Note B)        |
|   | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services  | 42,973            | 42,973            | 4,561                       | 0.14           | 56,983          | 2,189,680                         | -                      | (Notes A and K) |
| Fu Kwok Knitting & Garment Co., Ltd.        | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications  | 19,663            | 19,663            | 520                         | 0.02           | 19,988          | 4,405,479                         | -                      | (Note B)        |
| Yuan Tong Investment Co., Ltd.              | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications  | 2,246,035         | 2,246,035         | 100,237                     | 3.08           | 2,614,310       | 4,405,479                         | -                      | (Note B)        |
|   | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations   | 1,159,521         | 1,159,521         | 39,619                      | 2.80           | 1,244,220       | 687,622                           | -                      | (Note A)        |
|   | Oriental Union Chemical Corporation               | Taiwan                 | Petrochemical materials production  | 1,755,017         | 1,755,017         | 49,705                      | 5.61           | 1,663,007       | 27,266                            | -                      | (Note A)        |
|   | Asia Cement Corporation                           | Taiwan                 | Cement production   | 888,648           | 888,648           | 28,579                      | 0.85           | 1,123,085       | 9,053,211                         | -                      | (Note A)        |
|   | Pacific Liu Tong Investment Co., Ltd. (Note E)    | Taiwan                 | Investment  | 90,000            | 90,000            | 18,000                      | 2.24           | 227,096         | 132,120                           | -                      | (Note A)        |
|   | Far Eastern Electronic Toll Collection Co., Ltd.  | Taiwan                 | Electronic toll collection services   | 787,104           | 787,104           | 35,934                      | 11.98          | 420,609         | 213,738                           | -                      | (Note B)        |
|   | Liquid Air Far East Co., Ltd.                     | Taiwan                 | Industrial gas production and sales   | 20                | 20                | 1                           | -              | 26              | 930,000                           | -                      | (Note A)        |
|   | Sino Belgium (Holding) Ltd.                       | Bermuda                | Investment  | 2,255,510         | 2,255,510         | 36                          | 90.88          | (705,187)       | (92,208)                          | -                      | (Note B)        |
|   | Freudenberg Far Eastern Spunweb Co., Ltd.         | Taiwan                 | Production of nonwoven industrial fabrics   | 34                | 34                | 2                           | -              | 42              | 182,670                           | -                      | (Note A)        |
|   | Malaysia Garment Manufactures Pte. Ltd.           | Singapore              | Garment production and investment   | SGD 7,354         | SGD 7,354         | 10                          | 13.00          | 169,980         | (1,269)                           | -                      | (Note B)        |
|   | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services  | 986,735           | 986,735           | 104,726                     | 3.20           | 1,307,334       | 2,189,680                         | -                      | (Notes A and K) |
| Yuan Ding Co., Ltd.                         | YDT Technology International Co., Ltd.            | Taiwan                 | Electronic material and relevant by-product sales   | 100,000           | 100,000           | 13,992                      | 100.00         | 251,159         | 4,743                             | -                      | (Note B)        |
|   | Ding Integrated Marketing Service Co., Ltd.       | Taiwan                 | Marketing   | 558,000           | 558,000           | 20,393                      | 60.00          | 212,518         | (10,416)                          | -                      | (Note B)        |
|   | Far Eastern Technical Consultants Co., Ltd.       | Taiwan                 | Real estate development business consulting and management  | 45,182            | 45,182            | 4,550                       | 91.00          | 60,023          | 4,465                             | -                      | (Note B)        |
|   | YDC (Virgin Islands) Ltd.                         | British Virgin Islands | Investment  | US\$ 200          | US\$ 200          | (Note D)                    | 17.70          | 9,050           | (479)                             | -                      | (Note B)        |
|   | Yuanshi Digital Technology Co., Ltd.              | Taiwan                 | Electronic information providing services   | 566,896           | 566,896           | 4,995                       | 4.79           | (27,860)        | (112,939)                         | -                      | (Note B)        |
|   | FET Consulting Engineers Co., Ltd.                | Taiwan                 | Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business | 342,701           | 342,701           | 37,000                      | 100.00         | 56,661          | (1,994)                           | -                      | (Note B)        |
|   | Asia Cement Corporation                           | Taiwan                 | Cement production   | 136,037           | 136,037           | 5,329                       | 0.16           | 220,346         | 9,053,211                         | -                      | (Note A)        |
|   | Far EasTone Telecommunications Co., Ltd.          | Taiwan                 | Telecommunications  | 100,412           | 100,412           | 4,164                       | 0.13           | 104,964         | 4,405,479                         | -                      | (Note B)        |
|   | Yu Yuan Investment Co., Ltd.                      | Taiwan                 | Investment  | 411,187           | 411,187           | 129,637                     | 25.02          | 1,726,925       | 416,084                           | -                      | (Note A)        |
|   | Yue Ming Corporation                              | Taiwan                 | Trading   | 787               | 787               | 104                         | 1.00           | 781             | 1,825                             | -                      | (Note A)        |
|   | Yu Ding Industry Co., Ltd.                        | Taiwan                 | Department store operations   | 22,676            | 22,676            | 2,781                       | 2.59           | 58,934          | 65,571                            | -                      | (Note A)        |
|   | FEDS Asia Pacific Development Co., Ltd.           | Taiwan                 | Department store operations   | 100,000           | 100,000           | 10,650                      | 5.00           | 135,462         | 69,953                            | -                      | (Note A)        |
|   | Far Eastern Electronic Toll Collection Co., Ltd.  | Taiwan                 | Electronic toll collection services   | 977,650           | 977,650           | 44,796                      | 14.93          | 518,887         | 213,738                           | -                      | (Note B)        |
|   | Far Eastern International Bank                    | Taiwan                 | Deposit, loan and guarantee services  | 76,665            | 76,665            | 8,137                       | 0.25           | 101,674         | 2,189,680                         | -                      | (Notes A and K) |
|   | Yuan Hsin Digital Payment Co., Ltd.               | Taiwan                 | Electronic stored value cards   | 400,000           | 400,000           | 20,418                      | 20.00          | 133,978         | (106,804)                         | -                      | (Note B)        |
|   | Ding Hotel Co., Ltd.                              | Taiwan                 | Hotel   | 1,645,021         | 1,645,021         | 102,509                     | 98.52          | (17,180)        | (162,585)                         | -                      | (Note B)        |
| Ding Integrated Marketing Service Co., Ltd. | Yuanshi Digital Technology Co., Ltd.              | Taiwan                 | Electronic information providing services   | 1,828             | 1,828             | 17                          | 0.02           | (111)           | (112,939)                         | -                      | (Note B)        |
|   | Yuan Hsin Digital Payment Co., Ltd.               | Taiwan                 | Electronic stored value cards   | 300,200           | 300,200           | 15,323                      | 15.01          | 100,546         | (106,804)                         | -                      | (Note B)        |
|   | DDIM (Virgin Islands) Ltd.                        | British Virgin Islands | Investment  | US\$ 11,000       | US\$ 11,000       | (Note D)                    | 46.13          | 28,454          | (3,761)                           | -                      | (Note B)        |
| FET Consulting Engineers Co., Ltd.          | DDIM (Virgin Islands) Ltd.                        | British Virgin Islands | Investment  | 384,970           | 384,970           | (Note D)                    | 53.87          | 33,228          | (3,761)                           | -                      | (Note B)        |
| YDT Technology International Co., Ltd.      | Everest Textile Corporation                       | Taiwan                 | Chemical fiber production   | 2,451             | 2,451             | 128                         | 0.03           | 1,260           | 5,357                             | -                      | (Note A)        |
|   | Far Eastern Department Stores Co., Ltd.           | Taiwan                 | Department store operations   | 51,673            | 51,673            | 2,764                       | 0.20           | 95,672          | 687,622                           | -                      | (Note A)        |

(Continued)



| Investor   | Investee   | Location                       | Main Businesses and Products   | Investment Amount                         |                   | Balance as of June 30, 2019 |                |                 | Net Income (Loss) of the Investee | Investment Gain (Loss) | Notes           |          |
|--|--|--------------------------------|--|---|-------------------|-----------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|----------|
|  |  |                                |  | June 30, 2019                             | December 31, 2018 | Shares (Note F)             | % of Ownership | Carrying Amount |                                   |                        |                 |          |
|  | Asia Cement Corporation  | Taiwan                         | Cement production  | \$ 862                                    | \$ 862            | 61                          | -              | \$ 2,493        | \$ 9,053,211                      | \$ -                   | (Note A)        |          |
|  | YDC (Virgin Islands) Ltd.  | British Virgin Islands         | Investment   | US\$ 930                                  | US\$ 930          | (Note D)                    | 82.30          | 42,080          | (479)                             | -                      | (Note B)        |          |
|  | Far Eastern International Bank                                       | Taiwan                         | Deposit, loan and guarantee services   | 26,960                                    | 26,960            | 2,861                       | 0.09           | 35,910          | 2,189,680                         | -                      | (Notes A and K) |          |
| Far Eastern Electronic Toll Collection Co., Ltd. | FETC International Co., Ltd.   | Taiwan                         | Dispatched labor, procuring equipment, and sales agent services                    | 200,000                                   | 200,000           | 20,000                      | 100.00         | 147,314         | (2,701)                           | -                      | (Note B)        |          |
| Far EastTone Telecommunications Co., Ltd.        | New Century InfoComm Tech Co., Ltd.<br>ARCOA Communication Co., Ltd. | Taiwan                         | Type I, II telecommunications services   | 22,249,283                                | 22,249,283        | 2,100,000                   | 100.00         | 25,233,504      | 226,355                           | -                      | (Note B)        |          |
|  |  | Taiwan                         | Telecommunications services, sales of communications products and office equipment | 1,305,802                                 | 1,305,802         | 82,762                      | 61.63          | 818,861         | 92,208                            | -                      | (Note B)        |          |
|  | KGEx.com Co., Ltd.   | Taiwan                         | Type II telecommunications services  | 2,340,472                                 | 2,340,472         | 68,897                      | 99.99          | 804,408         | 76,756                            | -                      | (Note B)        |          |
|  | Yuanshi Digital Technology Co., Ltd.                                 | Taiwan                         | Electronic information providing services  | 886,169                                   | 886,169           | 90,014                      | 86.41          | (502,605)       | (112,939)                         | -                      | (Note B)        |          |
|  | Yuan Cing Co., Ltd.  | Taiwan                         | Call center services   | -   | -                 | 2,000                       | 100.00         | 27,093          | 3,389                             | -                      | (Notes B and J) |          |
|  | Far Eastern Info Service (Holding) Ltd.                              | Bermuda                        | Investment   | 92,616                                    | 92,616            | 1                           | 100.00         | 5,068           | (10)                              | -                      | (Note B)        |          |
|  | O-music Co., Ltd.  | Taiwan                         | Electronic information providing services  | -   | 25,000            | -                           | -              | -               | 1,431                             | -                      | (Note B)        |          |
|  | Far Eastern Electronic Toll Collection Co., Ltd.                     | Taiwan                         | Electronic toll collection services  | 2,542,396                                 | 2,542,396         | 118,251                     | 39.42          | 961,182         | 213,738                           | -                      | (Note B)        |          |
|  | Yuan Hsin Digital Payment Co., Ltd.                                  | Taiwan                         | Electronic stored value cards  | 600,000                                   | 600,000           | 30,626                      | 30.00          | 200,911         | (106,804)                         | -                      | (Note B)        |          |
|  | Ding Integrated Marketing Service Co., Ltd.                          | Taiwan                         | Marketing  | 139,500                                   | 139,500           | 5,447                       | 15.00          | 52,957          | (10,416)                          | -                      | (Note B)        |          |
|  | ARCOA Communication Co., Ltd.  | DataExpress Infotech Co., Ltd. | Taiwan   | Electronic information providing services | 141,750           | 141,750                     | 12,866         | 70.00           | 195,676                           | 47,070                 | -               | (Note B) |
|  | New Century InfoComm Tech Co., Ltd.                                  | New Diligent Co., Ltd.         | Taiwan   | Investment                                | 540,000           | 540,000                     | 54,000         | 100.00          | 87,480                            | 228                    | -               | (Note B) |
| Information Security Service Digital United Inc. |  | Taiwan                         | Security and monitoring service via internet                                       | 148,777                                   | 148,777           | 10,249                      | 100.00         | 108,383         | 2,349                             | -                      | (Note B)        |          |
| Digital United (Cayman) Ltd.                     |  | Cayman Islands                 | Investment   | 317,446                                   | 317,446           | 10,320                      | 100.00         | 201,104         | 712                               | -                      | (Note B)        |          |
| Yuanshi Digital Technology Co., Ltd.             |  | Taiwan                         | Electronic information providing services  | 20,000                                    | 20,000            | 2,500                       | 2.40           | (13,957)        | (112,939)                         | -                      | (Note B)        |          |
| Ding Integrated Marketing Service Co., Ltd.      |  | Taiwan                         | Marketing  | 46,500                                    | 46,500            | 1,816                       | 5.00           | 17,652          | (10,416)                          | -                      | (Note B)        |          |
| Drive Catalyst SPC-SP Tranche One                |  | Cayman Islands                 | Investment   | 123,220                                   | 123,220           | 4                           | 25.00          | 124,951         | 2,829                             | -                      | (Note A)        |          |
| Prime Ecopower Co., Ltd.                         |  | Taiwan                         | Energy technology services   | 160,000                                   | 160,000           | 16,000                      | 100.00         | 147,137         | (8,178)                           | -                      | (Note B)        |          |
| Nextlink Technology Co., Ltd.                    |  | Taiwan                         | Electronic information providing services  | 420,000                                   | -                 | 3,430                       | 70.00          | 419,460         | 8,135                             | -                      | (Note B)        |          |
| New Diligent Co., Ltd.                           | Sino Lead Enterprise Limited   | Hong Kong                      | Telecommunication services   | 125                                       | 125               | 30                          | 100.00         | 278             | 37                                | -                      | (Note B)        |          |
|  | Far East New Diligent Company Ltd.                                   | British Virgin Islands         | Investment   | 330,598                                   | 330,598           | -                           | 100.00         | 25,140          | 46                                | -                      | (Note B)        |          |
|  | New Diligent Hong Kong Co., Ltd.                                     | Hong Kong                      | Investment   | 3,051                                     | 3,051             | -                           | 100.00         | 2,918           | (17)                              | -                      | (Note B)        |          |
| DataExpress Infotech Co., Ltd.                   | Linkwell Tech. Co., Ltd.   | Taiwan                         | Electronic information providing services  | 10,000                                    | 10,000            | -                           | 100.00         | 62,578          | 10,828                            | -                      | (Note B)        |          |
|  | Home Master Technology Ltd.  | Taiwan                         | Electronic information providing services  | 10,000                                    | 10,000            | -                           | 100.00         | 28,948          | 12,617                            | -                      | (Note B)        |          |
| Nextlink Technology Co., Ltd.                    | Microfusion Technology Co., Ltd.                                     | Taiwan                         | Electronic information providing services  | 17,000                                    | 17,000            | 2,600                       | 100.00         | 9,416           | 2,047                             | -                      | (Note B)        |          |
|  | Nextlink (HK) Technology Co., Ltd.                                   | Hong Kong                      | Electronic information providing services  | 973                                       | 973               | -                           | 100.00         | 17,304          | 8,554                             | -                      | (Note B)        |          |
| Microfusion Technology Co., Ltd.                 | Microfusion (HK) Technology Co., Ltd.                                | Hong Kong                      | Electronic information providing services  | -   | -                 | -                           | -              | -               | -                                 | -                      | (Notes B and M) |          |

Notes: A. Equity-method investee.

B. Subsidiary.

C. Including 5,000 thousand common stock and 3,000 thousand preferred shares.

D. Company limited.

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

F. Shares in thousands.

G. For investments in mainland China, refer to Table 13.

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

I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$5,150 thousand.

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

K. The adjustment of the difference between the acquisition cost and net value was included in the investment gain or loss in current period.

L. Joint operation entity.

M. Microfusion (HK) Technology Co., Ltd. was established and registered on September 4, 2018. As of June 30, 2019, the Group has not outflow any investment.

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

| Investee Company                                  | Main Businesses and Products   | Paid-in Capital | Method of Investment (Note A) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 | Investment Flows |        | Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2019 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note B) | Carrying Amount as of June 30, 2019 (Note C) | Accumulated Repatriation of Investment Income as of June 30, 2019 | Note          |
|---|--|-----------------|-------------------------------|---|------------------|--------|---|-----------------------------------|--|---------------------------------|--|---|---------------|
|   |  |                 |                               |   | Outflow          | Inflow |   |                                   |  |                                 |  |   |               |
| Far Eastern Industries (Shanghai) Ltd.            | Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments   | \$ 8,501,285    | 2                             | \$ 3,700,967  | \$ -             | \$ -   | \$ 3,700,967  | \$ 163,299                        | 100.00                                       | \$ 163,299                      | \$ 8,775,769                                 | \$ 853,493  | Notes D and E |
| Far Eastern Apparel (Suzhou) Co., Ltd.            | Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories  | 924,893         | 2                             | 1,010,901   | -                | -      | 1,010,901   | 21,430                            | 100.00                                       | 21,430                          | 1,603,676                                    | 233,172   | Notes F and G |
| Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories  | 1,074,273       | 2                             | -   | -                | -      | -   | 2,265                             | 100.00                                       | 2,265                           | 1,076,740                                    | -   |               |
| Far Eastern Industries (Wuxi) Ltd.                | Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics | 2,176,728       | 2                             | 2,018,430   | -                | -      | 2,018,430   | 26,891                            | 100.00                                       | 26,891                          | 2,982,532                                    | 313,458   | Notes H and I |
| Oriental Petrochemical (Shanghai) Corporation     | Manufacture and distribution of PTA and its by-products  | 8,108,818       | 2                             | 3,791,007   | -                | -      | 3,791,007   | 193,330                           | 61.35  | 118,608                         | 3,658,485                                    | 1,064,005   | Note J        |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps  | 1,669,484       | 2                             | 1,342,854   | -                | -      | 1,342,854   | 103,347                           | 100.00                                       | 103,347                         | 2,905,686                                    | 159,799   | Notes H and R |
| Far Eastern Industries (Suzhou) Ltd.              | Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments  | 1,782,945       | 2                             | 1,765,319   | -                | -      | 1,765,319   | 9,680                             | 100.00                                       | 9,680                           | 1,646,929                                    | -   | Note K        |
| Wuhan Far Eastern New Material Ltd.               | Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products  | 773,306         | 2                             | 724,110   | -                | -      | 724,110   | 9,036                             | 100.00                                       | 9,036                           | 957,423                                      | -   |               |
| Oriental Industries (Suzhou) Ltd.                 | Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn  | 4,949,801       | 2                             | 4,957,248   | -                | -      | 4,957,248   | 72,813                            | 100.00                                       | 72,813                          | 6,068,808                                    | -   | Note H        |

(Continued)

| Investee Company   | Main Businesses and Products   | Paid-in Capital | Method of Investment (Note A) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 | Investment Flows |        | Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2019 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note B) | Carrying Amount as of June 30, 2019 (Note C) | Accumulated Repatriation of Investment Income as of June 30, 2019 | Note   |
|--|--|-----------------|-------------------------------|---|------------------|--------|---|-----------------------------------|--|---------------------------------|--|---|--------|
|  |  |                 |                               |   | Outflow          | Inflow |   |                                   |  |                                 |  |   |        |
| Far Eastern New Century (China) Investment Co., Ltd.     | Investment   | \$ 2,806,102    | 2                             | \$ 2,795,325  | \$ 1,107,028     | \$ -   | \$ 3,902,353  | \$ 2,727                          | 100.00                                       | \$ 2,727                        | \$ 3,203,056                                 | \$ -  |        |
| Sino Belgium Beer (Suzhou) Ltd.                          | Beer brewing   | 1,723,216       | 2                             | 1,763,952   | -                | -      | 1,763,952   | (18,432)                          | 100.00                                       | (18,432)                        | (629,164)                                    | -   | Note L |
| Martens Beers (Shanghai) Ltd.                            | Beer brewing   | 354,474         | 2                             | 231,475   | -                | -      | 231,475   | (30)                              | 100.00                                       | (30)                            | 15,438                                       | -   | Note L |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation   | PA and its by-product production and sale  | 6,570,601       | 2                             | 4,181,323   | -                | -      | 4,181,323   | (14,572)                          | 60.00  | (8,744)                         | 3,958,447                                    | -   |        |
| Far Eastern Industries (Yangzhou) Ltd.                   | PA and its by-product production   | 1,396,548       | 2                             | 1,436,190   | -                | -      | 1,436,190   | 3,819                             | 100.00                                       | 3,819                           | 1,415,947                                    | -   |        |
| Far Eastern Union Petrochemical (Yangzhou) Corporation   | PA and its by-product production   | 3,689,636       | 2                             | 1,962,908   | -                | -      | 1,962,908   | (316,365)                         | 50.00  | (158,184)                       | 2,345,885                                    | -   |        |
| Shanghai Yuan Zi Information Technology Co., Ltd.        | Software development, equipment maintenance and consulting                       | 57,462          | 3                             | -   | -                | -      | -   | (26)                              | 100.00                                       | (26)                            | 58,866                                       | -   |        |
| Shanghai Far Eastern Petrochemical Logistic Corporation  | Transportation   | 85,899          | 3                             | -   | -                | -      | -   | 2,512                             | 100.00                                       | 2,512                           | 139,071                                      | -   |        |
| Suzhou An Ho Apparel Ltd.                                | Garment production   | 4,521           | 3                             | -   | -                | -      | -   | 364                               | 100.00                                       | 364                             | 56,005                                       | -   |        |
| Yuan Ding Enterprise (Shanghai) Limited                  | Liquid oxygen, oxygen, nitrogen and hydrogen warehousing                         | 1,157,376       | 3                             | -   | -                | -      | -   | (51,254)                          | 40.00  | (51,254)                        | 2,019,679                                    | -   |        |
| Tong Da Air Industry (Yangzhou) Co., Ltd.                | Computer software and internet software design and development                   | 1,860,274       | 2                             | 1,020,489   | -                | -      | 1,020,489   | 98,780                            | 50.00  | 49,390                          | 1,213,147                                    | -   |        |
| Yuan Ding Integrated Information Service (Shanghai) Inc. | Computer software and internet software design and development                   | 681,081         | 2                             | 598,270   | -                | -      | 598,270   | (3,778)                           | 100.00                                       | (3,778)                         | 61,605                                       | -   | Note M |
| Speedy (Shanghai) digital Tech. Co., Ltd.                | Intelligent control equipment and security monitoring products and services      | 29,564          | 2                             | 24,220  | -                | -      | 24,220  | (433)                             | 100.00                                       | (433)                           | 49,356                                       | -   | Note N |
| Digital United Information Technology (Shanghai) Ltd.    | Research and design of computer systems  | 96,286          | 2                             | 96,286  | -                | -      | 96,286  | 400                               | 100.00                                       | 400                             | 2,292  | -   | Note P |
| Far Eastern Tech-Info Ltd. (Shanghai)                    | Computer software, data processing and provision of network information services | 186,360         | 2                             | 201,326   | -                | -      | 201,326   | (25)                              | 100.00                                       | (25)                            | 11,707                                       | -   | Note O |
| Nextlink (Shanghai) Technology Co., Ltd                  | Digital information supply services  | 2,236           | 2                             | 2,236   | -                | -      | 2,236   | 821                               | 70.00  | 522                             | 2,965  | -   | Note Q |

| Investee Company                    | Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2019 | Investment Amounts Authorized by Investment Commission, MOEA (Note T) | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note U) |
|-------------------------------------|---|---|--|
| Far Eastern New Century Corporation | \$ 21,762,922   | \$ 25,086,339   | \$ -   |

(Continued)

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
  - 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far East New Diligent Company Ltd.
  - 3 Other types.
- B. Recognition of gains or losses was based on the percentage of holding shares from unreviewed financial statements, except for Oriental Industries (Suzhou) Corporation, it was based on the percentage of holding shares from reviewed financial statements by an international accounting firm which cooperated with an ROC accounting firm.
- C. The ending balance of long term investment.
- D. As of June 30, 2019, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.
- E. As of June 30, 2019, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.
- F. As of June 30, 2019, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.
- G. As of June 30, 2019, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.
- H. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- I. As of June 30, 2019, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.
- J. As of June 30, 2019, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.
- K. As of June 30, 2019, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.
- L. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- M. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd., FET Consulting Engineers Co., Ltd. and Ding Integrated Marketing Service Co., Ltd.
- N. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far EasTone Telecommunications Co., Ltd.
- P. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. As of June 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- R. As of June 30, 2019, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.
- S. Investment amounts authorized by the Investment Commission of the MOEA include US\$806,699 thousand, and the original investment RMB6,695 thousand from Far Eastern Polytex (Holding) Ltd. which approved by Investment Commission under the Ministry of Economic Affairs were calculated based on the ending exchange rates of US\$1:31.06 and RMB1:4.521.
- T. Based on MOEA Approval Letter No. 10620430940, there is no limitation on the amount of the parent company's investment in China.
- U. The paid-in capital was calculated based on the ending exchange rate of RMB1:NT\$4.521.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE SIX MONTHS ENDED JUNE 30, 2019  
(In Thousands of U.S. Dollars)

| Investee Company                                  | Authorized by Investment Commission, MOEA |                                     |                          |  |                                      | Investment Type                |  |   |   |
|---|---|-------------------------------------|--------------------------|--|--------------------------------------|--------------------------------|--|---|---|
|   | Investor Company                          | Date                                | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$)             | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Far Eastern Industries (Shanghai) Ltd.            | Far Eastern New Century Corporation       | 1996.07.09                          | No. 84015136             | Far Eastern Polychem Industries Ltd.   | \$ 6,000                             | \$ 6,000                       |  |   |   |
|   | Yuan Ding Investment Co., Ltd.            |                                     |                          | Far Eastern Polychem Industries Ltd.   | 24,000                               | 24,000                         |  |   |   |
|   | Far Eastern New Century Corporation       | 2004.12.29                          | No. 093032400            | Far Eastern Polychem Industries Ltd.   | 1,712                                |                                | \$ 1,712   |   |   |
|   | Far Eastern New Century Corporation       | 2004.12.30                          | No. 093032090            | Far Eastern Polychem Industries Ltd.   | 1,540                                |                                |  | \$ 1,540  |   |
|   | Far Eastern New Century Corporation       | 2004.11.03                          | No. 093032240            | Far Eastern Polychem Industries Ltd.   | 3,879                                |                                | 3,879  |   |   |
|   | Yuan Ding Investment Co., Ltd.            | 2004.12.29                          | No. 093032402            | Far Eastern Polychem Industries Ltd.   | 7,014                                |                                | 7,014  |   |   |
|   | Yuan Ding Investment Co., Ltd.            | 2004.11.02                          | No. 093032239            | Far Eastern Polychem Industries Ltd.   | 15,898                               |                                | 15,898   |   |   |
|   | Yuan Ding Investment Co., Ltd.            | 2004.12.29                          | No. 093032089            | Far Eastern Polychem Industries Ltd.   | 6,313                                |                                |  | 6,313   |   |
|   | Far Eastern New Century Corporation       | 2006.11.01                          | No. 09500287850          | Far Eastern Polychem Industries Ltd.   | 31,779                               | 31,779                         |  |   |   |
|   | Far Eastern New Century Corporation       | 2008.06.27                          | No. 09700163440          | Far Eastern Polychem Industries Ltd.   | 56,000                               | 56,000                         |  |   |   |
|   | Far Eastern New Century Corporation       | 2008.04.18                          | No. 09700045490          | Far Eastern Polychem Industries Ltd.   | 4,800                                | 4,800                          |  |   |   |
|   |   |                                     |                          |  | 8,198                                |                                |  |   |   |
|   |   |                                     |                          |  | (Note E)                             |                                |  |   |   |
|   |   | Far Eastern New Century Corporation | 2010.04.19               | No. 09900142680 (Note D)               | Far Eastern Polychem Industries Ltd. | 11,500                         | 11,500   |   |   |
| Far Eastern Apparel (Suzhou) Co., Ltd.            | Yuan Ding Investment Co., Ltd.            | 1996.10.16                          | No. 85016219             | Far Eastern Apparel (Holding) Ltd.     | 10,000                               | 10,000                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.            | 2003.10.30                          | No. 092033299            | Far Eastern Apparel (Holding) Ltd.     | 5,000                                | 5,000                          |  |   |   |
|   | Far Eastern New Century Corporation       | 2006.05.23                          | No. 09500112650          | Far Eastern Polytex (Holding) Ltd.     | 11,000                               | 11,000                         |  |   |   |
|   | Far Eastern New Century Corporation       | 2008.03.31                          | No. 09700038490          | Far Eastern Polytex (Holding) Ltd.     | 5,000                                | 5,000                          |  |   |   |
| Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | Far Eastern New Century Corporation       | 2018.07.16                          | No. 10730028260          | Far Eastern Apparel (Holding) Ltd.     | 35,000                               |                                |  |   | \$ 35,000   |
| Far Eastern Industries (Wuxi) Ltd.                | Yuan Ding Investment Co., Ltd.            | 2002.06.21                          | No. 091011903            | Oriental Textile (Holding) Ltd.        | 19,960                               | 19,960                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.            | 2005.11.03                          | No. 094024169            | Oriental Textile (Holding) Ltd.        | 40,000                               | 40,000                         |  |   |   |
| Oriental Petrochemical (Shanghai) Corporation     | Far Eastern New Century Corporation       | 2009.11.17                          | No. 09800408170 (Note B) | Far Eastern Polychem Industries Ltd.   | 1,228                                |                                |  |   | 1,228   |
|   | Yuan Ding Investment Co., Ltd.            | 2009.11.17                          | No. 09800408160 (Note C) | PET Far Eastern (Holding) Ltd.         | 6,592                                |                                |  |   | 6,592   |
|   | Far Eastern New Century Corporation       | 2008.06.27                          | No. 09700163430          | PET Far Eastern (Holding) Ltd.         | 49,500                               | 49,500                         |  |   |   |
|   | Far Eastern New Century Corporation       | 2008.04.18                          | No. 09700045500          | Far Eastern Polychem Industries Ltd.   | 4,800                                | 4,800                          |  |   |   |
|   |   |                                     |                          | PET Far Eastern (Holding) Ltd.         | 2,936                                |                                |  |   |   |
|   |   |                                     |                          |  | (Note F)                             |                                |  |   |   |
|   | Far Eastern New Century Corporation       | 2009.12.25                          | No. 09800456740          | PET Far Eastern (Holding) Ltd.         | 41,171                               | 41,171                         |  |   |   |
|   | Far Eastern New Century Corporation       | 2017.09.18                          | No. 10630056570          | PET Far Eastern (Holding) Ltd.         | 27,000                               | 27,000                         |  |   |   |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd.      | Yuan Ding Investment Co., Ltd.            | 2003.10.31                          | No. 092033525            | Far Eastern Apparel (Holding) Ltd.     | 20,000                               | 20,000                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.            | 2008.10.13                          | No. 09700348610          | Far Eastern Apparel (Holding) Ltd.     | 30,000                               | 30,000                         |  |   |   |
| Far Eastern Industries (Suzhou) Ltd.              | Yuan Ding Investment Co., Ltd.            | 2002.11.26                          | No. 091035216            | Far Eastern Polychem Industries Ltd.   | 9,352                                |                                |  |   | 9,352   |
|   | Far Eastern New Century Corporation       | 2004.10.11                          | No. 093025506            | FEDP (Holding) Ltd.                    | 1,569                                |                                |  | 1,569   |   |
|   | Far Eastern New Century Corporation       | 2004.10.14                          | No. 093030298            | Far Eastern Polychem Industries Ltd.   | 713                                  |                                |  |   | 713   |
|   |   |                                     |                          | FEDP (Holding) Ltd.                    |                                      |                                |  |   |   |
|   |   |                                     |                          |  |                                      |                                |  |   |   |
|   | Far Eastern New Century Corporation       | 2010.10.12                          | No. 09900403430 (Note H) | FEDP (Holding) Ltd.                    | 5,288                                | 5,288                          |  |   |   |
|   | Far Eastern New Century Corporation       | 2006.11.01                          | No. 09500287850          | Far Eastern Polychem Industries Ltd.   | 4,524                                | 4,524                          |  |   |   |
|   |   |                                     |                          | FEDP (Holding) Ltd.                    |                                      |                                |  |   |   |

(Continued)

| Investee Company  | Authorized by Investment Commission, MOEA     |            |                          |  |                             | Investment Type                |  |   |   |
|---|---|------------|--------------------------|--|-----------------------------|--------------------------------|--|---|---|
|   | Investor Company                              | Date       | MOEA Approval Letter No. | Through Investor Company in Third Area   | Investment Amount (US\$)    | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Oriental Industries (Suzhou) Ltd.                             | Far Eastern New Century Corporation           | 2008.04.18 | No. 09700045510          | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.                                   | \$ 4,800<br>754<br>(Note G) | \$ 4,800                       |  |   |   |
|   | Far Eastern New Century Corporation           | 2010.12.29 | No. 09900470520 (Note I) | FEDP (Holding) Ltd.  | 18,224                      | 18,224                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.                | 2005.08.01 | No. 094015006            | Oriental Textile (Holding) Ltd.  | 19,800                      | 19,800                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.                | 2006.02.09 | No. 094037416            | Oriental Textile (Holding) Ltd.  | 30,200                      | 30,200                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.                | 2007.10.02 | No. 09600280400          | Oriental Textile (Holding) Ltd.  | 23,000                      | 23,000                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.                | 2008.09.01 | No. 09700172130          | Oriental Textile (Holding) Ltd.  | 32,500                      | 32,500                         |  |   |   |
|   | Yuan Ding Investment Co., Ltd.                | 2013.04.29 | No. 10200127470          | Oriental Textile (Holding) Ltd.  | 8,000                       | 8,000                          |  |   |   |
|   | Yuan Ding Investment Co., Ltd.                | 2014.09.11 | No. 10300223190 (Note K) | Oriental Textile (Holding) Ltd.  | 43,000                      | 43,000                         |  |   |   |
| Wuhan Far Eastern New Material Ltd.                           | Far Eastern New Century Corporation           | 2006.05.19 | No. 09500090070          | Far Eastern Polytex (Holding) Ltd.   | 12,000                      | 12,000                         |  |   |   |
|   | Far Eastern New Century Corporation           | 2009.6.29  | No. 09800135640          | Far Eastern Polytex (Holding) Ltd.   | 10,000                      | 10,000                         |  |   |   |
|   | Far Eastern New Century Corporation           | 2010.12.21 | No. 09900470530          | Far Eastern Polytex (Holding) Ltd.   | RMB 6,695                   |                                |  |   | RMB 6,695   |
| Far Eastern New Century (China) Investment Co., Ltd. (Note A) | Far Eastern New Century Corporation           | 2006.08.01 | No. 09500124430          | Far Eastern Polytex (Holding) Ltd.   | 48,000                      | 48,000                         |  |   |   |
| Sino Belgium Beer (Suzhou) Ltd.                               | Yuan Tong Investment Co., Ltd.                | 2007.08.02 | No. 09600248620          | Sino Belgium (Holding) Ltd.  | 18,000                      | 18,000                         |  |   |   |
|   | Yuan Tong Investment Co., Ltd.                | 2008.02.21 | No. 09600451060          | Sino Belgium (Holding) Ltd.  | 12,000                      | 12,000                         |  |   |   |
|   | Yuan Tong Investment Co., Ltd.                | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd.  | 16,000                      | 16,000                         |  |   |   |
|   | Yuan Tong Investment Co., Ltd.                | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd.  | 10,000                      | 10,000                         |  |   |   |
| Martens Beers (Shanghai) Ltd.                                 | Yuan Tong Investment Co., Ltd.                | 2008.12.10 | No. 09700456110          | Sino Belgium (Holding) Ltd.  | 3,800                       | 3,800                          |  |   |   |
|   | Yuan Tong Investment Co., Ltd.                | 2010.07.29 | No. 09900284200          | Bockhold N.V<br>Martens HK Ltd.  | 4,304                       |                                |  |   | 4,304   |
|   | Yuan Tong Investment Co., Ltd.                | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd.  | 1,500                       | 1,500                          |  |   |   |
|   | Yuan Tong Investment Co., Ltd.                | 2013.11.28 | No. 10200451570 (Note N) | Sino Belgium (Holding) Ltd.  | 1,100                       | 1,100                          |  |   |   |
|   | Yuan Tong Investment Co., Ltd.                | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd.  | 1,000                       | 1,000                          |  |   |   |
| Far Eastern Tech-Info Ltd. (Shanghai)                         | Far Eastone Telecommunications Co., Ltd.      | 2004.08.26 | No. 093018811            | Far Eastern Info Service (Holding) Limited   | 2,500                       | 2,500                          |  |   |   |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation        | Far Eastern New Century Corporation           | 2011.06.23 | No. 10000021360 (Note J) | Far Eastern Polytex (Holding) Ltd.   | 166,000                     | 166,000                        |  |   |   |
| Far Eastern Industries (Yangzhou) Ltd.                        | Far Eastern New Century Corporation           | 2012.03.30 | No. 10100043080          | Far Eastern Polychem Industries Ltd.   | 49,000                      | 49,000                         |  |   |   |
| Far Eastern Union Petrochemical (Yangzhou) Corporation        | Far Eastern New Century Corporation           | 2012.08.31 | No. 10300210860 (Note M) | PET Far Eastern (Holding) Ltd.   | 66,000                      | 66,000                         |  |   |   |
| Yuan Ding Enterprise (Shanghai) Limited                       | Far Eastern New Century Corporation           | 2013.11.08 | No. 10200399280          | Far Eastern Polytex (Holding) Ltd.<br>Far Eastern New Century (China) Investment Co., Ltd. | 1,000                       | 1,000                          |  |   |   |
|   | Far Eastern New Century Corporation           | 2019.01.18 | No. 10800015840 (Note R) | Far Eastern Polytex (Holding) Ltd.<br>Far Eastern New Century (China) Investment Co., Ltd. | 82,340                      | 82,340                         |  |   |   |
| Tong Da Air Industry (Yangzhou) Co., Ltd.                     | Far Eastern New Century Corporation           | 2014.09.05 | No. 10300203670 (Note Q) | PET Far Eastern (Holding) Ltd.   | 33,500                      | 33,500                         |  |   |   |
| Yuan Ding Integrated Information Service (Shanghai) Inc.      | YDT Technology International Co., Ltd.        | 2011.10.19 | No. 10000429550          | YDC (Virgin Islands) Ltd.  | 110                         | 110                            |  |   |   |
|   | FET Consulting Engineers Co., Ltd.            | 2011.11.03 | No. 10000439470          | DDIM (Virgin Islands) Ltd.   | 8,100                       | 8,100                          |  |   |   |
|   | Ding Integrated Marketing Service Corporation | 2015.08.11 | No. 10400179060          | DDIM (Virgin Islands) Ltd.   | 1,100                       | 1,100                          |  |   |   |
| Speedy (Shanghai) digital Tech. Co., Ltd.                     | YDT Technology International Co., Ltd.        | 2004.02.11 | No. 093003471            | YDC (Virgin Islands) Ltd.  | 300                         | 300                            |  |   |   |
|   | YDT Technology International Co., Ltd.        | 2005.02.05 | No. 094003122            | YDC (Virgin Islands) Ltd.  | 500                         | 500                            |  |   |   |

(Continued)

| Investee Company   | Authorized by Investment Commission, MOEA |            |                          |   |                          | Investment Type                |  |   |   |
|--|---|------------|--------------------------|---|--------------------------|--------------------------------|--|---|---|
|  | Investor Company                          | Date       | MOEA Approval Letter No. | Through Investor Company in Third Area  | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Far Eastern Tech-Info Ltd. (Shanghai)                            | Far Eastone Telecommunications Co., Ltd.  | 2004.08.26 | No. 093018811            | Far Eastern Info Service (Holding) Ltd. | \$ 2,500                 | \$ 2,500                       |  |   |   |
|  | New Diligent Co., Ltd.                    | 2014.01.29 | No. 10300022990          | Far East New Diligent Company Ltd.      | 3,500                    | 3,500                          |  |   |   |
| Digital United Information Technology (Shanghai) Ltd.            | New Century InfoComm Tech Co., Ltd.       | 2002.10.07 | No. 091041498            | Digital United (Cayman) Ltd.            | 3,100                    |                                |  |   | \$ 3,100  |
|  | New Century InfoComm Tech Co., Ltd.       | 2013.08.09 | No. 10200302730          | Digital United (Cayman) Ltd.            | 1,000                    | 1,000                          |  |   |   |
| New Diligence Corporation (Shanghai)                             | New Diligent Co., Ltd.                    | 2007.08.08 | No. 09600261870          | New Diligent Co., Ltd. (Note P)         | 1,127                    | 1,127                          |  |   |   |
| Far Eastern New Century Information Technology (Beijing) Limited | New Diligent Co., Ltd.                    | 2012.11.19 | No. 10100496420          | Far East New Diligent Company Ltd.      | 4,000                    | 4,000                          |  |   |   |

- Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.
- B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.
- F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 1000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.
- K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd.
- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- P. The dissolution of this investment had been approved by the local government on April 13, 2010. On June 27, 2012, the remittance of the remaining shares of US\$73 thousand was made. MOEA approved the cancellation of the amount.
- Q. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd.
- R. After modifying MOEA approval from No. 10600282650 to No. 10800015840, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly in Far Eastern New Century (China) Investment Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. On August 2, 2019, the remitted amount had been changed to US\$74,335 thousand and updated to document No. 10800190930.

(Concluded)