

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2019 and 2018, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the nine 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 September 30, 2019 and 2018, combined total assets of these non-significant subsidiaries were NT\$266,925,818 thousand and NT\$254,125,497 thousand, respectively, representing 48.26% and 46.52%, respectively, of the consolidated total assets, and combined total liabilities of these non-significant subsidiaries were NT\$112,987,416 thousand and NT\$119,828,568 thousand, respectively, representing 39.49% and 42.66%, respectively, of the consolidated total liabilities; for the three months and nine months ended September 30, 2019 and 2018, the combined comprehensive income of these non-significant subsidiaries were NT\$(51,350) thousand, NT\$1,033,113 thousand, NT\$3,082,577 thousand and NT\$5,532,539 thousand, respectively, representing (2.11%), 23.79%, 23.60% and 32.77%, 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 September 30, 2019 and 2018, with carrying values of NT\$41,588,225 thousand and NT\$37,754,969 thousand, respectively, and the related shares of the comprehensive

income of these investees amounting to NT\$1,366,495 thousand, NT\$1,084,186 thousand, NT\$3,288,391 thousand and NT\$2,984,056 thousand, for the three months and nine months ended September 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 September 30, 2019 and 2018, and its consolidated financial performance for the three months ended September 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 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

November 9, 2018

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	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		September 30, 2018 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 34)	\$ 16,282,864	3	\$ 35,342,560	6	\$ 30,498,233	6
Financial assets at fair value through profit or loss - current (Notes 7, 34 and 35)	4,808,136	1	6,075,604	1	6,240,855	1
Financial assets at fair value through other comprehensive income - current (Note 8)	80,819	-	75,346	-	82,004	-
Financial assets at amortized cost - current (Notes 9 and 34)	1,552,611	-	2,090,355	-	2,473,795	-
Financial assets for hedging - current (Notes 33 and 34)	-	-	1,868	-	3,050	-
Contact assets - current (Note 26)	5,745,222	1	5,828,641	1	5,594,611	1
Notes and accounts receivable, net (Notes 11, 26 and 34)	28,945,202	5	29,347,392	5	31,269,105	6
Other receivables (Note 34)	2,386,089	-	2,507,639	1	3,805,134	1
Current tax assets (Note 4)	51,005	-	25,338	-	96,276	-
Inventories (Notes 12 and 35)	28,368,466	5	34,072,652	6	32,515,034	6
Prepayments	5,318,611	1	5,082,995	1	6,271,714	1
Other financial assets - current (Notes 34 and 35)	3,520,741	1	5,746,927	1	3,108,300	1
Refundable deposits - current	66,046	-	65,377	-	22,431	-
Other current assets	3,312,277	1	2,926,177	1	2,388,553	-
Total current assets	<u>100,438,089</u>	<u>18</u>	<u>129,188,871</u>	<u>23</u>	<u>124,369,095</u>	<u>23</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	2,036,528	-	2,014,802	-	1,486,422	-
Financial assets at amortized cost - non-current (Notes 9, 10 and 34)	500,000	-	431,290	-	-	-
Financial assets for hedging - non-current (Notes 33 and 34)	-	-	65,356	-	124,025	-
Investments accounted for using the equity method (Notes 14 and 35)	68,232,827	12	66,378,437	12	66,963,852	12
Contract assets - non-current (Note 26)	2,183,379	1	1,535,757	-	1,478,248	-
Property, plant and equipment (Notes 4, 15 and 35)	162,268,005	29	164,557,019	29	149,873,416	28
Right-of-use assets (Notes 4, 16 and 34)	18,760,850	3	-	-	-	-
Investment properties (Notes 17 and 35)	126,613,069	23	124,816,527	22	124,759,357	23
Concessions (Notes 19 and 35)	38,835,174	7	41,136,801	7	41,977,676	8
Goodwill (Notes 4 and 18)	12,777,428	2	11,862,742	2	11,865,515	2
Other intangible assets (Note 19)	5,020,307	1	4,997,476	1	4,211,296	1
Deferred tax assets (Note 4)	3,149,539	1	3,318,140	1	2,613,682	1
Prepayments for equipment (Note 15)	2,979,435	1	1,406,581	-	2,007,360	-
Refundable deposits - non-current	1,440,343	-	1,130,010	-	1,075,368	-
Long-term other receivables (Note 34)	555,682	-	524,861	-	1,337,927	-
Incremental costs of obtaining a contract - non-current (Note 26)	3,200,141	1	1,802,163	1	1,542,478	-
Other financial assets - non-current (Note 35)	2,494,752	1	2,718,063	1	2,856,602	1
Long-term prepayments for lease	-	-	7,247,623	1	7,244,574	1
Other non-current assets	1,634,639	-	456,901	-	430,378	-
Total non-current assets	<u>452,682,098</u>	<u>82</u>	<u>436,400,549</u>	<u>77</u>	<u>421,848,176</u>	<u>77</u>
TOTAL	<u>\$ 553,120,187</u>	<u>100</u>	<u>\$ 565,589,420</u>	<u>100</u>	<u>\$ 546,217,271</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 34)	\$ 38,497,068	7	\$ 47,833,445	8	\$ 37,919,433	7
Short-term bills payable (Note 20)	7,246,770	1	6,717,712	1	4,863,072	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 34)	2,209	-	6,848	-	6,034	-
Contract liabilities - current (Note 26)	4,894,330	1	4,647,210	1	6,030,107	1
Notes and accounts payable (Note 34)	21,025,636	4	17,171,023	3	22,815,056	4
Lease liabilities - current (Notes 4, 16 and 34)	3,360,129	1	-	-	-	-
Payables to suppliers of machinery and equipment	3,238,900	1	7,534,766	1	2,360,773	-
Other payables	14,836,907	3	16,752,125	3	14,367,075	3
Current tax liabilities (Note 4)	2,092,355	-	3,615,154	1	4,079,660	1
Provisions - current (Note 22)	278,198	-	293,364	-	320,617	-
Guarantee deposits received - current (Note 34)	291,009	-	230,984	-	294,579	-
Current portion of long-term liabilities (Notes 20 and 21)	23,724,272	4	20,640,059	4	23,266,355	4
Other current liabilities	2,724,205	1	3,437,413	1	3,574,925	1
Total current liabilities	<u>122,211,988</u>	<u>23</u>	<u>128,880,103</u>	<u>23</u>	<u>119,897,686</u>	<u>22</u>
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Note 33)	38,061	-	-	-	-	-
Contract liabilities - non-current (Note 26)	216,959	-	208,272	-	241,808	-
Lease liabilities - non-current (Notes 4, 16 and 34)	7,261,685	1	-	-	-	-
Bonds payable (Note 21)	83,698,362	15	78,903,315	14	86,792,108	16
Long-term borrowings (Note 20)	51,789,421	10	68,719,309	12	52,354,571	10
Provisions - non-current (Note 22)	942,830	-	911,333	-	840,908	-
Deferred tax liabilities (Note 4)	17,619,137	3	17,552,448	3	17,744,580	3
Net defined benefit liabilities - non-current (Note 23)	1,592,625	-	1,868,362	1	2,280,471	-
Guarantee deposits received - non-current (Note 34)	548,721	-	555,712	-	503,743	-
Deferred credit-gains on related-party transactions (Note 34)	122,803	-	123,081	-	123,360	-
Other non-current liabilities	89,367	-	138,048	-	140,504	-
Total non-current liabilities	<u>163,919,971</u>	<u>30</u>	<u>168,979,880</u>	<u>30</u>	<u>161,022,053</u>	<u>29</u>
Total liabilities	<u>286,131,959</u>	<u>52</u>	<u>297,859,983</u>	<u>53</u>	<u>280,919,739</u>	<u>51</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Common stock	53,528,751	10	53,528,751	9	53,528,751	10
Capital surplus	3,256,274	-	2,908,631	1	2,908,409	1
Retained earnings						
Legal reserve	17,955,250	3	16,752,421	3	16,752,421	3
Special reserve	115,505,868	21	114,443,170	20	114,443,170	21
Unappropriated earnings	14,289,651	2	17,996,558	3	17,990,017	3
Total retained earnings	147,750,769	26	149,192,149	26	149,185,608	27
Other equity	(1,832,670)	-	(2,069,331)	-	(3,416,363)	(1)
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	202,678,061	37	203,535,137	36	202,181,342	37
NON-CONTROLLING INTERESTS (Note 25)	<u>64,310,167</u>	<u>11</u>	<u>64,194,300</u>	<u>11</u>	<u>63,116,190</u>	<u>12</u>
Total equity	<u>266,988,228</u>	<u>48</u>	<u>267,729,437</u>	<u>47</u>	<u>265,297,532</u>	<u>49</u>
TOTAL	<u>\$ 553,120,187</u>	<u>100</u>	<u>\$ 565,589,420</u>	<u>100</u>	<u>\$ 546,217,271</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 8, 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 September 30				For the Nine Months Ended September 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
(Notes 26 and 34)								
Net sales	\$ 45,780,425	74	\$ 45,544,795	73	\$ 140,751,079	74	\$ 116,412,112	70
Telecommunications service revenue	11,845,861	19	12,185,464	20	35,741,920	19	38,198,794	23
Construction revenue	735,265	1	1,096,086	2	3,957,890	2	3,351,522	2
Other operating revenue	3,312,577	6	2,972,325	5	9,869,738	5	9,232,711	5
Gain on disposal of investments, net	36,300	-	-	-	31,816	-	-	-
Total operating revenue	61,710,428	100	61,798,670	100	190,352,443	100	167,195,139	100
OPERATING COSTS (Notes 12, 27 and 34)								
Cost of goods sold	41,538,709	67	40,764,611	66	128,217,132	67	105,332,031	63
Cost of telecommunications services	6,150,770	10	6,519,174	10	18,520,294	10	19,619,342	12
Construction costs	721,276	1	1,062,959	2	3,865,278	2	3,259,285	2
Other operating costs	1,743,061	3	1,187,911	2	4,732,178	3	3,686,565	2
Loss on disposal of investments, net	-	-	5,418	-	-	-	11,413	-
Total operating costs	50,153,816	81	49,540,073	80	155,334,882	82	131,908,636	79
GROSS PROFIT	<u>11,556,612</u>	<u>19</u>	<u>12,258,597</u>	<u>20</u>	<u>35,017,561</u>	<u>18</u>	<u>35,286,503</u>	<u>21</u>
REALIZED CONSTRUCTION INCOME	-	-	-	-	278	-	277	-
OPERATING EXPENSES								
(Notes 27 and 34)								
Selling and marketing	4,632,269	8	4,563,802	8	13,828,394	7	12,819,437	8
General and administrative	2,748,937	5	2,408,821	4	8,580,612	5	8,160,057	5
Research and development	303,860	-	222,639	-	822,313	-	614,984	-
Expected credit loss	10,670	-	45,233	-	201,912	-	177,277	-
Total operating expenses	7,695,736	13	7,240,495	12	23,433,231	12	21,771,755	13
OPERATING INCOME	<u>3,860,876</u>	<u>6</u>	<u>5,018,102</u>	<u>8</u>	<u>11,584,608</u>	<u>6</u>	<u>13,515,025</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES								
Net loss on derecognition of financial assets at amortized cost (Note 9)	-	-	-	-	(2,800)	-	-	-
Share of the profit or loss of associates	1,557,580	2	1,651,867	3	4,969,908	3	4,884,669	3
Interest income	63,829	-	72,617	-	234,447	-	199,349	-
Other income - other	259,980	-	339,086	1	669,564	-	744,251	1
Gain on disposal of investment properties (Note 17)	-	-	-	-	-	-	12,619	-
Gain (loss) on financial (liabilities) assets at fair value through profit or loss	18,386	-	(12,771)	-	206,785	-	(107,595)	-
Gain on change in fair value of investment properties (Note 17)	542,820	1	128,473	-	856,624	-	570,325	-
Interest expense (Notes 27 and 34)	(761,141)	(1)	(702,748)	(1)	(2,449,186)	(1)	(1,926,540)	(1)
Other expenses	(199,768)	-	(386,121)	(1)	(562,716)	-	(595,070)	-

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
(Loss) gain on disposal of property, plant and equipment (Note 15)	\$ (122,527)	-	\$ 62,580	-	\$ (544,016)	-	\$ 1,841,386	1
Loss on disposal of concessions (Note 19)	(1,262)	-	-	-	(1,467)	-	-	-
(Loss) gain on disposal of intangible assets (Note 19)	(2)	-	5,719	-	(194)	-	1,752	-
Exchange gain, net	61,170	-	79,669	-	286,145	-	453,712	-
Impairment loss (Notes 14 and 15)	(13,381)	-	(114,520)	-	(97,469)	-	(481,621)	-
Total non-operating incomes and expenses	<u>1,405,684</u>	<u>2</u>	<u>1,123,851</u>	<u>2</u>	<u>3,565,625</u>	<u>2</u>	<u>5,597,237</u>	<u>4</u>
INCOME BEFORE INCOME TAX	5,266,560	8	6,141,953	10	15,150,233	8	19,112,262	12
INCOME TAX EXPENSE (Notes 4 and 28)	(746,810)	(1)	(703,620)	(1)	(2,146,280)	(1)	(2,860,879)	(2)
NET INCOME	<u>4,519,750</u>	<u>7</u>	<u>5,438,333</u>	<u>9</u>	<u>13,003,953</u>	<u>7</u>	<u>16,251,383</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	17,541	-	25,950	-	22,622	-	14,272	-
Gain on property revaluation (Note 15)	6,370	-	-	-	337,927	-	-	-
Share of the other comprehensive income of associates accounted for using the equity method	271,668	-	691,335	1	1,207,791	1	1,680,694	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,270)	-	-	-	(36,286)	-	22,473	-
	<u>294,309</u>	<u>-</u>	<u>717,285</u>	<u>1</u>	<u>1,532,054</u>	<u>1</u>	<u>1,717,439</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	(1,905,452)	(3)	(1,490,481)	(2)	(1,149,143)	(1)	(1,006,647)	(1)
Gain on hedging instruments	7,424	-	65,054	-	(103,417)	-	88,481	-
Share of the other comprehensive income of associates accounted for using the equity method	(487,275)	-	(387,410)	(1)	(224,149)	-	(165,261)	-
	<u>(2,385,303)</u>	<u>(3)</u>	<u>(1,812,837)</u>	<u>(3)</u>	<u>(1,476,709)</u>	<u>(1)</u>	<u>(1,083,427)</u>	<u>(1)</u>
Other comprehensive (loss) income, net of income tax	<u>(2,090,994)</u>	<u>(3)</u>	<u>(1,095,552)</u>	<u>(2)</u>	<u>55,345</u>	<u>-</u>	<u>634,012</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,428,756</u>	<u>4</u>	<u>\$ 4,342,781</u>	<u>7</u>	<u>\$ 13,059,298</u>	<u>7</u>	<u>\$ 16,885,395</u>	<u>10</u>

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
NET INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,945,170	5	\$ 3,476,029	6	\$ 8,466,253	4	\$ 10,851,644	7
Non-controlling interests	<u>1,574,580</u>	<u>2</u>	<u>1,962,304</u>	<u>3</u>	<u>4,537,700</u>	<u>3</u>	<u>5,399,739</u>	<u>3</u>
	<u>\$ 4,519,750</u>	<u>7</u>	<u>\$ 5,438,333</u>	<u>9</u>	<u>\$ 13,003,953</u>	<u>7</u>	<u>\$ 16,251,383</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 1,066,106	2	\$ 2,502,384	4	\$ 8,716,503	5	\$ 11,515,778	7
Non-controlling interests	<u>1,362,650</u>	<u>2</u>	<u>1,840,397</u>	<u>3</u>	<u>4,342,795</u>	<u>2</u>	<u>5,369,617</u>	<u>3</u>
	<u>\$ 2,428,756</u>	<u>4</u>	<u>\$ 4,342,781</u>	<u>7</u>	<u>\$ 13,059,298</u>	<u>7</u>	<u>\$ 16,885,395</u>	<u>10</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)								
Basic	<u>\$ 0.59</u>		<u>\$ 0.70</u>		<u>\$ 1.69</u>		<u>\$ 2.17</u>	
Diluted	<u>\$ 0.59</u>		<u>\$ 0.69</u>		<u>\$ 1.69</u>		<u>\$ 2.17</u>	

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

(With Deloitte & Touche review report dated November 8, 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					Other Equity							Total Equity Attributable to Owners of the Company	Non-controlling Interests (Note 25)	Total Equity
	Common Shares (Note 25)	Capital Surplus (Notes 4 and 25)	Legal Reserve (Note 25)	Special Reserve (Note 25)	Unappropriated Earnings (Note 4)	Exchange Differences on Translating Foreign Operations (Note 25)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Note 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 nine months ended September 30, 2018	-	-	-	-	10,851,644	-	-	-	-	-	-	-	10,851,644	5,399,739	16,251,383
Other comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	15,680	(1,056,504)	-	1,674,771	-	30,187	-	-	664,134	(30,122)	634,012
Total comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	10,867,324	(1,056,504)	-	1,674,771	-	30,187	-	-	11,515,778	5,369,617	16,885,395
Change in associates accounted for using the equity method	-	47,905	-	-	11,495	-	-	-	-	-	-	-	59,400	685	60,085
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
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	935	-	-	-	-	-	-	-	-	-	-	935	-	935
Reversal of special reserve	-	-	-	(5,678)	5,678	-	-	-	-	-	-	-	-	-	-
Return of cash capital due to subsidiary's liquidation	-	-	-	-	-	-	-	-	-	-	-	-	-	(360)	(360)
BALANCE, SEPTEMBER 30, 2018	\$ 53,528,751	\$ 2,908,409	\$ 16,752,421	\$ 114,443,170	\$ 17,990,017	\$ (4,133,875)	\$ -	\$ (51,095)	\$ -	\$ 65,829	\$ 702,778	\$ (25,063)	\$ 202,181,342	\$ 63,116,190	\$ 265,297,532
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 nine months ended September 30, 2019	-	-	-	-	8,466,253	-	-	-	-	-	-	-	8,466,253	4,537,700	13,003,953
Other comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	(176)	(1,182,070)	-	1,167,207	-	(36,755)	302,044	-	250,250	(194,905)	55,345
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	8,466,077	(1,182,070)	-	1,167,207	-	(36,755)	302,044	-	8,716,503	4,342,795	13,059,298
Change in associates accounted for using the equity method	-	2	-	-	45,021	-	-	-	-	-	-	-	45,023	471	45,494
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	-	-	-	-	13,521	-	-	(13,521)	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,276)	(11,276)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-	-	-	-	-	-	-	-	1,403	-	1,403
Disposal of investments accounted for using the equity method	-	(211)	-	(25,881)	26,409	-	-	(244)	-	-	-	-	73	-	73
Changes in percentage of ownership interests in subsidiaries	-	346,449	-	-	-	-	-	-	-	-	-	-	346,449	3,088,551	3,435,000
BALANCE, SEPTEMBER 30, 2019	\$ 53,528,751	\$ 3,256,274	\$ 17,955,250	\$ 115,505,868	\$ 14,289,651	\$ (4,771,971)	\$ -	\$ 1,925,354	\$ -	\$ 9,125	\$ 1,004,822	\$ (25,063)	\$ 202,678,061	\$ 64,310,167	\$ 266,988,228

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

(With Deloitte & Touche review report dated November 8, 2019)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 15,150,233	\$ 19,112,262
Adjustments for:		
Depreciation	16,392,460	11,999,390
Amortization	3,342,761	3,603,129
Expected credit loss	201,912	177,277
Interest expenses	2,449,186	1,926,540
Net loss on disposal of financial assets at amortized cost	2,800	-
Interest income	(234,447)	(199,349)
Dividend income	(66,584)	(41,811)
Share of the profit of associates	(4,969,908)	(4,884,669)
Loss (gain) on disposal of property, plant and equipment	544,016	(1,841,386)
Gain on disposal of investment properties	-	(12,619)
Loss (gain) on disposal of intangible asset	194	(1,752)
Loss on disposal of concession	1,467	-
Gain on disposal of investments	(39,071)	-
Impairment loss	97,469	481,621
(Reversal) write-down of inventories	(513,918)	143,310
Realized gain on the transactions with associates	(278)	(277)
Gain on change in fair value of investment properties	(856,624)	(570,325)
Loss on disposal of subsidiary	773	-
Gain on modification of lease	(776)	-
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	1,267,468	(1,785,129)
Financial assets for hedging	1,868	(1,350)
Contract assets	(564,203)	803,419
Notes and accounts receivable	436,484	(6,001,213)
Other receivables	308,400	(694,149)
Inventories	6,094,477	(6,265,493)
Prepayments	(822,103)	(2,832,318)
Other current assets	(370,961)	(700,678)
Incremental cost of obtaining a contract	(1,397,978)	23,712
Financial liabilities at fair value through profit or loss	(4,639)	(6,953)
Contract liabilities	206,311	1,270,194
Notes and accounts payable	3,594,425	3,291,935
Other payables	(2,437,194)	(201,126)
Provisions	16,331	(34,561)
Other current liabilities	(680,810)	1,068,315
Net defined benefit liabilities	(277,400)	(323,678)
Cash generated from operations	36,872,141	17,502,268
Interest received	240,659	202,913
Dividend received	4,192,612	2,721,918

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2019	2018
Interest paid	\$ (2,536,618)	\$ (1,894,314)
Income tax paid	<u>(3,475,817)</u>	<u>(1,890,107)</u>
Net cash generated from operating activities	<u>35,292,977</u>	<u>16,642,678</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayments for investments	(100,000)	-
Acquisition of financial assets at fair value through other comprehensive income	(5,207)	(37,547)
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	-	61,500
Decrease (increase) in financial assets at amortized cost	448,834	(429,642)
Acquisition of investments accounted for using the equity method	(438,641)	(1,698,424)
Disposal of investments accounted for using the equity method	162,010	-
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	(18,707,288)	(11,701,038)
Proceeds from disposal of property, plant and equipment	49,714	3,087,628
Increase in refundable deposits	(309,615)	(205,516)
(Increase) decrease in other receivables	(756,000)	1,616,990
Acquisition of intangible assets	(612,501)	(1,082,737)
Proceeds on the disposal of intangible assets	-	6,547
Acquisition of right-of-use assets	(888,591)	-
Acquisition of investment properties	(10,564)	-
Proceeds from the disposal of investment properties	540,262	199,227
Increase in prepayments for lease	-	(706,925)
Increase in concessions	(27,562)	(70,990)
Proceeds from disposal of concessions	7,987	-
Decrease in other financial assets	2,449,497	1,415,431
(Increase) decrease in other non-current assets	<u>(1,077,106)</u>	<u>120,495</u>
Net cash used in investing activities	<u>(19,751,233)</u>	<u>(9,425,001)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(9,336,377)	6,974,846
Increase (decrease) in short-term bills payables	528,000	(2,782,000)
Proceeds from issue of bonds	19,000,000	25,000,000
Repayments of bonds payable	(9,900,000)	(5,600,000)
Proceeds from long-term borrowings	169,431,426	155,330,996
Repayment of long-term borrowings	(187,617,483)	(167,229,635)
Repayment of the principal portion of lease liability	(2,829,258)	-

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2019	2018
Increase in guarantee deposits received	\$ 51,857	\$ 157
Decrease in other non-current liabilities	(1,421)	(13,148)
Cash dividend paid	(9,633,772)	(6,422,726)
Cash capital increase by subsidiaries	384,917	577,375
Cash capital reduction by subsidiaries	-	(360)
Dividends paid to non-controlling interest	(7,613,373)	(7,630,925)
Increase in non-controlling interests	3,435,000	-
Partial acquisition of interests in subsidiaries from non-controlling interest	-	(171,658)
Net cash used in financing activities	(34,100,484)	(1,967,078)
EFFECTS OF EXCHANGE RATE CHANGES	(500,956)	(216,589)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(19,059,696)	5,034,010
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	35,342,560	25,464,223
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 16,282,864	\$ 30,498,233

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

(With Deloitte & Touche review report dated November 8, 2019)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials 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. Corpus Christi Polymers LLC.’s assets and liabilities as of September 30, 2019, and its revenue and expenses for the three months and nine months ended September 30, 2019, which is comprised in the consolidated financial statements were not reviewed.

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 November 8, 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:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
<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)

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
<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 (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

New IFRSs	Effective Date Announced by IASB
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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020
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

	September 30, 2019	December 31, 2018	September 30, 2018
Cash			
Cash on hand and petty cash	\$ 60,611	\$ 32,854	\$ 55,432
Demand and checking accounts	<u>13,050,998</u>	<u>24,460,700</u>	<u>23,765,416</u>
	<u>13,111,609</u>	<u>24,493,554</u>	<u>23,820,848</u>
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	2,302,710	3,504,987	4,062,233
Commercial paper and corporate bonds purchased under resale agreements	<u>737,282</u>	<u>7,188,264</u>	<u>2,376,998</u>
	<u>3,039,992</u>	<u>10,693,251</u>	<u>6,439,231</u>
Management discretionary accounts			
Demand accounts	<u>131,263</u>	<u>155,755</u>	<u>238,154</u>
	<u>\$ 16,282,864</u>	<u>\$ 35,342,560</u>	<u>\$ 30,498,233</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 \$131,263 thousand, \$155,755 thousand and \$238,154 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.

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

	September 30, 2019	December 31, 2018	September 30, 2018
Time deposits	0.10%-3.05%	0.40%-3.90%	0.07%-3.90%
Commercial paper and corporate bonds purchased under resale agreements	0.39%-0.58%	0.33%-2.60%	0.30%-1.70%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2019	December 31, 2018	September 30, 2018
Financial assets mandatorily classified as at <u>fair value through profit or loss (FVTPL)</u>			
Non-derivative financial assets			
Mutual funds - beneficial certificates	\$ 4,521,386	\$ 5,854,330	\$ 6,013,122
Listed shares	271,635	219,164	194,451
Derivative financial assets (not under hedge accounting)			
Guarantee deposits - cotton futures contracts	-	-	18,343
Forward exchange contracts	<u>15,115</u>	<u>2,110</u>	<u>14,939</u>
	<u>\$ 4,808,136</u>	<u>\$ 6,075,604</u>	<u>\$ 6,240,855</u>

(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Financial liabilities held for trading - current</u>			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts	\$ <u>2,209</u>	\$ <u>6,848</u>	\$ <u>6,034</u> (Concluded)

a. Cotton futures contracts

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

The Group had no outstanding cotton futures contracts as of September 30, 2019, December 31, 2018 and September 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 September 30, 2019, December 31, 2018 and September 30, 2018, the Group had outstanding forward exchange contracts, which were stated as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>September 30, 2019</u>			
Sell	USD/NTD	2019.10.04-2019.11.22	USD32,500/TWD1,011,993
Sell	EUR/USD	2019.10.29-2019.11.27	EUR7,000/USD7,785
Buy	USD/JPY	2019.10.08-2019.11.22	USD13,000/JPY1,377,000
Buy	USD/RMB	2019.10.29	USD9,000/RMB63,993
Sell	USD/JPY	2019.10.25-2019.11.26	USD3,350/JPY358,745
Buy	USD/NTD	2019.10.4-2019.11.16	USD2,000/TWD62,522
Sell	USD/RMB	2019.10.11-2019.11.25	USD24,000/RMB170,412
Sell	SGD/MYR	2019.10.29-2019.11.27	SGD400/MYR1,216
<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

(Continued)

	Currency	Maturity	Contract Amount (Thousands)
<u>September 30, 2018</u>			
Buy	USD/NTD	2018.10.01-2018.11.01	USD4,500/NTD137,975
Buy	USD/JPY	2018.11.26-2018.11.28	USD12,000/JPY1,340,125
Buy	USD/RMB	2018.10.26	USD8,000/RMB54,741
Sell	EUR/USD	2018.10.26-2018.11.28	EUR10,000/USD11,563
Sell	USD/JPY	2018.10.29-2019.01.28	USD10,850/JPY1,206,390
Sell	USD/RMB	2018.10.12-2018.10.25	USD4,000/RMB27,488
Sell	USD/NTD	2018.10.1-2018.11.26	USD68,990/NTD2,115,914
Sell	USD/CAD	2018.10.25	USD2,000/CAD2,591
Sell	EUR/RMB	2018.10.15	EUR700/RMB5,571
Sell	SGD/MYR	2018.10.29	SGD200/MYR602
(Concluded)			

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Financial assets at fair value through other comprehensive income (FVTOCI)</u>			
Domestic listed shares	\$ 402,543	\$ 381,431	\$ 415,138
Domestic unlisted shares	915,962	916,725	780,217
Real estate investment trust mutual funds - beneficial certificates	302,700	301,500	-
Overseas shares	<u>496,142</u>	<u>490,492</u>	<u>373,071</u>
	<u>\$ 2,117,347</u>	<u>\$ 2,090,148</u>	<u>\$ 1,568,426</u>
Current	\$ 80,819	\$ 75,346	\$ 82,004
Non-current	<u>2,036,528</u>	<u>2,014,802</u>	<u>1,486,422</u>
	<u>\$ 2,117,347</u>	<u>\$ 2,090,148</u>	<u>\$ 1,568,426</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

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months (a.)	<u>\$ 1,522,611</u>	<u>\$ 2,090,355</u>	<u>\$ 2,473,795</u>
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months (a.)	\$ -	\$ 28,490	\$ -
Subordinated perpetual corporate bonds of Taiwan Life Insurance Co., Ltd. (b.)	-	402,800	-
Subordinated perpetual corporate bonds of Cathay Life Insurance Co., Ltd. (c.)	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 500,000</u>	<u>\$ 431,290</u>	<u>\$ -</u>

- a. The interest rates for time deposits with original maturity of more than 3 months were from 0.81% to 1.76%, 0.22% to 3.10% and 0.22% to 2.60% as of September 30, 2019, December 31, 2018 and September 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%. In addition, for the nine months ended September 30, 2019, the Group disposed corporate bonds which were issued by Taiwan Life Insurance Co., Ltd amounted to \$400,000 thousand, and recognized loss on disposal of financial assets at amortized cost amounted to \$2,800 thousand.
- 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 perpetual 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.

September 30, 2019

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

December 31, 2018

	At Amortized Cost
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

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Notes and accounts receivable</u>			
At amortized cost			
Notes and accounts receivable	\$ 30,116,827	\$ 30,458,896	\$ 32,421,448
Less: Allowance for doubtful accounts	(1,168,884)	(1,110,203)	(1,150,993)
Less: Unrealized interest income	<u>(2,741)</u>	<u>(1,301)</u>	<u>(1,350)</u>
	<u>\$ 28,945,202</u>	<u>\$ 29,347,392</u>	<u>\$ 31,269,105</u>

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

	September 30, 2019	December 31, 2018	September 30, 2018
Gross amounts of accounts receivable	\$ 136,184	\$ 92,104	\$ 95,477
Unrealized interest income	<u>(8,608)</u>	<u>(5,210)</u>	<u>(5,566)</u>
	<u>\$ 127,576</u>	<u>\$ 86,894</u>	<u>\$ 89,911</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.

September 30, 2019

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 27,487,177	\$ 2,121,373	\$ 132,041	\$ 373,495	\$ 30,114,086
Loss allowance (Lifetime ECL)	<u>(534,480)</u>	<u>(261,413)</u>	<u>(49,643)</u>	<u>(323,348)</u>	<u>(1,168,884)</u>
Amortized cost	<u>\$ 26,952,697</u>	<u>\$ 1,859,960</u>	<u>\$ 82,398</u>	<u>\$ 50,147</u>	<u>\$ 28,945,202</u>

December 31, 2018

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
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>

September 30, 2018

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 29,217,043	\$ 2,689,968	\$ 147,737	\$ 365,350	\$ 32,420,098
Loss allowance (Lifetime ECL)	<u>(477,365)</u>	<u>(318,100)</u>	<u>(33,201)</u>	<u>(322,327)</u>	<u>(1,150,993)</u>
Amortized cost	<u>\$ 28,739,678</u>	<u>\$ 2,371,868</u>	<u>\$ 114,536</u>	<u>\$ 43,023</u>	<u>\$ 31,269,105</u>

The above aging schedule was based on the invoice date.

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

	For the Nine Months Ended September 30	
	2019	2018
Balance at January 1	\$ 1,110,203	\$ 1,425,253
Acquisitions through business combinations	5,205	-
Add: Bad debt recovered	152,788	203,060
Add: Impairment losses recognized on receivables	201,912	24,570
Less: Amounts written off	(300,405)	(501,094)
Foreign exchange gains and losses	<u>(819)</u>	<u>(796)</u>
Balance at September 30	<u>\$ 1,168,884</u>	<u>\$ 1,150,993</u>

12. INVENTORIES

	September 30, 2019	December 31, 2018	September 30, 2018
Merchandise inventories	\$ 5,472,135	\$ 6,263,724	\$ 5,334,390
Finished goods	7,190,359	9,144,979	9,108,396
Work in progress	3,939,326	3,404,405	3,611,197
Raw materials	5,990,749	9,588,576	8,992,112
Supplies	1,143,859	1,160,457	1,173,892
Available-for-sale - buildings and land	995,709	1,300,227	1,353,074
Available-for-construction - land	208,384	208,384	208,384
Construction in progress	<u>3,427,945</u>	<u>3,001,900</u>	<u>2,733,589</u>
	<u>\$ 28,368,466</u>	<u>\$ 34,072,652</u>	<u>\$ 32,515,034</u>

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2019 and 2018 were \$41,538,709 thousand, \$40,764,611 thousand, \$128,217,132 thousand, \$105,332,031 thousand, respectively. The cost of goods sold included reversal of write-downs (inventory write-downs) \$85,638 thousand, \$(69,418) thousand, \$513,918 thousand, \$(143,310) thousand for the three months and nine months ended September 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		
				September 30, 2019	December 31, 2018	September 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	
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. (Notes 5 and 14)	Production and wholesale of medical supplies	100.00	100.00	100.00
	26	Oriental Green Materials Limited (Note 14)	Waste recycling and re-processing	100.00	-	-
	27	Yuan Faun Co., Ltd.	Consulting	100.00	100.00	100.00

(Continued)

Investor	No.	Investee	Nature of Activities	Proportion of Ownership		
				September 30, 2019	December 31, 2018	September 30, 2018
Far Eastern Investment (Holding) Ltd. (FEIH)	28	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00
	29	PET Far Eastern (M) Sdn. Bhd.	Bottle production	100.00	100.00	100.00
	30	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	31	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00	100.00
	32	Far Eastern Polytex (Vietnam) Ltd.	Chemical fiber and textile production	100.00	100.00	100.00
Far Eastern Polychem Industries Ltd. (FEPI)	33	Far Eastern New Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	34	Magna View Sdn. Bhd.	Investment	100.00	100.00	100.00
	35	APG Polytech USA Holdings, Inc. (Note 8)	Investment	100.00	100.00	100.00
	36	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00	100.00
	37	Far Eastern Industries (Yangzhou) Ltd.	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Construction Co., Ltd.	38	Far Eastern Ishizuka Green Pet Corporation (FIGP)	Recycled PET production and sales	90.00	90.00	90.00
	39	Far Eastern General Contractor Inc.	Construction	99.95	99.95	99.95
Far Eastern Apparel (Holding) Ltd. (FEAH)	40	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	41	Far Eastern Innovation Apparel (Suzhou) Co., Ltd. (Note 3)	Garment production	100.00	100.00	100.00
FETG Investment Antilles N.V.	42	Waldorf Services B.V. (Note 9)	Investment	-	100.00	100.00
Yuan Faun Co., Ltd.	43	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19	55.19
Yuan Tong Investment Co., Ltd.	44	Sino Belgium (Holding) Ltd.	Investment	90.88	90.88	90.88
Far Eastern Electronic Toll Collection Co., Ltd.	45	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.	46	Suzhou An Ho Apparel Ltd.	Garment production	100.00	100.00	100.00
PET Far Eastern (Holding) Ltd. (PETH)	47	Oriental Petrochemical (Shanghai) Corporation	PTA production and sales	61.35	61.35	61.35
Oriental Textile (Holding) Ltd. (OTTI)	48	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile productions	100.00	100.00	100.00
	49	Oriental Industries (Suzhou) Ltd.	Production and sales of polyester resins and industrial fabrics	100.00	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	50	Far Eastern Industries (Suzhou) Ltd.	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	51	Wuhan Far Eastern New Material Ltd.	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00	100.00
	52	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	53	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	54	Far Eastern New Century (China) Investment Co., Ltd.	Investment	100.00	100.00	100.00
Far Eastern New Century (China) Investment Co., Ltd.	55	Shanghai Yuan Zi Information Technology Co., Ltd.	Internet software development services	100.00	100.00	100.00
	56	Yuan Ding Enterprise (Shanghai) Limited (Note 10)	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses	40.00	100.00	100.00
Sino Belgium (Holding) Ltd.	57	Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	58	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00	100.00
	59	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00	100.00
Yuan Ding Co., Ltd.	60	Ding Ding Hotel Co., Ltd.	Hotel	99.26	99.26	99.26
	61	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00	100.00
FET Consulting Engineers Co., Ltd.	62	Far Eastern Technical Consultants Co., Ltd.	Real estate development business consulting and management	100.00	100.00	100.00
	63	FET Consulting Engineers Co., Ltd.	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00	100.00
	64	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00	80.00
FET Consulting Engineers Co., Ltd.	65	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDT Technology International Co., Ltd.	66	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDC (Virgin Islands) Ltd.	67	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00	100.00
DDIM (Virgin Islands) Ltd.	68	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	69	PT Malaysia Garment Bintan (PTMG)	Clothing production	99.00	99.00	99.00
APG Polytech USA Holdings, Inc.	70	APG Polytech, LLC (Note 8)	Chemical fiber production	100.00	100.00	100.00
	71	Phoenix Technologies International, LLC (Note 13)	Recycled PET production and sales	90.00	-	-

(Continued)

Investor	No.	Investee	Nature of Activities	Proportion of Ownership		
				September 30, 2019	December 31, 2018	September 30, 2018
Far EasTone Telecommunications Co., Ltd.	72	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00	100.00
	73	ARCOA Communication Co., Ltd.	Sale of communications products and office equipment	61.63	61.63	61.63
	74	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99	99.99
	75	Yuan Cing Co., Ltd.	Call center services	100.00	100.00	100.00
	76	Far Eastern Info Service Holding Ltd. (FEIS)	Investment	100.00	100.00	100.00
	77	O-music Co., Ltd. (Note 15)	Electronic information providing services	-	50.00	50.00
	78	Q-Ware Communication Corporation (Note 6)	Type II telecommunications services	-	-	-
	79	Yuanshi Digital Technology Co., Ltd.	Electronic information providing services	93.62	93.62	93.62
	80	DataExpress Infotech Co., Ltd.	Sale of communications products	70.00	70.00	70.00
ARCOA Communication Co., Ltd. New Century InfoComm Tech Co., Ltd.	81	New Diligent Co., Ltd.	Investment	100.00	100.00	100.00
	82	Information Security Service Digital United Inc.	Security and monitoring service via Internet	100.00	100.00	100.00
	83	Digital United (Cayman) Ltd.	Investment	100.00	100.00	100.00
	84	Prime Ecopower Co., Ltd. (Note 7)	Energy technology service	100.00	100.00	100.00
	85	Nextlink Technology Co., Ltd. (Note 11)	Electronic information service	70.00	-	-
Digital United (Cayman) Ltd.	86	Digital United Information Technology (Shanghai) Ltd.	Design and research of computer system	100.00	100.00	100.00
New Diligent Co., Ltd.	87	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00
	88	Far East New Diligent Company Ltd.	Investment	100.00	100.00	100.00
	89	New Diligent Hong Kong Co., Ltd.	Investment	100.00	100.00	100.00
Far Eastern New Diligent Company Ltd.	90	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	91	Far Eastern New Century Information Technology (Beijing) Limited (Note 4)	Electronic information providing services	-	-	-
	92	Linkwell Tech. Co., Ltd.	Sale of communications products	100.00	100.00	100.00
DataExpress Infotech Co., Ltd.	93	Home Master Technology Ltd.	Sale of communications products	100.00	100.00	100.00
Nextlink Technology Co., Ltd.	94	Microfusion Technology Co., Ltd. (Note 11)	Electronic information service	100.00	-	-
	95	Nextlink (HK) Technology Co., Ltd. (Note 11)	Electronic information service	100.00	-	-
	96	Microfusion Technology (HK) Co., Ltd. (Note 12)	Electronic information service	-	-	-
Nextlink (HK) Technology Co., Ltd.	97	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 September 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: According to the board of directors resolution on July 30, 2019, in order to strengthen the corporate organizational functions, Oriental Resources Development Co., Ltd., a FENC's subsidiary, divided its recycling related business operations to a new established company, Oriental Green Materials Limited, by issued all Oriental Green Materials Limited's common stocks to Yuan Ding Investment Co., Ltd., the shareholder of Oriental Resources Development Co., Ltd. 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 Far EasTone Telecommunications Co., Ltd. and its subsidiaries for the nine months ended September 30, 2019, and Far EasTone Telecommunications Co., Ltd., New Century InfoComm Tech Co., Ltd. and ARCOA Communication Co., Ltd. for the nine months ended September 30, 2018, 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 September 30		For the Nine Months Ended September 30		September 30,	December 31,	September 30,
	2019	2018	2019	2018	2019	2018	2018
Far EasTone	\$ 1,379,843	\$ 1,627,862	\$ 4,135,618	\$ 4,803,786	\$ 42,555,795	\$ 45,962,913	\$ 44,921,901

The summarized financial information below represents amounts before intragroup eliminations.

Far EasTone and Far EasTone's subsidiaries:

	September 30, 2019	December 31, 2018	September 30, 2018
Current assets	\$ 25,270,823	\$ 23,940,125	\$ 27,916,714
Non-current assets	107,731,344	102,876,384	103,686,601
Current liabilities	(30,119,534)	(25,621,259)	(29,592,295)
Non-current liabilities	<u>(34,438,152)</u>	<u>(27,159,067)</u>	<u>(29,648,145)</u>
Equity	<u>\$ 68,444,481</u>	<u>\$ 74,036,183</u>	<u>\$ 72,362,875</u>
Equity attributable to:			
Owners of the Group	\$ 25,888,686	\$ 28,073,270	\$ 27,440,974
Non-controlling interests of Far EasTone	41,723,448	45,244,228	44,225,189
Non-controlling interests of Far EasTone's subsidiaries	<u>832,347</u>	<u>718,685</u>	<u>696,712</u>
	<u>\$ 68,444,481</u>	<u>\$ 74,036,183</u>	<u>\$ 72,362,875</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Revenue	<u>\$ 21,407,239</u>	<u>\$ 21,058,692</u>	<u>\$ 62,651,958</u>	<u>\$ 64,345,865</u>
Net income for the period	\$ 2,220,370	\$ 2,630,259	\$ 6,663,003	\$ 7,770,957
Other comprehensive income for the period	<u>5,685</u>	<u>30,788</u>	<u>(32,046)</u>	<u>59,535</u>
Total comprehensive income for the period	<u>\$ 2,226,055</u>	<u>\$ 2,661,047</u>	<u>\$ 6,630,957</u>	<u>\$ 7,830,492</u>
Net income attributable to:				
Owners of the Group	\$ 840,527	\$ 1,002,397	\$ 2,527,385	\$ 2,967,171
Non-controlling interests of Far EasTone	1,354,633	1,615,511	4,073,255	4,782,035
Non-controlling interests of Far EasTone's subsidiaries	<u>25,210</u>	<u>12,351</u>	<u>62,363</u>	<u>21,751</u>
	<u>\$ 2,220,370</u>	<u>\$ 2,630,259</u>	<u>\$ 6,663,003</u>	<u>\$ 7,770,957</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Total comprehensive income attributable to:				
Owners of the Group	\$ 842,724	\$ 1,014,185	\$ 2,515,181	\$ 2,989,898
Non-controlling interests of Far EasTone	1,358,175	1,634,511	4,053,587	4,818,664
Non-controlling interests of Far EasTone's subsidiaries	<u>25,156</u>	<u>12,351</u>	<u>62,189</u>	<u>21,930</u>
	<u>\$ 2,226,055</u>	<u>\$ 2,661,047</u>	<u>\$ 6,630,957</u>	<u>\$ 7,830,492</u>

(Concluded)

	For the Nine Months Ended September 30	
	2019	2018
Net cash inflow from:		
Operating activities	\$ 17,606,568	\$ 20,640,813
Investing activities	(5,929,850)	(4,000,096)
Financing activities	(10,761,964)	(17,620,539)
Effect of exchange rate changes	<u>(2,047)</u>	<u>(1,272)</u>
Net cash inflow (outflow)	<u>\$ 912,707</u>	<u>\$ (981,094)</u>

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	September 30, 2019		December 31, 2018		September 30, 2018	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Material associate						
Listed companies						
Asia Cement Corporation	\$ 22,953,826	26	\$ 21,971,779	26	\$ 22,154,857	26
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Co., Ltd.	7,702,621	25	7,320,405	24	7,373,789	24
Far Eastern International Bank	6,824,478	16	6,412,042	16	6,136,645	16
Oriental Union Chemical Corporation	5,674,723	31	6,095,187	31	6,029,725	31
Everest Textile Corporation	<u>1,170,530</u>	26	<u>1,185,430</u>	26	<u>1,185,727</u>	26
	<u>21,372,352</u>		<u>21,013,064</u>		<u>20,725,886</u>	
Unlisted companies						
Oriental Securities Corporation	4,830,612	47	4,758,461	47	4,827,848	47
Pacific Liu Tong Investment Co., Ltd.	4,217,616	40	4,382,615	40	4,350,428	40
Yu Yuan Investment Co., Ltd.	2,980,882	44	2,216,081	44	1,890,337	44
Far Eastern Union Petrochemical (Yangzhou) Corporation	2,190,512	50	2,475,596	50	2,402,749	50
Da Ju Fiber Co., Ltd.	2,081,021	42	2,031,256	42	1,878,077	42
Liquid Air Far East Co., Ltd.	1,966,252	35	1,987,918	35	1,846,525	35
Far Eastern International Leasing Corporation	1,862,407	34	1,855,912	34	1,853,036	34
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,179,552	50	1,151,560	50	1,111,456	50
Yu Ding Industry Co., Ltd.	833,792	31	796,837	31	746,298	31
Freudenberg Far Eastern Spunweb Co., Ltd.	458,069	30	446,257	30	396,184	30
Kowloon Cement Corporation	453,469	49	438,159	49	436,191	49
Yuan Ding Leasing Corporation	389,693	46	388,298	46	386,905	46

(Continued)

	<u>September 30, 2019</u>		<u>December 31, 2018</u>		<u>September 30, 2018</u>	
	<u>Carrying Value</u>	<u>% of Ownership</u>	<u>Carrying Value</u>	<u>% of Ownership</u>	<u>Carrying Value</u>	<u>% of Ownership</u>
Drive Catalyst SPC-SP Tranche One	\$ 251,756	50	\$ 246,082	50	\$ -	-
FEDS Asia Pacific Development Co., Ltd.	136,927	5	131,964	5	136,362	5
Yue Ming Corporation	71,845	47	72,130	47	69,422	47
Opas Fund Segregated Portofolio Company	1,708	34	1,659	34	1,640	34
Drive Catalyst SPC	536	34	526	34	520	34
Com 2B	-	20	12,283	20	12,711	20
Alliance Digital Technology Co., Ltd.	-	-	-	-	12,774	14
Corpus Christi Polymers, LLC	-	-	-	-	<u>1,723,646</u>	33
	<u>23,906,649</u>		<u>23,393,594</u>		<u>24,083,109</u>	
	<u>\$ 68,232,827</u>		<u>\$ 66,378,437</u>		<u>\$ 66,963,852</u>	

(Concluded)

Material associates:

<u>Name of Associate</u>	<u>Nature of Activities</u>	<u>Principal Place of Business</u>	<u>Proportion of Ownership and Voting Rights</u>		
			<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Asia Cement Corporation	Cement production	Taiwan	25.64%	25.69%	25.69%

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

<u>Name of Associate</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Asia Cement Corporation	<u>\$ 37,330,940</u>	<u>\$ 29,322,527</u>	<u>\$ 35,843,442</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 September 30, 2019, the Group has invested \$12,989,242 thousand (or US\$422,800 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 November 8, 2019, the liquidation is in process.

The Group's management evaluated that there is no future cash flows of Com2B, an 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 and Far Eastern International Bank for the nine months ended September 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

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Carrying amount</u>			
Property, plant and equipment	\$ 162,268,005	\$ 164,557,019	\$ 149,873,416
Prepayments for equipment	<u>2,979,435</u>	<u>1,406,581</u>	<u>2,007,360</u>
	<u>\$ 165,247,440</u>	<u>\$ 165,963,600</u>	<u>\$ 151,880,776</u>

	Land	Buildings	Machinery and Equipment	Telecommuni- cations Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in- progress and Prepayment for Equipment	Total
<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 application of IFRS 16 (restated)	-	-	-	(281,281)	-	(68,892)	(214,020)	-	(564,193)
Balance at January 1, 2019 (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	43,986	181,987	254,682	6,402	17,152	16,786	248,614	13,641,813	14,411,422
Disposals	-	(69,578)	(2,079,693)	(1,220,018)	(572,919)	(194,218)	(469,343)	(18,588)	(4,624,357)
Acquisitions through business 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)	1,884,953	6,664,330	2,871,933	1,109,960	153,955	873,181	(14,405,408)	(1,151,558)
Effect of exchange rate differences	1,202	(186,761)	(1,053,591)	-	1,619	(30)	(10,925)	153,507	(1,094,979)
Balance at September 30, 2019	<u>\$ 20,060,739</u>	<u>\$ 37,275,633</u>	<u>\$ 147,904,081</u>	<u>\$ 82,083,504</u>	<u>\$ 15,566,262</u>	<u>\$ 4,616,653</u>	<u>\$ 22,563,356</u>	<u>\$ 34,112,457</u>	<u>\$ 364,182,685</u>
<u>Accumulated depreciation and impairment</u>									
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 (restated)	-	-	-	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	-	68,558	2,027,155	726,364	571,944	173,279	463,327	-	4,030,627
Impairment loss	-	(12,264)	(71,761)	-	-	-	-	-	(84,025)
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	-	(744,839)	(4,139,768)	(6,270,605)	(705,189)	(193,682)	(1,109,887)	-	(13,163,970)
Reclassification	-	7,807	(32,993)	-	(697)	(27,343)	57,311	-	4,085
Effect of exchange rate differences	-	77,895	604,959	-	(66)	8	(32,137)	-	650,659
Balance at September 30, 2019	<u>\$ (95,894)</u>	<u>\$ (16,683,707)</u>	<u>\$ (88,615,171)</u>	<u>\$ (59,104,969)</u>	<u>\$ (13,522,254)</u>	<u>\$ (4,092,850)</u>	<u>\$ (16,820,400)</u>	<u>\$ -</u>	<u>\$ (198,935,245)</u>
<u>Cost</u>									
Balance at January 1, 2018	\$ 20,127,035	\$ 32,995,127	\$ 119,938,249	\$ 85,270,255	\$ 14,905,752	\$ 4,671,413	\$ 21,131,983	\$ 43,660,793	\$ 342,700,607
Additions	-	27,256	486,886	51,669	7,096	12,758	251,421	11,011,999	11,849,085
Disposals	(20,165)	(653,590)	(2,960,508)	(5,573,247)	(383,500)	(78,262)	(811,302)	(17,250)	(10,497,824)
Reclassification	20,525	2,696,797	26,100,368	2,960,443	547,253	78,300	773,942	(33,080,959)	96,669
Effect of exchange rate difference	3,769	(183,172)	(1,040,963)	-	1,438	-	(68,674)	(51,286)	(1,338,888)
Balance at September 30, 2018	<u>\$ 20,131,164</u>	<u>\$ 34,882,418</u>	<u>\$ 147,524,032</u>	<u>\$ 82,709,120</u>	<u>\$ 15,078,039</u>	<u>\$ 4,684,209</u>	<u>\$ 21,277,370</u>	<u>\$ 21,523,297</u>	<u>\$ 342,809,649</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2018	\$ (95,894)	\$ (15,343,593)	\$ (86,288,802)	\$ (54,007,064)	\$ (12,673,745)	\$ (3,863,838)	\$ (15,868,911)	\$ (193,405)	\$ (188,335,252)
Disposals	-	276,196	2,378,858	5,303,202	383,424	62,723	757,922	-	9,162,325
Impairment loss	-	(87,563)	(401,027)	-	-	-	(794)	-	(489,384)
Depreciation expense	-	(657,157)	(2,876,670)	(6,279,447)	(914,560)	(236,689)	(1,034,867)	-	(11,999,390)
Reclassification	-	-	(150,356)	176,436	(176,671)	(22,676)	(6,960)	193,405	13,178
Effect of exchange rate differences	-	74,092	603,500	-	(113)	-	42,171	-	719,650
Balance at September 30, 2018	<u>\$ (95,894)</u>	<u>\$ (15,738,025)</u>	<u>\$ (86,734,497)</u>	<u>\$ (54,806,873)</u>	<u>\$ (13,381,665)</u>	<u>\$ (4,060,480)</u>	<u>\$ (16,111,439)</u>	<u>\$ -</u>	<u>\$ (190,928,873)</u>

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 nine months ended September 30, 2019 and 2018, the Group recognized the impairment loss amounted to \$12,387 thousand, \$117,888 thousand, \$84,025 thousand and \$489,384 thousand, respectively.

The Group reclassified its owner-occupied land in Neili, Taoyuan to investment property due to the end of owner-occupation and cooperate the area's development project, and its owner-occupied plant in Nanzih, Kaohsiung to investment property due to renting out to others and the end of owner-occupation. Therefore, the Group recognized gains on property revaluation amounted to \$6,370 thousand and \$337,927 thousand for the three months and nine months ended September 30, 2019, respectively.

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

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

As of September 30, 2019, December 31, 2018 and September 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

	September 30, 2019
<u>Carrying amounts</u>	
Land	\$ 8,389,161
Buildings	9,674,530
Machinery	15,147
Operating and other equipment	<u>682,012</u>
	<u>\$ 18,760,850</u>

	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
Additions to right-of-use assets	<u>\$ 1,254,904</u>	<u>\$ 3,521,522</u>
Depreciation charge for right-of-use assets		
Land	\$ 66,957	\$ 195,891
Buildings	949,999	2,857,866
Machinery	888	2,557
Operating and other equipment	<u>57,197</u>	<u>172,176</u>
	<u>\$ 1,075,041</u>	<u>\$ 3,228,490</u>

b. Lease liabilities - 2019

	September 30, 2019
<u>Carrying amounts</u>	
Current	<u>\$ 3,360,129</u>
Non-current	<u>\$ 7,261,685</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2019
Land	0.76%-2.63%
Buildings	0.71%-4.35%
Machinery	0.76%-1.08%
Operating and other equipment	0.71%-4.27%

	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
Interest expense from lease liabilities	<u>\$ 29,420</u>	<u>\$ 91,355</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

	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
Expenses relating to short-term leases	<u>\$ 55,044</u>	<u>\$ 200,564</u>
Expenses relating to low-value asset leases	<u>\$ 422</u>	<u>\$ 1,502</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 637</u>	<u>\$ 2,302</u>
Total cash outflow for leases	<u>\$ (941,224)</u>	<u>\$ (3,102,497)</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.

2018

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

	December 31, 2018	September 30, 2018
Not later than 1 year	\$ 3,672,756	\$ 2,733,341
Later than 1 year and not later than 5 years	6,880,865	7,039,346
Later than 5 years	<u>989,918</u>	<u>1,048,056</u>
	<u>\$ 11,543,539</u>	<u>\$ 10,820,743</u>

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

	For the Three Months Ended September 30, 2018	For the Nine Months Ended September 30, 2018
Minimum lease payments	<u>\$ 999,112</u>	<u>\$ 3,193,481</u>

17. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at September 30, 2019	<u>\$ 126,613,069</u>
Balance at December 31, 2018	<u>\$ 124,816,527</u>
Balance at September 30, 2018	<u>\$ 124,759,357</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 September 30, 2019 was as follows:

	September 30, 2019
Year 1	\$ 904,682
Year 2	900,100
Year 3	795,446
Year 4	673,127
Year 5	649,665
Year 6 onwards	<u>1,433,182</u>
	<u>\$ 5,356,202</u>

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

	December 31, 2018	September 30, 2018
Not later than 1 year	\$ 749,750	\$ 774,016
Later than 1 year and not later than 5 years	2,694,677	2,586,531
Later than 5 years	<u>1,323,681</u>	<u>1,416,895</u>
	<u>\$ 4,768,108</u>	<u>\$ 4,777,442</u>

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

	Completed Investment Properties
Balance at January 1, 2019	\$ 124,816,527
Additions	10,564
Disposals	(262)
Reclassification	1,230,016
Recognized in profit (gain arising from the change in fair value of investment property)	563,893
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(7,669)</u>
Balance at September 30, 2019	<u>\$ 126,613,069</u>

(Continued)

	Completed Investment Properties
Balance at January 1, 2018	\$ 124,148,885
Disposals	(6,608)
Reclassification	197,802
Recognized in profit (gain arising from the change in fair value of investment property)	425,068
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(5,790)</u>
Balance at September 30, 2018	<u>\$ 124,759,357</u> (Concluded)

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 three months and nine months ended September 30, 2019, a portion of the floors which had been rented out to others were reclassified from inventories to investment properties at their fair value of \$265,971 thousand and \$530,358 thousand, respectively, and a gain on the transfers from inventories to investment properties amounting to \$147,157 thousand and \$292,731 thousand (recognized as gain on change in fair value of investment properties), respectively, was recognized. For the nine months ended September 30, 2018, were reclassified of \$264,071 thousand, and a gain on the transfers from inventories to investment properties amounting to \$145,257 thousand (recognized as gain on change in fair value of investment properties), 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:

	September 30, 2019	December 31, 2018	September 30, 2018
Independent valuation	<u>\$ 126,613,069</u>	<u>\$ 124,816,527</u>	<u>\$ 124,759,357</u>

The fair value of the investment properties as of September 30, 2019, December 31, 2018, September 30, 2018 and January 31, 2018 were based on the valuations carried out at October 25, 2019, January 18, 2019, October 30, 2018 and February 23, 2018 by independent qualified professional valuers, 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 September 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:

	September 30, 2019	December 31, 2018	September 30, 2018
Expected future cash inflows	\$ 61,140,464	\$ 60,062,070	\$ 59,438,210
Expected future cash outflows	<u>(2,302,412)</u>	<u>(2,255,305)</u>	<u>(2,193,134)</u>
Expected future cash inflows, net	<u>\$ 58,838,052</u>	<u>\$ 57,806,765</u>	<u>\$ 57,245,076</u>
Discount rate intervals	1.845%-2.38%	1.845%-2.40%	1.845%-2.41%

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 nine months ended September 30, 2019 and 2018, were \$274,024 thousand, \$253,515 thousand, \$843,501 thousand and \$754,889 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:

	September 30, 2019	December 31, 2018	September 30, 2018
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

	For the Nine Months Ended September 30	
	2019	2018
<u>Cost</u>		
Balance at January 1	\$ 11,862,742	\$ 11,865,515
Acquisitions through business combinations (Note 30)	430,117	-
Reclassification	481,848	-
Effect of exchange rate differences	<u>2,721</u>	<u>-</u>
Balance at September 30	<u>\$ 12,777,428</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

	September 30, 2019	December 31, 2018	September 30, 2018	
<u>Carrying amounts</u>				
Concessions	\$ 38,835,174	\$ 41,136,801	\$ 41,977,676	
Other intangible assets				
Computer software	3,375,739	3,595,018	3,471,407	
Others	1,644,568	1,402,458	739,889	
	<u>5,020,307</u>	<u>4,997,476</u>	<u>4,211,296</u>	
	<u>\$ 43,855,481</u>	<u>\$ 46,134,277</u>	<u>\$ 46,188,972</u>	
	Concessions	Computer Software	Others	Total
Balance at January 1, 2019	\$ 41,136,801	\$ 3,595,018	\$ 1,402,458	\$ 46,134,277
Additions	27,562	564,462	48,039	640,063
Amortization	(2,393,771)	(794,992)	(153,998)	(3,342,761)
Disposals	(9,454)	(194)	-	(9,648)
Acquisitions through business combinations	-	2,519	113,800	116,319
Derecognition from disposal of subsidiaries	-	(87)	-	(87)
Reclassifications	74,036	9,312	222,911	306,259
Effect of exchange rate differences	-	(299)	11,358	11,059
Balance at September 30, 2019	<u>\$ 38,835,174</u>	<u>\$ 3,375,739</u>	<u>\$ 1,644,568</u>	<u>\$ 43,855,481</u>
Balance at January 1, 2018	\$ 44,561,464	\$ 3,421,047	\$ 463,638	\$ 48,446,149
Additions	70,990	747,448	335,289	1,153,727
Amortization	(2,649,472)	(728,255)	(66,264)	(3,443,991)
Disposals	(3,274)	(1,521)	-	(4,795)
Reclassifications	(2,032)	33,072	1,801	32,841
Effect of exchange rate differences	-	(384)	5,425	5,041
Balance at September 30, 2018	<u>\$ 41,977,676</u>	<u>\$ 3,471,407</u>	<u>\$ 739,889</u>	<u>\$ 46,188,972</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	10 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

	September 30, 2019	December 31, 2018	September 30, 2018
Bank credit loans	\$ 37,168,072	\$ 43,681,023	\$ 33,877,446
Secured and pledged borrowings	600,000	484,248	405,000
Loans from related parties	<u>728,996</u>	<u>3,668,174</u>	<u>3,636,987</u>
	<u>\$ 38,497,068</u>	<u>\$ 47,833,445</u>	<u>\$ 37,919,433</u>

- 1) The range of interest rates for bank loans were from 0.36% to 4.50%, 0.73% to 4.40% and 0.90%-4.56% as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of September 30, 2019, December 31, 2018 and September 30, 2018.

b. Short-term bills payable

	September 30, 2019	December 31, 2018	September 30, 2018
Commercial paper	\$ 7,249,000	\$ 6,721,000	\$ 4,865,000
Less: Unamortized discount on commercial paper	<u>2,230</u>	<u>3,288</u>	<u>1,928</u>
	<u>\$ 7,246,770</u>	<u>\$ 6,717,712</u>	<u>\$ 4,863,072</u>

The short-term bills payable outstanding were issued at interest rates ranging from 0.698% to 1.588%, 0.818% to 1.538% and 0.878% to 1.68%, as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.

c. Long-term borrowings

	September 30, 2019	December 31, 2018	September 30, 2018
Bank loans	\$ 47,434,896	\$ 64,121,631	\$ 50,622,295
Long-term commercial paper	5,989,000	7,450,000	7,210,000
Less: Unamortized discount on commercial paper	<u>4,112</u>	<u>5,989</u>	<u>6,428</u>
	<u>5,984,888</u>	<u>7,444,011</u>	<u>7,203,572</u>
	53,419,784	71,565,642	57,825,867
Less: Current portion	<u>1,630,363</u>	<u>2,846,333</u>	<u>5,471,296</u>
	<u>\$ 51,789,421</u>	<u>\$ 68,719,309</u>	<u>\$ 52,354,571</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:

	September 30, 2019	December 31, 2018	September 30, 2018
Maturity	November 2019- April 2031	January 2019- April 2031	January 2019 - April 2031
Bank interest rate intervals	0.42%-3.47%	0.60%-4.51%	0.57%-4.80%

On March 22, 2011, a FENC 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:

	Credit Line	Maturity Period	Interest Rate	Repayment
A	\$ 1,510,000 thousand	20 years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.4% then divided by 0.946%	No revolving credit but batch employed available within 5 years; No repayment in the first 5 years; quarterly repayments of \$30,000 thousand quarterly from the sixth year and redemption of rest on maturity
B	1,000,000 thousand	5 years after approve of the credit	Reference interest rate plus 0.69544% (negotiated by each loan)	Revolving credit within the period; no longer than 6 months; lump sum repayment on maturity
D	2,730,000 thousand	7 years after draw down of the credit	Reference interest rate plus 0.804%	No revolving credit but be partly draw down available within March 30, 2021; credit will be paid every 6 months from 3 years after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan.
	<hr/> \$ 5,240,000 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 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.

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:

Project	Credit	Fixed dial Date	Expected Repayment Period
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 A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathy United Bank based on the schedule and amount of the ETC project shown in FETC’s annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC’s operations or the value of other assets that had not been provided to Cathay United Bank as collateral. As of September 30, 2019, December 31, 2018 and September 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

	September 30, 2019	December 31, 2018	September 30, 2018
Nonconvertible domestic bonds	\$ 105,900,000	\$ 96,800,000	\$ 104,700,000
Discount of nonconvertible domestic bonds	<u>(107,729)</u>	<u>(102,959)</u>	<u>(112,833)</u>
	105,792,271	96,697,041	104,587,167
Less: Current portion	<u>22,093,909</u>	<u>17,793,726</u>	<u>17,795,059</u>
	<u>\$ 83,698,362</u>	<u>\$ 78,903,315</u>	<u>\$ 86,792,108</u>

Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
				September 30, 2019	December 31, 2018	September 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	(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	8,000,000	(Note 1)
108-1	2019.04.29-2024.04.29	0.93	8,000,000	8,000,000	-	-	(Note 2)
108-2	2019.08.08-2024.08.08	0.79	6,000,000	6,000,000	-	-	(Note 2)
<u>Subsidiary Yuan 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	1,500,000	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 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)
108-1-B	2019.06.25-2026.06.25	0.81	1,800,000	1,800,000	-	-	(Note 2)
Total outstanding balance				<u>\$ 105,900,000</u>	<u>\$ 96,800,000</u>	<u>\$ 104,700,000</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

	September 30, 2019	December 31, 2018	September 30, 2018
Dismantling obligation	\$ 1,074,673	\$ 1,036,544	\$ 1,032,537
Warranties	100,640	101,757	94,218
Onerous contract	<u>45,715</u>	<u>66,396</u>	<u>34,770</u>
	<u>\$ 1,221,028</u>	<u>\$ 1,204,697</u>	<u>\$ 1,161,525</u>
Current	\$ 278,198	\$ 293,364	\$ 320,617
Non-current	<u>942,830</u>	<u>911,333</u>	<u>840,908</u>
	<u>\$ 1,221,028</u>	<u>\$ 1,204,697</u>	<u>\$ 1,161,525</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2019	\$ 1,036,544	\$ 101,757	\$ 66,396	\$ 1,204,697
Additions	49,273	17,401	45,715	112,389
Reductions	<u>(11,144)</u>	<u>(18,518)</u>	<u>(66,396)</u>	<u>(96,058)</u>
Balance at September 30, 2019	<u>\$ 1,074,673</u>	<u>\$ 100,640</u>	<u>\$ 45,715</u>	<u>\$ 1,221,028</u>
Balance at January 1, 2018	\$ 1,022,012	\$ 147,464	\$ 26,610	\$ 1,196,086
Additions	60,428	23,506	12,333	96,267
Reductions	<u>(49,903)</u>	<u>(76,752)</u>	<u>(4,173)</u>	<u>(130,828)</u>
Balance at September 30, 2018	<u>\$ 1,032,537</u>	<u>\$ 94,218</u>	<u>\$ 34,770</u>	<u>\$ 1,161,525</u>

23. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and nine months ended September 30, 2019 and 2018 were calculated as \$29,808 thousand, \$37,948 thousand, \$83,156 thousand and \$102,652 thousand by the actuarially determined pension cost discount rate as of December 31, 2018 and 2017. The Group transferred defined benefit costs \$46 thousand, \$137 thousand, \$131 thousand and \$410 thousand to related parties for the three months and nine months ended September 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:

	September 30, 2019		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 182,552	\$ 143,156	\$ 325,708
Inventories - construction and real estate	2,141,762	2,490,276	4,632,038
Contract assets - current	284,563	1,338,064	1,622,627
Other financial assets - current	4,877	671,475	676,352
Refundable deposits - current	654	13,104	13,758
<u>Liabilities</u>			
Notes and accounts payable	435,481	58,091	493,572
Notes and accounts payable to related parties	70,298	-	70,298
Contract liabilities - current	175,525	850,692	1,026,217
Provisions - current	2,150	96,597	98,747
	December 31, 2018		
	Within One Year	Over One Year	Total
<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	145,179	889,276	1,034,455
Provisions - current	1,319	122,306	123,625

	September 30, 2018		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 603,562	\$ -	\$ 603,562
Inventories - construction and real estate	2,096,632	2,198,415	4,295,047
Contract assets - current	458,218	1,347,956	1,806,174
Other financial assets - current	34,753	841,801	876,554
Refundable deposits - current	805	13,644	14,449
<u>Liabilities</u>			
Notes and accounts payable	810,747	-	810,747
Notes and accounts payable to related parties	92,834	-	92,834
Contract liabilities - current	204,103	1,297,663	1,501,766
Provisions - current	500	88,499	88,999

25. EQUITY

a. Share capital

1) Common stock

	September 30, 2019	December 31, 2018	September 30, 2018
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 September 30, 2019, December 31, 2018 and September 30, 2018, there are 6 thousand units, 8 thousand units and 19 thousand units outstanding, which were equal to 59 thousand, 82 thousand and 192 thousand common stock of the Company.

b. Capital surplus

	September 30, 2019	December 31, 2018	September 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	15,469	14,066	14,066
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>90,641</u>	<u>90,850</u>	<u>90,628</u>
	<u>\$ 3,256,274</u>	<u>\$ 2,908,631</u>	<u>\$ 2,908,409</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:

	Appropriation of Earnings		Dividends Per Share	
			(NT\$)	
	For Year 2018	For Year 2018	For Year 2018	For Year 2017
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:

	For the Nine Months Ended	
	September 30	
	2019	2018
Balance at January 1 and September 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.

	For the Nine Months Ended	
	September 30	
	2019	2018
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	1,520,493
Reversed on elimination of the original need to appropriate a special reserve		
Disposal of associates	(25,881)	-
Disposal of investment properties	=	(5,678)
Balance at September 30	<u>\$ 90,777,333</u>	<u>\$ 89,711,134</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	(881,405)	-	-	-	(881,405)
Unrealized gain (loss) on financial assets at FVTOCI	-	8,185	-	-	8,185
Gain (loss) on hedging instruments	-	-	(35,637)	-	(35,637)
Gain on property revaluation	-	-	-	302,152	302,152
Share of the other comprehensive gain (loss) of associates	(302,960)	1,159,022	(178)	-	855,884
Associate disposed the investment in equity instruments designated as at FVTOCI	-	(13,521)	-	-	(13,521)
Disposal of associates accounted for using the equity method	2,295	(244)	(940)	(108)	1,003
Balance at September 30, 2019	<u>\$ (4,771,971)</u>	<u>\$ 1,925,354</u>	<u>\$ 9,125</u>	<u>\$ 1,004,822</u>	<u>\$ (1,832,670)</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	(892,843)	-	-	-	-	-	(892,843)
Unrealized gain (loss) on financial assets at FVTOCI	-	-	6,868	-	-	-	6,868
Gain (loss) on hedging instruments	-	-	-	-	30,490	-	30,490
Share of the other comprehensive gain (loss) of associates	(163,661)	-	1,667,903	-	(303)	-	1,503,939
Balance at September 30, 2018	<u>\$ (4,133,875)</u>	<u>\$ -</u>	<u>\$ (51,095)</u>	<u>\$ -</u>	<u>\$ 65,829</u>	<u>\$ 702,778</u>	<u>\$ (3,416,363)</u>

f. Non-controlling interests

	For the Nine Months Ended September 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	4,537,700	5,399,739
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	(267,738)	(113,804)
Unrealized gain on financial assets at FVTOCI	13,926	7,404
(Loss) gain on hedging instruments	(67,780)	57,991
Share of other comprehensive income of associates accounted for using the equity method	126,687	11,620
Changes in capital surplus of associates accounted for using the equity method	-	508

(Continued)

	For the Nine Months Ended September 30	
	2019	2018
Changes in unappropriated earnings of associates accounted for using the equity method	\$ 471	\$ 177
Acquisition of partial interests of subsidiaries	-	(153,820)
Non-controlling interests arising from subsidiaries' issuance of 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 September 30	<u>\$ 64,310,167</u>	<u>\$ 63,116,190</u> (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:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>September 30, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 22,329</u>
<u>December 31, 2018</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 21,745</u>
<u>September 30, 2018</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 27,824</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 September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Revenue from contracts with customers				
Revenue from sale of goods	\$ 45,780,425	\$ 45,544,795	\$ 140,751,079	\$ 116,412,112
Telecommunications service revenue	11,845,861	12,185,464	35,741,920	38,198,794
Construction revenue	735,265	1,096,086	3,957,890	3,351,522
Other operating revenue	<u>3,312,577</u>	<u>2,972,325</u>	<u>9,869,738</u>	<u>9,232,711</u>
	<u>61,674,128</u>	<u>61,798,670</u>	<u>190,320,627</u>	<u>167,195,139</u>
Gain on disposal of investment, net	<u>36,300</u>	<u>-</u>	<u>31,816</u>	<u>-</u>
	<u>\$ 61,710,428</u>	<u>\$ 61,798,670</u>	<u>\$ 190,352,443</u>	<u>\$ 167,195,139</u>

a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

b. Contact balances

	September 30, 2019	December 31, 2018	September 30, 2018	January 1, 2018
Notes and accounts receivable	<u>\$ 28,945,202</u>	<u>\$ 29,347,392</u>	<u>\$ 31,269,105</u>	<u>\$ 25,302,780</u>
Contract assets				
Bundle sale of goods	\$ 6,441,899	\$ 5,433,852	\$ 5,419,392	\$ 6,004,544
Real estate construction	1,256,131	1,760,390	1,295,799	1,618,182
Retentions receivable	366,496	306,081	510,375	406,259
Less: Allowance for impairment loss	<u>(135,925)</u>	<u>(135,925)</u>	<u>(152,707)</u>	<u>-</u>
	<u>\$ 7,928,601</u>	<u>\$ 7,364,398</u>	<u>\$ 7,072,859</u>	<u>\$ 8,028,985</u>
Current	\$ 34,690,424	\$ 35,176,033	\$ 36,863,716	\$ 31,333,938
Non-current	<u>2,183,379</u>	<u>1,535,757</u>	<u>1,478,248</u>	<u>1,997,827</u>
	<u>\$ 36,873,803</u>	<u>\$ 36,711,790</u>	<u>\$ 38,341,964</u>	<u>\$ 33,331,765</u>
Contract liabilities				
Sale of goods and services	\$ 4,085,072	\$ 3,821,027	\$ 4,770,149	\$ 4,151,092
Sale of real estate	5,231	19,886	-	56,975
Real estate construction	105,658	114,423	675,508	63,502
Retentions payable	<u>915,328</u>	<u>900,146</u>	<u>826,258</u>	<u>730,152</u>
	<u>\$ 5,111,289</u>	<u>\$ 4,855,482</u>	<u>\$ 6,271,915</u>	<u>\$ 5,001,721</u>
Current	\$ 4,894,330	\$ 4,647,210	\$ 6,030,107	\$ 4,815,955
Non-current	<u>216,959</u>	<u>208,272</u>	<u>241,808</u>	<u>185,766</u>
	<u>\$ 5,111,289</u>	<u>\$ 4,855,482</u>	<u>\$ 6,271,915</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 nine months ended September 30, 2019 and 2018.

c. Assets related to contract costs

	September 30, 2019	December 31, 2018	September 30, 2018
Non-current			
Incremental costs of obtaining a contract	<u>\$ 3,200,141</u>	<u>\$ 1,802,163</u>	<u>\$ 1,542,478</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 nine months ended September 30, 2019 and 2018 are \$647,776 thousand, \$456,458 thousand, \$1,777,478 thousand and \$1,408,404 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 September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Capitalized interests on properties	\$ 41,414	\$ 60,555	\$ 110,057	\$ 309,848
Capitalization rates	0.36%-4.35%	1.04%-4.75%	0.36%-4.51%	1.02%-4.75%

b. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Property, plant and equipment	\$ 4,279,267	\$ 4,097,854	\$ 13,163,970	\$ 11,999,390
Right-of-use assets	1,075,041	-	3,228,490	-
Intangible assets	1,120,829	1,096,012	3,342,761	3,443,991
Long-term prepayments for lease	<u>-</u>	<u>55,028</u>	<u>-</u>	<u>159,138</u>
	<u>\$ 6,475,137</u>	<u>\$ 5,248,894</u>	<u>\$ 19,735,221</u>	<u>\$ 15,602,519</u>
An analysis of deprecation by function				
Operating costs	\$ 4,635,734	\$ 3,675,959	\$ 14,385,700	\$ 10,711,686
Operating expenses	704,816	410,278	1,979,430	1,251,996
Other expense	<u>13,758</u>	<u>11,617</u>	<u>27,330</u>	<u>35,708</u>
	<u>\$ 5,354,308</u>	<u>\$ 4,097,854</u>	<u>\$ 16,392,460</u>	<u>\$ 11,999,390</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
An analysis of amortization by function				
Operating costs	\$ 859,934	\$ 956,677	\$ 2,582,923	\$ 2,881,908
Operating expenses	<u>260,895</u>	<u>194,363</u>	<u>759,838</u>	<u>721,221</u>
	<u>\$ 1,120,829</u>	<u>\$ 1,151,040</u>	<u>\$ 3,342,761</u>	<u>\$ 3,603,129</u>

(Concluded)

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Post-employment benefits				
Defined contribution plans	\$ 202,554	\$ 202,130	\$ 584,489	\$ 606,844
Defined benefit plans	29,762	37,811	83,025	102,242
Other employee benefits	<u>5,633,453</u>	<u>5,428,749</u>	<u>16,453,185</u>	<u>15,598,544</u>
Total employee benefit expense	<u>\$ 5,865,769</u>	<u>\$ 5,668,690</u>	<u>\$ 17,120,699</u>	<u>\$ 16,307,630</u>
Analysis of employee benefit expense by function				
Operating costs	\$ 3,272,467	\$ 2,900,539	\$ 8,728,139	\$ 8,106,979
Operating expenses	<u>2,593,302</u>	<u>2,768,151</u>	<u>8,392,560</u>	<u>8,200,651</u>
	<u>\$ 5,865,769</u>	<u>\$ 5,668,690</u>	<u>\$ 17,120,699</u>	<u>\$ 16,307,630</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 nine months ended September 30, 2019 and 2018 were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2019	2018
Employees' compensation	3.24%	2.86%
Remuneration of directors	2.45%	2.15%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Employees' compensation	\$ 112,090	\$ 115,116	\$ 295,302	\$ 345,347
Remuneration of directors	86,337	86,337	223,699	259,010

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:

	For the Year Ended December 31	
	2018	2017
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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Current tax	\$ <u>570,230</u>	\$ <u>697,681</u>	\$ <u>1,932,179</u>	\$ <u>2,364,330</u>
Deferred tax				
In respect of the current period	172,975	5,939	199,004	351,230
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,630</u>
	<u>172,975</u>	<u>5,939</u>	<u>199,004</u>	<u>483,860</u>
Adjustments for prior years	<u>3,605</u>	<u>-</u>	<u>15,097</u>	<u>12,689</u>
Income tax expense recognized in profit or loss	\$ <u>746,810</u>	\$ <u>703,620</u>	\$ <u>2,146,280</u>	\$ <u>2,860,879</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%. The tax rate applicable to subsidiaries in the PRC is 25%. And the tax amount generated by other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdiction.

In July 2019, the President of the ROC approved the announcement of the amendments to the Statute of Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in certain assets or technologies above a specific amount are allowed as deduction when computing the income tax on unappropriated earnings.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>Deferred tax</u>				
Effect of change in tax rate In respect of the current period	\$ -	\$ -	\$ -	\$ 22,473
Fair value changes of financial assets at FVTOCI	4	-	(511)	-
Gains on property reevaluation	<u>(1,274)</u>	<u>-</u>	<u>(35,755)</u>	<u>-</u>
	<u>\$ (1,270)</u>	<u>\$ -</u>	<u>\$ (36,286)</u>	<u>\$ 22,473</u>

c. Income tax assessments

	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>
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

(Continued)

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

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	2018
Information Security Service Digital United Inc.	2017
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 2017 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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Basic earnings per share	<u>\$ 0.59</u>	<u>\$ 0.70</u>	<u>\$ 1.69</u>	<u>\$ 2.17</u>
Diluted earnings per share	<u>\$ 0.59</u>	<u>\$ 0.69</u>	<u>\$ 1.69</u>	<u>\$ 2.17</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 September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Net income for the period attributable to owners of the Company	<u>\$ 2,945,170</u>	<u>\$ 3,476,029</u>	<u>\$ 8,466,253</u>	<u>\$ 10,851,644</u>

Weighted Average Number of Common Stock Outstanding

Unit: In Thousand Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Weighted average number of common stock used in the computation of basic earnings per share	4,998,028	4,998,166	4,998,120	4,998,258
Effect of potentially dilutive common stock:				
Employees' compensation	<u>10,307</u>	<u>9,674</u>	<u>15,038</u>	<u>13,372</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,008,335</u>	<u>5,007,840</u>	<u>5,013,158</u>	<u>5,011,630</u>

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the three months and nine months ended September 30, 2019 and 2018, the Company's EPS were \$0.55, \$0.65, \$1.58 and \$2.03.

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 information 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

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
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

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
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:

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
Operating revenue	<u>\$ 824,673</u>	<u>\$ 339,557</u>
Net income	<u>\$ 1,501</u>	<u>\$ (75,250)</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 nine months ended September 30, 2019 would have been \$61,704,189 thousand and \$190,970,933 thousand, respectively, and the Group's net income for the three months and nine months ended September 30, 2019 would have been \$4,519,750 thousand and \$12,949,460 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

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

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

	Omusic
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

	Omusic
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

	Omusic
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 nine months ended September 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:

	Yuan Ding Enterprise (Shanghai) Limited
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 nine months ended September 30, 2018

On March 2, 2018, the Group paid \$171,260 thousand to acquire 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:

	Oriental Resources Development Co., Ltd.
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%.

	Q-ware Communications Corporation
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.

	September 30, 2019		December 31, 2018		September 30, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>						
Financial liabilities measured at amortized cost						
Bonds payable	\$ 105,792,271	\$ 106,298,402	\$ 96,697,041	\$ 97,154,197	\$ 104,587,167	\$ 105,182,543

2) Fair value hierarchy

September 30, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 106,298,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,298,402</u>

December 31, 2018

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

September 30, 2018

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 105,182,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,182,543</u>

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

1) Fair value hierarchy

September 30, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Open-end mutual funds - beneficial certificates	\$ 2,821,971	\$ -	\$ -	\$ 2,821,971
Oversea mutual funds - benefit certificates	-	1,699,415	-	1,699,415
Domestic listed shares	271,635	-	-	271,635
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>15,115</u>	<u>15,115</u>
	<u>\$ 3,093,606</u>	<u>\$ 1,699,415</u>	<u>\$ 15,115</u>	<u>\$ 4,808,136</u>
<u>Financial assets at FVTOCI</u>				
Domestic listed shares	\$ 402,543	\$ -	\$ -	\$ 402,543
Domestic unlisted shares	-	-	915,962	915,962
Real estate investment trust mutual funds - beneficial certificates	302,700	-	-	302,700
Oversea unlisted shares	<u>-</u>	<u>-</u>	<u>496,142</u>	<u>496,142</u>
	<u>\$ 705,243</u>	<u>\$ -</u>	<u>\$ 1,412,104</u>	<u>\$ 2,117,347</u>
<u>Financial liabilities at FVTPL</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,209</u>	<u>\$ 2,209</u>
<u>Financial liabilities for hedging</u>				
Cash flow hedges - interest rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,061</u>	<u>\$ 38,061</u>

December 31, 2018

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Open-end mutual funds - beneficial certificates	\$ 2,968,716	\$ -	\$ -	\$ 2,968,716
Oversea mutual funds - benefit 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)

September 30, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 3,032,143	\$ -	\$ -	\$ 3,032,143
Oversea mutual funds - benefit certificates	-	2,980,979	-	2,980,979
Domestic listed shares	194,451	-	-	194,451
Guarantee deposits - cotton futures contracts	-	-	18,343	18,343
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>14,939</u>	<u>14,939</u>
	<u>\$ 3,226,594</u>	<u>\$ 2,980,979</u>	<u>\$ 33,282</u>	<u>\$ 6,240,855</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 415,138	\$ -	\$ -	\$ 415,138
Domestic unlisted shares	-	-	780,217	780,217
Oversea unlisted shares	<u>-</u>	<u>-</u>	<u>373,071</u>	<u>373,071</u>
	<u>\$ 415,138</u>	<u>\$ -</u>	<u>\$ 1,153,288</u>	<u>\$ 1,568,426</u>
Financial assets for hedging				
Fair value hedges - foreign exchange swap contracts	\$ -	\$ -	\$ 3,050	\$ 3,050
Cash flow hedges - interest rate swap contracts	<u>-</u>	<u>-</u>	<u>124,025</u>	<u>124,025</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,075</u>	<u>\$ 127,075</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,034</u>	<u>\$ 6,034</u>

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

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

For the nine months ended September 30, 2019

	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Instruments for Hedging	Total
Balance at January 1, 2019	\$ (4,738)	\$ 1,407,217	\$ 67,224	\$ 1,469,703
Recognized in profit or loss (included in other gains and losses)	(14,266)	-	17,678	3,412
Recognized in other comprehensive income	-	5,519	(103,417)	(97,898)
Settlements and effect of exchange rate differences	<u>31,910</u>	<u>(632)</u>	<u>(19,546)</u>	<u>11,732</u>
Balance at September 30, 2019	<u>\$ 12,906</u>	<u>\$ 1,412,104</u>	<u>\$ (38,061)</u>	<u>\$ 1,386,949</u>

For the nine months ended September 30, 2018

	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Instruments for Hedging	Total
Balance at January 1, 2018	\$ 13,229	\$ -	\$ 37,244	\$ 50,473
Adjustment on initial application of IFRS 9	<u>-</u>	<u>1,151,681</u>	<u>-</u>	<u>1,151,681</u>
Balance at January 1, 2018 after adjustment	13,229	1,151,681	37,244	1,202,154
Additions	-	30,620	-	30,620
Recognized in profit or loss (included in other gains and losses)	(133,657)	-	3,882	(129,775)
Recognized in other comprehensive income	-	29,192	88,481	117,673
Return on the capital reduction	-	(61,500)	-	(61,500)
Settlements and effect of exchange rate differences	<u>147,676</u>	<u>3,295</u>	<u>(2,532)</u>	<u>148,439</u>
Balance at September 30, 2018	<u>\$ 27,248</u>	<u>\$ 1,153,288</u>	<u>\$ 127,075</u>	<u>\$ 1,307,611</u>

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

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

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

Financial Instruments	Valuation Techniques and Inputs
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, foreign exchange contracts swap contracts, and interest rate swap	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

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 4,808,136	\$ 6,075,604	\$ 6,240,855
Financial assets for hedging	-	67,224	127,075
Financial assets at amortized cost (Note 1)	57,744,330	79,904,474	76,446,895
Financial assets at FVTOCI	2,117,347	2,090,148	1,568,426
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	2,209	6,848	6,034
Financial liabilities for hedging	38,061	-	-
Amortized cost (Note 2)	246,118,094	266,263,137	246,698,290

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.

	September 30, 2019	December 31, 2018	September 30, 2018
5% change in profit or loss			
USD	<u>\$ (280,670)</u>	<u>\$ (276,110)</u>	<u>\$ (594,458)</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 Foreign exchange swap contracts	USD/NTD	US\$10,000 thousand	January 3, 2019- January 31, 2019	\$30.770/ \$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 Overseas mutual funds - beneficial certificates	\$ 291,245	\$ -	\$ 7,850	\$ -	\$ -	\$ -

September 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 Foreign exchange swap contracts	USD/NTD	US\$10,000 thousand	October 31, 2018 - November 20, 2018	\$30.640/30.68 0	Financial assets (liabilities) for hedging	\$ 3,050	\$ -	\$ -

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 Overseas mutual funds - beneficial certificates	\$ 303,332	\$ -	\$ 5,950	\$ -	\$ -	\$ -

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:

	September 30, 2019	December 31, 2018	September 30, 2018
Fair value interest rate risk			
Financial assets	\$ 9,688,225	\$ 18,532,265	\$ 15,015,360
Financial liabilities	177,755,237	178,174,390	164,046,694
Cash flow interest rate risk			
Financial assets	12,642,360	12,713,223	14,632,684
Financial liabilities	37,131,535	40,917,276	37,511,858

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 September 30, 2019, December 31, 2018 and September 30, 2018 would have decreased/increase by \$24,160 thousand, \$46,215 thousand and \$37,445 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$31,606 thousand, \$31,783 thousand and \$36,582 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 September 30, 2019, December 31, 2018 and September 30, 2018 would have decreased/increase by \$443,280 thousand, \$444,325 thousand and \$409,094 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increase by \$92,829 thousand, \$102,293 thousand and \$93,780 thousand, respectively.

Hedge accounting

For the nine months ended September 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.

September 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 Interest rate swaps	NT\$3,294,000 thousand	November 2025	0%-4.8%	0.60%-4.18%	Financial liabilities for hedging	\$ -	\$ 38,061	\$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Hedge	
		Continuing Hedges	Accounting No Longer Applied
Cash flow hedge Interest expense from long term debt	\$ -	\$ (38,061)	\$ -

For the three months ended September 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 Interest expense from long-term debt	\$ 7,424	\$ -	-	\$7,261 Increase in interest expense

For the nine months ended September 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 Interest expense from long-term debt	\$ (103,417)	\$ -	-	\$19,546 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 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	Carrying Amount Hedge 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 Decrease in interest expense	\$ -

September 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\$191,590 thousand	February 10, 2019	0%-4.8%	3m TIBOR+1.10% (Note)	Financial assets (liabilities) for hedging	\$ 124,025	\$ -	\$ -
	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	\$ -	\$ 124,025	\$ -

For the three months ended September 30, 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
Cash flow hedge				
Interest expense from long-term debt	\$ 65,054	\$ -	-	\$2,450 Decrease in interest expense

For the nine months ended September 30, 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
Cash flow hedge				
Interest expense from long-term debt	\$ 88,481	\$ -	-	\$2,532 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 September 30, 2019, December 31, 2018 and September 30, 2018, would have decreased by \$345,518 thousand, \$408,182 thousand and \$388,800 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:

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>September 30, 2019</u>				
Long-term borrowings	\$ 25,463,149	\$ 21,628,380	\$ 4,697,892	\$ 51,789,421
Bonds payable	<u>19,600,000</u>	<u>22,200,000</u>	<u>42,000,000</u>	<u>83,800,000</u>
	<u>\$ 45,063,149</u>	<u>\$ 43,828,380</u>	<u>\$ 46,697,892</u>	<u>\$ 135,589,421</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>September 30, 2018</u>				
Long-term borrowings	\$ 21,824,309	\$ 7,718,089	\$ 22,812,173	\$ 52,354,571
Bonds payable	<u>16,500,000</u>	<u>22,700,000</u>	<u>47,700,000</u>	<u>86,900,000</u>
	<u>\$ 38,324,309</u>	<u>\$ 30,418,089</u>	<u>\$ 70,512,173</u>	<u>\$ 139,254,571</u>

Additional information about the maturity analysis for lease liabilities

	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 6,517,115</u>	<u>\$ 725,894</u>	<u>\$ 77,517</u>	<u>\$ 58,794</u>	<u>\$ 66,633</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 nine months ended September 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.

	September 30, 2019	December 31, 2018	September 30, 2018
Financial assets at FVTPL - current	\$ 26,342	\$ 26,237	\$ 26,206
Other financial assets - current	1,530,932	1,742,702	2,022,372
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	500,000	400,000	-
Property, plant and equipment, net	28,454,271	29,505,689	30,980,742
Investment properties	37,347,043	35,503,299	35,508,546
Investments accounted for using the equity method	3,048,621	2,901,592	2,833,201
Concessions - cost	3,756,000	3,756,000	3,756,000
Other financial assets - non-current	<u>2,238,690</u>	<u>2,631,972</u>	<u>2,856,602</u>
	<u>\$ 77,595,056</u>	<u>\$ 77,160,648</u>	<u>\$ 78,676,826</u>

As of September 30, 2019, December 31, 2018 and September 30, 2018, FENC and some of its subsidiaries had provided 47,522 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 September 30, 2019, December 31, 2018 and September 30, 2018 were as follows:

- a. The Group issued but unused letters of credit aggregated at approximately \$327,979 thousand, \$442,493 thousand and \$693,525 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.
- b. The Group (except for Far EasTone and its subsidiaries) had unpaid construction contract and property, plant and equipment amounting to \$8,206,001 thousand, \$3,738,851 thousand and \$4,408,749 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.

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

	September 30, 2019	December 31, 2018	September 30, 2018
Acquisition of property, plant and equipment under contracts	<u>\$ 3,318,723</u>	<u>\$ 3,634,677</u>	<u>\$ 3,530,151</u>
Acquisition of inventories under contract	<u>\$ 3,883,749</u>	<u>\$ 5,359,431</u>	<u>\$ 5,987,433</u>

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

**September 30,
2019**

Lease commitments	<u>\$ 283,601</u>
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- d. The letters of bank guarantees issued for importing from manufactures and purchasing property, plant and equipment all amounted to \$105,519 thousand, \$100,000 thousand and \$100,000 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018.
- e. There were undelivered cotton contracts which were unable to be cancelled amounting to \$107,479 thousand, \$248,124 thousand and \$258,754 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.
- f. Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$46,800,335 thousand, \$45,448,684 thousand and \$48,156,322 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.
- g. 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 \$3,857,880 thousand, \$3,839,110 thousand and \$3,802,442 thousand as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.
- h. Endorsements and guarantees provided to related parties are shown in Table 6 (attached).
- i. 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 November 8, 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.

- j. As of September 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 June 11, 2019. The TANFB filed an appeal on July 8, 2019.

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

On November 8, 2019, the board of directors of FENC resolved to issue domestic unsecured corporate bonds. The bonds will be for up to 10 years, and the total amount will not exceed \$8,000,000 thousand with a par value of \$1,000 thousand or integral multiples of \$1,000 thousand.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 347,869	31.040 (USD:NTD)	\$ 10,797,854
USD	82,848	7.136 (USD:RMB)	2,571,602
USD	30,093	7.800 (USD:HKD)	934,087
USD	2,398	4.358 (USD:MYR)	<u>74,434</u>
			<u>\$ 14,377,977</u>
<u>Financial liabilities</u>			
Monetary items			
USD	183,084	31.040 (USD:NTD)	\$ 5,682,927
USD	24,991	7.136 (USD:RMB)	775,721
USD	69,657	7.800 (USD:HKD)	2,162,153
USD	4,632	4.358 (USD:MYR)	<u>143,777</u>
			<u>\$ 8,764,578</u>

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<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>

September 30, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 429,118	30.525 (USD:NTD)	\$ 13,098,827
USD	118,523	6.881 (USD:RMB)	3,617,915
USD	67,359	7.800 (USD:HKD)	2,056,133
USD	1,781	4.300 (USD:MYR)	<u>54,365</u>
			<u>\$ 18,827,240</u>
<u>Financial liabilities</u>			
Monetary items			
USD	124,540	30.525 (USD:NTD)	\$ 3,801,584
USD	47,460	6.881 (USD:RMB)	1,448,717
USD	53,478	7.800 (USD:HKD)	1,632,416
USD	1,814	4.300 (USD:MYR)	<u>55,372</u>
			<u>\$ 6,938,089</u>

For the three months and nine months ended September 30, 2019 and 2018, (realized and unrealized) net foreign exchange gains were \$61,170 thousand, \$79,669 thousand, \$286,145 thousand and \$453,712 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 Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Petrochemical business			\$ 307,805	\$ 1,346,227
Revenue generated from external customers	\$ 23,881,105	\$ 16,785,878		
Intersegment revenue	<u>23,511,070</u>	<u>15,535,646</u>		
	<u>47,392,175</u>	<u>32,321,524</u>		
Chemical fiber business			2,517,609	2,727,223
Revenue generated from external customers	65,828,677	50,367,464		
Intersegment revenue	<u>1,693,343</u>	<u>2,510,650</u>		
	<u>67,522,020</u>	<u>52,878,114</u>		
Textile business			724,865	586,735
Revenue generated from external customers	29,014,976	26,377,002		
Intersegment revenue	<u>30,896</u>	<u>35,253</u>		
	<u>29,045,872</u>	<u>26,412,255</u>		
Telecommunication services business			9,084,857	10,114,892
Revenue generated from external customers	62,523,188	64,135,580		
Intersegment revenue	<u>128,770</u>	<u>210,285</u>		
	<u>62,651,958</u>	<u>64,345,865</u>		
Real estate development			579,825	631,947
Revenue generated from external customers	5,100,639	5,022,194		
Intersegment revenue	<u>572,202</u>	<u>558,875</u>		
	<u>5,672,841</u>	<u>5,581,069</u>		
Investment and other			3,385,446	2,890,227
Revenue generated from external customers	8,940,888	8,784,453		
Intersegment revenue	<u>262,112</u>	<u>256,371</u>		
	<u>9,203,000</u>	<u>9,040,824</u>		
Adjustment and elimination	<u>(26,098,931)</u>	<u>(18,458,032)</u>	<u>20,693</u>	<u>144,254</u>
	<u>\$ 195,388,935</u>	<u>\$ 172,121,619</u>	<u>16,621,100</u>	<u>18,441,505</u>

(Continued)

	Segments Revenue		Segments Profit	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
Interest revenue			\$ 234,447	\$ 199,349
Exchange gain			286,145	453,712
Interest expense			(2,449,186)	(1,926,540)
Other revenue and income			<u>457,727</u>	<u>1,944,236</u>
Profit before tax			<u>\$ 15,150,233</u>	<u>\$ 19,112,262</u> (Concluded)

Note: For the nine months ended September 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 \$\$4,969,908 thousand and \$4,884,669 respectively, and dividend income from associates, which amounted to \$66,584 thousand and \$41,811 thousand, respectively.

b. Segment total assets and liabilities

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**RELATED PARTY NAME AND CATEGORIES
SEPTEMBER 30, 2019**

Related Party Name	Related Party Categories
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
Pacific Liu Tong Investment 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
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)
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)
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)
Pacific (China) Investment Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Shanghai Bai Ding Business Management. Consulting Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Lanfeng Cement Co., Ltd	Other related party (the subsidiary of FENC's associate)
Shanghai Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuhan Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Jiangxi Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Hubei Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Engineering Enterprise 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)
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)
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 party (Supervisor of the subsidiary)
Otiga Technologies Co., Ltd.	Other related party (Supervisor of the subsidiary)
Telecommunication & Transportation Foundation	Other related party (Far EasTone's donation is over one third of the foundation's fund)
Yuan Ze University	Other related party (the same chairman)
Oriental Institute of Technology	Other related party (the same chairman)

(Continued)

Related Party Name	Related Party Categories
Far Eastern Memorial Hospital	Other related party (the same chairman)
Far Eastern Medical Foundation	Other related party (the same chairman)
Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Tranquil Enterprise Ltd.	Other related party (the same chairman)
Far Eastern Polyclinic	Other related party (the same chairman)
Eagle Investment Pte. Ltd.	Other related party (related party in substance)
Mr. Xu Yuanzhi Memorial Foundation	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)
Ding&Ding Management Consultants Co., Ltd.	Other related party (related party in substance)
SYSTEX Corporation	Other related party (related party in substance)
Deutsche Far Eastern Asset Management Co., Ltd. (DFEAMC)	Other related party (related party in substance)

(Concluded)

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Operating revenue				
Associates	\$ 416,307	\$ 536,981	\$ 1,544,132	\$ 1,529,960
Other related parties	<u>186,096</u>	<u>183,558</u>	<u>544,230</u>	<u>544,197</u>
	<u>\$ 602,403</u>	<u>\$ 720,539</u>	<u>\$ 2,088,362</u>	<u>\$ 2,074,157</u>
Operating cost				
Associates	\$ 307,876	\$ 503,796	\$ 939,639	\$ 2,011,766
Other related parties	<u>220,808</u>	<u>137,968</u>	<u>556,023</u>	<u>545,814</u>
	<u>\$ 528,684</u>	<u>\$ 641,764</u>	<u>\$ 1,495,662</u>	<u>\$ 2,557,580</u>
Operating expense				
Associates	\$ 7,984	\$ 7,626	\$ 27,822	\$ 26,212
Other related parties	<u>158,844</u>	<u>175,025</u>	<u>572,064</u>	<u>623,619</u>
	<u>\$ 166,828</u>	<u>\$ 182,651</u>	<u>\$ 599,886</u>	<u>\$ 649,831</u>

The Group had purchased the software equipment, other equipment and construction contracts from other related parties amounted to \$19,601 thousand for the three months ended September 30, 2019 and \$113,182 thousand for the nine months ended September 30, 2019. The Group had purchased the software equipment, construction contracts, machinery equipment and securities from other related parties amounted to \$222,621 thousand for the three months ended September 30, 2018 and \$442,024 thousand for the nine months ended September 30, 2018. The Group had subscribed for additional new shares for the nine months ended September 30, 2018, refer to Note 14. 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 three months and nine months ended September 30, 2019, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “B”, “C” and Opas Fund Segregated Portfolio Tranche “B”, “C”, “D” amounted to \$309,961 thousand and \$311,084 thousand, respectively. For the three months and nine months ended September 30, 2018, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “D” and Opas Fund Segregated Portfolio Tranche “A”, “C”, “D” amounted to \$1,590,916 thousand and \$2,089,025 thousand, respectively. For the nine months ended September 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 nine months ended September 30, 2019, the Group recognized gain on financial assets at FVTPL amounted to \$59,218 thousand.

(Continued)

For the three months and nine months ended September 30, 2019 and 2018, the Group sold other equipments and securities to other related parties at book value for \$0 thousand and \$24,649 thousand, respectively, and recognized loss on disposal amounted to \$0 thousand and \$542 thousand, respectively. For the three months and nine months ended September 30, 2018, the Group had disposed the securities and other equipment to other related parties all amounted to \$107,539 thousand, and had recognized gain on disposal all amounted to \$34 thousand.

Lease arrangements - Group is lessee

	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
Acquisitions of right-of-use assets		
Associates	<u>\$ 3,346</u>	<u>\$ 10,951</u>
		September 30, 2019
Lease liabilities		
Associates		\$ 807,338
Other related parties		
Yuan Bo Asset Management Corporation		1,100,316
Others		<u>32,059</u>
		<u>\$ 1,939,713</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Interest expense				
Associates	\$ 2,490	\$ -	\$ 7,875	\$ -
Other related parties				
Yuan Bo Asset Management Corporation	3,581	-	11,010	-
Others	<u>88</u>	<u>-</u>	<u>223</u>	<u>-</u>
	<u>\$ 6,159</u>	<u>\$ -</u>	<u>\$ 19,108</u>	<u>\$ -</u>
Lease expense				
Associates	\$ 934	\$ 16,525	\$ 1,204	\$ 54,355
Other related parties	<u>293</u>	<u>44,383</u>	<u>562</u>	<u>136,562</u>
	<u>\$ 1,227</u>	<u>\$ 60,908</u>	<u>\$ 1,766</u>	<u>\$ 190,917</u>

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

(Continued)

Lease arrangement - Group is lessor

	September 30, 2019	December 31, 2018	September 30, 2018	
Operating lease receivable				
Associates	\$ 106,582	\$ 126,346	\$ 114,459	
Other related parties	<u>95,366</u>	<u>42,271</u>	<u>121,274</u>	
	<u>\$ 201,948</u>	<u>\$ 168,617</u>	<u>\$ 235,733</u>	
Future lease receivable				
Associates	\$ 1,636,309	\$ 1,877,769	\$ 1,956,777	
Other related parties	<u>1,697,835</u>	<u>1,887,701</u>	<u>1,956,758</u>	
	<u>\$ 3,334,144</u>	<u>\$ 3,765,470</u>	<u>\$ 3,913,535</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Lease revenue				
Associates	\$ 80,817	\$ 80,791	\$ 242,426	\$ 242,348
Other related parties	<u>62,946</u>	<u>65,352</u>	<u>195,930</u>	<u>200,689</u>
	<u>\$ 143,763</u>	<u>\$ 146,143</u>	<u>\$ 438,356</u>	<u>\$ 443,037</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:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Short-term benefits	\$ 117,086	\$ 120,127	\$ 325,949	\$ 346,747
Post-employment benefits	<u>425</u>	<u>547</u>	<u>1,239</u>	<u>1,627</u>
	<u>\$ 117,511</u>	<u>\$ 120,674</u>	<u>\$ 327,188</u>	<u>\$ 348,374</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 SEPTEMBER 30, 2019 AND 2018****(In Thousands of New Taiwan Dollars)**

	September 30, 2019	December 31, 2018	September 30, 2018
Notes and accounts receivable			
Associates	\$ 534,171	\$ 518,731	\$ 494,454
Other related parties	<u>394,737</u>	<u>545,663</u>	<u>367,514</u>
	<u>\$ 928,908</u>	<u>\$ 1,064,394</u>	<u>\$ 861,968</u>
Notes and accounts payable - related parties (Note 1)			
Associates	\$ 141,588	\$ 89,875	\$ 175,353
Other related parties	<u>178,153</u>	<u>282,238</u>	<u>121,542</u>
	<u>\$ 319,741</u>	<u>\$ 372,113</u>	<u>\$ 296,895</u>
Progress billings (Note 2)			
Associates	\$ 1,597,668	\$ 1,024,261	\$ 819,631
Other related parties	<u>336,318</u>	<u>172,509</u>	<u>906,257</u>
	<u>\$ 1,933,986</u>	<u>\$ 1,196,770</u>	<u>\$ 1,725,888</u>
Guarantee deposits received			
Associates	\$ 63,032	\$ 50,304	\$ 61,929
Other related parties	<u>75,210</u>	<u>65,726</u>	<u>74,269</u>
	<u>\$ 138,242</u>	<u>\$ 116,030</u>	<u>\$ 136,198</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 \$3,679 thousand, \$6,596 thousand and \$5,845 thousand as of September 30, 2019, December 31, 2018 and September 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):

	September 30, 2019	December 31, 2018	September 30, 2018
Associates			
Yu Ding Industry Co., Ltd.	\$ -	\$ 70,000	\$ 70,000
Far Eastern Union Petrochemical (Yangzhou) Corporation	522,000	-	842,840
Other related parties			
Oriental Petrochemical (YangZhou) Corporation	<u>304,500</u>	<u>-</u>	<u>310,520</u>
	<u>\$ 826,500</u>	<u>\$ 70,000</u>	<u>\$ 1,223,360</u>

Interests income from loans to related parties:

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2019	2018	2019	2018
Associates				
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 4,640	\$ 71,954	\$ 12,486	\$ 90,070
Yu Ding Industry Co., Ltd	-	2,556	145	7,020
Other related parties				
Oriental Petrochemical (YangZhou) Corporation	<u>2,957</u>	<u>899</u>	<u>6,875</u>	<u>8,466</u>
	<u>\$ 7,597</u>	<u>\$ 75,409</u>	<u>\$ 19,506</u>	<u>\$ 105,556</u>

Loans from related parties:

	September 30, 2019	December 31, 2018	September 30, 2018
Other related parties (recognized as short-term borrowings - loans from related parties)	\$ 728,996	\$ 3,668,174	\$ 3,636,987
Associates (recognized as long-term borrowings - bank loans)	<u>300,000</u>	<u>300,000</u>	<u>-</u>
	<u>\$ 1,028,996</u>	<u>\$ 3,968,174</u>	<u>\$ 3,636,987</u>

Interests expense from loans from associates:

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2019	2018	2019	2018
Far Eastern International Bank	<u>\$ 16</u>	<u>\$ 2,383</u>	<u>\$ 1,476</u>	<u>\$ 6,775</u>

(Continued)

Bank deposits, time deposits and other financial assets

	September 30, 2019	December 31, 2018	September 30, 2018
Far Eastern International Bank	<u>\$ 7,174,080</u>	<u>\$ 9,028,379</u>	<u>\$ 10,399,586</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 \$30,097 thousand and \$17,698 thousand for the three months ended September 30, 2019 and 2018; \$79,640 thousand and \$56,298 thousand for the nine months ended September 30, 2019 and 2018, respectively.

Financial assets (liabilities) at FVTPL - current

	September 30, 2019	December 31, 2018	September 30, 2018
Associates			
Far Eastern International Bank	<u>\$ 9,585</u>	<u>\$ (3,466)</u>	<u>\$ 1,251</u>

The Group signed forward exchange contracts, option contracts and combined exchange options, foreign exchange contracts swap, and interest rate swap contracts with Far Eastern International Bank. The gain (loss) of financial assets (liabilities) at FVTPL were \$24,174 thousand and \$4,573 thousand for the three months ended September 30, 2019 and 2018; \$16,078 thousand and \$24,897 thousand for the nine months ended September 30, 2019 and 2018, respectively.

Financial assets (liabilities) for hedging - current

	September 30, 2019	December 31, 2018	September 30, 2018
Associates			
Far Eastern International Bank	<u>\$ -</u>	<u>\$ 1,868</u>	<u>\$ 3,050</u>

The Group signed foreign exchange swap contracts with Far Eastern International Bank and recognized as financial assets for hedging. Notional amount was US\$10,000 thousand as of December 31 and September 30, 2018.

Notes:

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 September 30, 2019, December 31, 2018 and September 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 nine months ended September 30, 2018. As of September 30, 2019, December 31, 2018 and September 30, 2018, the amount which recognized as other receivables was \$48,653 thousand \$50,018 thousand, and \$535,297 thousand.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ -	\$ 10,133,903	\$ 101,339,031	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note D)
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 E); Maximum amounts allowed for the period (Note F)
		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 E); Maximum amounts allowed for the period (Note F)
		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 E); Maximum amounts allowed for the period (Note F)
		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 E); Maximum amounts allowed for the period (Note F)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
		Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	350,000	350,000	-	1.25	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	680,000	680,000	-	1.37	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
		Oriental Resources Development Co., Ltd.	Receivables from related parties	Yes	600,000	-	-	1.23	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	800,000	200,000	1.23-1.25	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
		Oriental Green Materials Limited	Receivables from related parties	Yes	600,000	600,000	430,000	1.23	2	-	For revolving fund	-	Promissory note	-	3,969,014	19,845,070	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note F)
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 H); Maximum amounts allowed for the period (Note L)
		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 H); Maximum amounts allowed for the period (Note L)
3	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Receivables from related parties	Yes	300,000	300,000	140,000	1.53	2	-	For revolving fund	-	-	-	8,030,711	11,472,445	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note D)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	2,500,000	1,500,000	1,500,000	0.83	1	2,555,996	-	-	-	2,555,996	11,472,445	Amounts allowed for ending period (Note S); Maximum amounts allowed for the period (Note D)	
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	7,500,000	7,500,000	5,500,000	0.83	2	-	For revolving fund	-	-	-	8,030,711	11,472,445	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note D)
4	Yuan Ding Co., Ltd.	Ding Hotel Co., Ltd.	Receivables from related parties	Yes	400,000	400,000	200,000	0.9779-0.9914	2	-	For revolving fund	-	Promissory note	-	1,551,045	3,877,613	Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note L)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note	
													Item	Value				
5	Far Eastern Investment (Holding) Ltd.	FILSYN Corporation	Receivables from affiliates	Yes	\$ 62,080	\$ 62,080	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,019,584	\$ 9,019,584	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)	
		Worldwide Polychem (HK) Ltd.	Receivables from affiliates	Yes	310,400	310,400	-	-	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Polytex (Holding) Ltd	Receivables from affiliates	Yes	310,400	310,400	-	-	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	310,400	310,400	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Apparel (Holding) Ltd.	Receivables from affiliates	Yes	620,800	620,800	-	-	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	931,200	931,200	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		APG Polytech, LLC	Receivables from affiliates	Yes	1,132,960	1,132,960	-	-	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	1,552,000	1,552,000	-	-	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,796,550	140,187	140,187	-	-	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
		Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	465,600	465,600	164,512	2.55187-3.08839	2	-	For revolving fund	-	Promissory note	-	9,019,584	9,019,584	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)	
Far Eastern New Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	1,241,600	1,241,600	434,560	2.55187-3.08839	2	-	For revolving fund	-	Promissory note	-	11,274,480	33,823,441	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)			
6	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	Receivables from affiliates	Yes	620,800	620,800	-	-	2	-	For revolving fund	-	Promissory note	-	1,736,967	5,210,900	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates	Yes	620,800	620,800	-	-	2	-	For revolving fund	-	Promissory note	-	1,736,967	5,210,900	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
7	Oriental Textile (Holding) Ltd	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,914,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,957,229	11,871,688	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	620,800	620,800	-	-	2	-	For revolving fund	-	Promissory note	-	3,957,229	11,871,688	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	Yes	776,000	776,000	-	-	2	-	For revolving fund	-	Promissory note	-	3,957,229	11,871,688	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,241,600	1,241,600	-	3.08839-3.94056	2	-	For revolving fund	-	Promissory note	-	3,957,229	11,871,688	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)	
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	3,104,000	3,104,000	1,552,000	2.55187-3.08839	2	-	For revolving fund	-	Promissory note	-	3,957,229	11,871,688	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			
8	Far Eastern Polychem Industries Ltd	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	\$ 2,566,500	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,279,683	\$ 15,839,050	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
		Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	Yes	620,800	620,800	-	-	2	-	For revolving fund	-	Promissory note	-	5,279,683	15,839,050	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	931,200	931,200	-	-	2	-	For revolving fund	-	Promissory note	-	5,279,683	15,839,050	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,241,600	1,241,600	-	-	2	-	For revolving fund	-	Promissory note	-	5,279,683	15,839,050	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
9	PET Far Eastern (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,044,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,267,581	9,802,744	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
		Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	620,800	620,800	-	-	2	-	For revolving fund	-	Promissory note	-	2,614,065	2,614,065	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	931,200	931,200	-	-	2	-	For revolving fund	-	Promissory note	-	3,267,581	9,802,744	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note O)
		Yuan Ding Enterprise (Shanghai) Limited	Receivables from affiliates	Yes	304,500	304,500	304,500	-	2	-	For revolving fund	-	Promissory note	-	2,614,065	2,614,065	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)
10	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	620,800	419,040	263,790	2.81889-3.22205	2	-	For revolving fund	-	Promissory note	-	6,190,878	6,190,878	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)
11	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	304,500	304,500	304,500	3.92	2	-	For revolving fund	-	Promissory note	-	1,078,876	1,078,876	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,392,500	2,175,000	1,862,170	3.67-4.1	2	-	For revolving fund	-	Promissory note	-	2,427,472	5,394,382	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
12	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,218,000	1,218,000	739,696	3.10-4.54	2	-	For revolving fund	-	Promissory note	-	1,370,317	3,045,149	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
13	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,305,000	1,305,000	1,250,612	1.21-3.5	2	-	For revolving fund	-	Promissory note	-	1,406,154	3,124,786	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
14	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	217,500	217,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	217,500	217,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	435,000	435,000	-	-	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	435,000	435,000	-	-	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	870,000	870,000	-	3.58-4.56	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,305,000	1,305,000	-	-	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,087,500	1,087,500	712,926	3.58-4.56	2	-	For revolving fund	-	Promissory note	-	5,192,821	11,539,602	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
15	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 870,000	\$ 870,000	\$ -	3.99-4.4	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,559,662	\$ 5,688,138	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
16	Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	39,150	-	-	1.21-3.5	2	-	For revolving fund	-	Promissory note	-	48,186	107,079	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
17	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	870,000	435,000	435,000	1.21-3.5	2	-	For revolving fund	-	Promissory note	-	930,276	2,067,281	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	913,500	652,500	435,000	1.21-3.5	2	-	For revolving fund	-	Promissory note	-	930,276	2,067,281	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P)
18	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	217,500	217,500	-	-	2	-	For revolving fund	-	Promissory note	-	277,525	832,574	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note I)
19	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	870,000	-	-	4.35	1	7,990,128	-	-	Promissory note	-	4,037,387	4,037,387	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	652,500	652,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,037,387	7,267,296
20	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	130,500	130,500	-	-	2	-	For revolving fund	-	Promissory note	-	456,295	821,332	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note M)
21	Far Eastern New Century (China) Investment Co., Ltd.	Oriental Textile (Holding) Ltd	Other receivables - loans to related parties	Yes	87,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		Far Eastern Polychem Industries Ltd	Other receivables - loans to related parties	Yes	87,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		PET Far Eastern (Holding) Ltd.	Other receivables - loans to related parties	Yes	87,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	43,500	43,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	52,200	52,200	-	1.21	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	130,500	130,500	-	1.21	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,087,500	1,087,500	-	1.21	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	3,045,000	3,045,000	-	1.21	2	-	For revolving fund	-	Promissory note	-	5,780,718	8,093,005	Amounts allowed for ending period (Note Q); Maximum amounts allowed for the period (Note R)
Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	478,500	217,500	89,549	1.21	2	-	For revolving fund	-	Promissory note	-	924,915	924,915	Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)		
22	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	43,500	43,500	-	-	2	-	For revolving fund	-	Promissory note	-	56,665	84,997	Amounts allowed for ending period (Note N); Maximum amounts allowed for the period (Note O)
23	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	52,200	52,200	-	-	2	-	For revolving fund	-	Promissory note	-	65,706	118,271	Amounts allowed for ending period (Note L); Maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
24	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 304,500	\$ 304,500	\$ 304,500	3.60	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,221,852	\$ 2,715,228	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note P) Amounts allowed for ending period (Note K); Maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	522,000	522,000	522,000	3.60	2	-	For revolving fund	-	Promissory note	-	543,046	543,046	

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 September 30, 2019.
- C. The limitation is 35% of the net value of the financier based on reviewed financial statements as of September 30, 2019.
- D. The limitation is 50% of the net value of the financier based on reviewed financial statements as of September 30, 2019.
- E. The limitation is 10% of the net value of the financier based on reviewed financial statements as of June 30, 2019.
- F. The limitation is 50% of the net value of the financier based on reviewed financial statements as of June 30, 2019.
- G. The limitation is 5% of the net value of the financier based on audited financial statements as of December 31, 2018.
- H. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2018.
- I. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2018.
- J. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2018.
- K. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2018.
- L. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2018.
- M. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2018.
- N. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2018.
- O. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2018.
- P. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2018.
- Q. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2018.
- R. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2018.
- S. The limitation is business transaction amount.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries (Note O)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note O)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	PET Far Eastern (Holding) Ltd.	(Note C)	\$ 19,845,070	\$ 632,000	\$ -	\$ -	\$ -	-	\$ 20,267,806	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Far Eastern Polychem Industries Ltd	(Note C)	19,845,070	948,000	-	-	-	-	20,267,806	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Oriental Textile (Holding) Ltd	(Note A)	19,845,070	632,000	-	-	-	-	39,690,139	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		Da Ju Fiber Co., Ltd.	(Note B)	19,845,070	268,000	248,000	120,000	-	0.62	39,690,139	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).
		APG Polytech USA Holdings, Inc.	(Note C)	19,845,070	2,762,560	2,762,560 (Note Q)	-	-	6.96	20,267,806	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		Far Eastern Ishizuka Green Pet Corporation	(Note C)	19,845,070	707,280	690,720	460,480	-	1.74	20,267,806	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
		APG Polytech, LLC	(Note C)	19,845,070	8,363,210	8,194,560 (Note Q)	2,336,148	-	20.65	20,267,806	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J).
Oriental Industries (Suzhou) Ltd.	(Note A)	19,845,070	1,580,000	-	-	-	-	39,690,139	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F).		
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note D)	13,566,709	5,708,448	5,658,332	2,746,448	5,658,332	2.79	27,133,417	-	Yes	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	3,877,613	1,773,000	1,773,000	1,020,000	250,000	0.87	7,755,225	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H).
4	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note A)	41,826,669	77,150	-	-	-	-	41,826,669	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries (Note O)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note O)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
5	PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	\$ 101,339,031	\$ 474,000	\$ -	\$ -	\$ -	-	\$ 202,678,061	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corporation	(Note A)	101,339,031	1,580,000	1,552,000	-	-	0.77	202,678,061	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
6	Far Eastern Investment (Holding) Ltd.	APG Polytech, LLC	(Note A)	101,339,031	2,565,920	2,179,008	473,155	-	1.08	202,678,061	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
		APG Polytech USA Holdings, Inc.	(Note A)	101,339,031	7,382,813	7,251,979	1,034,667	-	3.58	202,678,061	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).
7	APG Polytech, LLC	APG Polytech USA Holdings, Inc.	(Note D)	101,339,031	15,800	-	-	-	-	202,678,061	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note L); maximum amounts allowed for the period (Note M).

Notes: A. Subsidiary.

B. Equity-method investee.

C. The guarantee provider and 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\$13,050 thousand), the actual remittance: RMB3,000 thousand (NT\$13,050 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB2,000 thousand (NT\$8,700 thousand), the actual remittance: RMB2,000 thousand (NT\$8,700 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

SEPTEMBER 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	September 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 H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 18,827,186	22.33	\$ 32,497,140	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	4,801,274	17.06	5,778,296	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,225,727	9.17	1,790,813	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,568	0.03	1,412	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	1,987,283	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	135,000	1,850,841	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,090,964	2.62	1,053,203	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	39,861,889	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	103,657,562	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	153	8,817,689	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,673,547	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,397,441	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	361,486	5,509,309	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,766	26,593,334	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	6,003,873	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	10,243,343	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	223,481	8,845,746	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,249,377	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	2,062,237	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	253,977	3,083,145	100.00	-	
FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	916,424	50.43	-		
Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	228,228	100.00	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	6,022	0.74	-		
Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,636	100.00	-		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	21,625	744,128	0.64	936,342	8,807 thousand shares pledged or mortgaged as collateral for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,244,912	8.00	1,561,530	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	33,606	732,559	2.37	803,183	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	128,618	1,158,232	25.23	1,299,046	
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	22,066,658	32.73	77,332,677	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,832,404	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	3,705,211	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,558	2,081,021	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	107,990	100.00	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	153,974	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	71,089	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	389,693	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,136,617	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,000	29,063	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,966,224	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,370	458,025	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,730,962	25.96	-	
Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,142,657	12.86	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	\$ 930,692	16.87	\$ -	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,795,640	100.00	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	119,653	1,554,183	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	962,633	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	21,925	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	724,894	5.20	-	
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	53,304	539,428	100.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	119,403	1,483,852	3.56	1,432,836	
	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	1,135	64,859	0.16	64,859	
	Oriental Securities Investment Consultant Co., Ltd.	(Note I)	Financial asset at FVTOCI - non-current	1	11	-	11	
	Dah Chung Bills Finance Corporation	-	Financial asset at FVTOCI - non-current	2,254	30,314	0.50	30,314	
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	297,555	1.05	297,555	
	Financial assets under asset management contracts (Note E)	-						
	Stabard Foods Corporation	-	Financial asset at FVTPL - current	118	7,328	-	7,328	
	Tong Yang Industry Co., Ltd	-	Financial asset at FVTPL - current	50	2,345	-	2,345	
	Formosa Chemicals & Fibre Corporation	-	Financial asset at FVTPL - current	110	9,537	-	9,537	
	Hon Hai Precision Industry Co., Ltd.	-	Financial asset at FVTPL - current	270	19,764	-	19,764	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial asset at FVTPL - current	45	12,240	-	12,240	
	Elite Material Co., Ltd.	-	Financial asset at FVTPL - current	20	2,510	-	2,510	
	Pou Chen Corporation	-	Financial asset at FVTPL - current	205	8,149	-	8,149	
	Taiwan Cement Corp.	-	Financial asset at FVTPL - current	401	15,911	-	15,911	
	Accton Technology Corp.	-	Financial asset at FVTPL - current	60	9,810	-	9,810	
	QUANTA COMPUTER INC.	-	Financial asset at FVTPL - current	130	7,358	-	7,358	
	MediaTek Inc.	-	Financial asset at FVTPL - current	40	14,760	-	14,760	
	DA-CIN CONSTRUCTION CO., LTD.	-	Financial asset at FVTPL - current	275	5,610	-	5,610	
	HUAKU DEVELOPMENT CO., LTD.	-	Financial asset at FVTPL - current	125	10,000	-	10,000	
	WAN HAI LINES LTD.	-	Financial asset at FVTPL - current	600	10,950	-	10,950	
	Largan Precision Co., Ltd	-	Financial asset at FVTPL - current	2	8,900	-	8,900	
	CHINESE GAMER INTERNATIONAL CORPORATION	-	Financial asset at FVTPL - current	65	5,753	-	5,753	
	CHC Healthcare Group	-	Financial asset at FVTPL - current	100	4,340	-	4,340	
	Zhen Ding Technology Holding Limited	-	Financial asset at FVTPL - current	180	19,980	-	19,980	
	SERCOMM CORPORATION	-	Financial asset at FVTPL - current	180	14,220	-	14,220	
	Lanner Electronics Inc.	-	Financial asset at FVTPL - current	69	4,981	-	4,981	
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	34,781	100.00	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5000 Preferred shares 3000	238,553	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)	1,117,577	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	45,713	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,708	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,209,466	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	375,614	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	236,751	100.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	483,439	37.92	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G)	\$ 536	34.00	\$ -	
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	4,965	15,664,070	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	125,878	25.00	-	
	Far Eastern International Garments	(Note A)	Other liabilities - non-current	59	(12,786)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - non-current	90	(11,864)	50.00	-	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial asset at FVTPL - current	5	156,046	-	156,046	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial asset at FVTPL - current	6	263,441	-	263,441	
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	12,979,283	33.33	-	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	2,953,353	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	242,706	90.00	-	
Phoenix Technologies International, LLC	Perform Technologies, LLC	-	Financial asset at FVTOCI - current	(Note G)	2,436	-	2,436	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5000 Preferred shares 3000	238,553	50.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,241	450,130	0.36	530,023	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,903	124,728	0.42	141,082	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,183	9,524	0.23	11,946	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	649,205	3.09	603,409	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	40,933	0.03	66,675	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	18,000	228,410	2.24	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,964	398,047	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	88,726	1,102,182	2.64	1,064,708	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	19,512	716,483	0.58	844,891	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,101,221	1.05	2,475,805	9,800 thousand shares pledged or mortgaged as collateral for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,473	650,488	3.67	716,033	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	573,460	1.46	494,065	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	453,469	49.00	453,469	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	931,715	16.80	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	18,000	228,611	2.24	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,717	1,338,495	3.21	1,292,600	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	793	26,605	0.09	26,605	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,480,880	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	527,044	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	900,796	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,366,346	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	975,468	90.00	-	
	Nippon Parison Co., Ltd.	-	Financial asset at FVTOCI - non-current	4	135,162	10.00	135,162	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	595,767	0.53	767,541	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	1,985,177	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	53,338	0.19	53,338	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	598,928	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,892,750	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,041,900	100.00	-	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial asset at FVTPL - current	5	235,340	-	235,340	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	\$ 15,898	0.01	\$ 20,308	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,026	-	6,525	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11	134	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	7,084	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 FVTOCI - current	746	25,045	0.09	25,045	
	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	
	DFE DWS Taiwan Money Market	(Note K)	Financial asset at FVTPL - current	2,246	26,342	-	26,342	
	Jih Sun Money Market	-	Financial asset at FVTPL - current	1,484	22,045	-	22,045	
	CTBC Hwa-Win Money Market Fund	-	Financial asset at FVTPL - current	7,700	85,070	-	85,070	
Malaysia Garment Manufactures Pte. Ltd.	Union Money Market Fund	-	Financial asset at FVTPL - current	4,539	60,072	-	60,072	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-	
An Ho Garment Co., Ltd.	PT Malaysia Garment Bintan	(Note A)	Other liabilities - non-current	(Note G)	(43)	99.00	-	6,300 thousand shares pledged or mortgaged as collateral for loans.
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,022,629	1.25	2,959,275	
Yuan Faun Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	250,799	0.18	263,856	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	253,788	1.26	247,048	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,463	0.03	8,838	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,193	112,367	1.15	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,763	374,109	15.66	-	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	9,681	128,158	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	163,961	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,094	274,672	0.66	265,129	
	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	13,296	55.19	-	
Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	64,497	3.56	64,497		
Fu Kwok Knitting & Garment Co., Ltd.	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,682	58,215	0.14	54,731	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	18,038	0.02	37,700	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,682,097	3.08	7,267,185	22,615 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,613	1,363,515	3.15	1,066,239	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,650,603	5.61	1,096,004	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,142,072	0.85	1,237,488	
	Pacific Liu Tong Investment Co., Ltd. (Note F)	(Note A)	Investments accounted for using the equity method	18,000	227,413	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	434,120	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	28	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - non-current	36	(703,458)	91.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	2	44	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	165,736	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,501	1,335,526	3.00	1,290,013	
	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	13.00	172,304	
	Financial assets under asset management contracts (Note E)							
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial asset at FVTPL - current	30	8,160	-	8,160	
	Hon Hai Precision Industry Co., Ltd.	-	Financial asset at FVTPL - current	96	7,027	-	7,027	
	CTBC Financial Holding Co., Ltd.	-	Financial asset at FVTPL - current	115	2,369	-	2,369	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
	Stabard Foods Corporation	-	Financial asset at FVTPL - current	111	\$ 6,893	-	\$ 6,893	
	Zhen Ding Technology Holding Limited	-	Financial asset at FVTPL - current	25	2,775	-	2,775	
	Yuanta Daily Taiwan 50 Bear -1X ETF	-	Financial asset at FVTPL - current	600	6,731	-	6,731	
	MediaTek Inc.	-	Financial asset at FVTPL - current	4	1,476	-	1,476	
	MACRONIX INTERNATIONAL CO., LTD.	-	Financial asset at FVTPL - current	120	3,780	-	3,780	
	Accton Technology Corp.	-	Financial asset at FVTPL - current	10	1,635	-	1,635	
	HUAKU DEVELOPMENT CO., LTD.	-	Financial asset at FVTPL - current	56	4,480	-	4,480	
	CHUNG-HSIN ELECTRIC & MACHINERY MFG. CORP.	-	Financial asset at FVTPL - current	295	5,959	-	5,959	
	DA-CIN CONSTRUCTION CO., LTD.	-	Financial asset at FVTPL - current	270	5,508	-	5,508	
	UNIMICRON TECHNOLOGY CORP.	-	Financial asset at FVTPL - current	25	1,091	-	1,091	
	FORMOSA INTERNATIONAL HOTELS CORPORATION	-	Financial asset at FVTPL - current	24	3,792	-	3,792	
	Yuanta S&P GSCI Gold ER Futures ETF	-	Financial asset at FVTPL - current	105	2,303	-	2,303	
	Taiwan Cement Corp.	-	Financial asset at FVTPL - current	150	5,948	-	5,948	
	CHINESE GAMER INTERNATIONAL CORPORATION	-	Financial asset at FVTPL - current	21	1,859	-	1,859	
	Amazing Microelectronic Corp.	-	Financial asset at FVTPL - current	21	1,974	-	1,974	
	BIOTEQUE CORPORATION	-	Financial asset at FVTPL - current	27	3,429	-	3,429	
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	54,079	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,277,053	54.72	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,190,512	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,179,552	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,872,100	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	5,889,311	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial asset at FVTPL - current	8	274,505	-	274,505	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial asset at FVTPL - current	4	153,636	-	153,636	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,591,403	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	931,227	100.00	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	958,348	61.54	-	
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,105,304	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,811,012	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)	1,055,040	12.36	-	
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	64,874	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	363,537	6.63	-	
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	1,933,778	40.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - non-current	(Note G)	(625,581)	100.00	-	
	Martens Beers (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,815	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	135,607	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial asset at FVTPL - current	893	3,884	-	3,884	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial asset at FVTPL - current	593,703	\$ 2,582,609	-	\$ 2,582,609	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	250,405	100.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,786	206,239	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	70,421	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	8,943	17.70	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - non-current	4,995	(30,132)	4.79	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,000	54,615	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	209,000	0.16	230,730	
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	107,825	0.13	301,854	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	129,637	2,057,911	25.02	-	119,000 thousand shares pledged or mortgaged as collateral for loans.
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	104	756	1.00	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,939	61,502	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	136,927	5.00	-	10,236 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,796	535,724	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	8,352	103,874	0.25	100,228	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	15,535	122,726	20.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Other liabilities - non-current	102,509	(142,618)	98.52	-	
	Far Eastern New Century Corporation	(Note D)	Financial asset at FVTPL - current	779	22,329	-	22,329	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - non-current	17	(118)	0.02	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,659	92,103	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	26,660	46.13	-	
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	30	-	30	
	DFE DWS Taiwan Money Market	(Note K)	Financial asset at FVTPL - current	3,577	41,949	-	41,949	
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)	31,133	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	266	0.46	-	
	Speedy (shanghai) Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	48,842	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	57,459	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	130	1,206	0.03	1,316	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	95,622	0.20	66,057	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,363	-	2,621	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	41,583	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	2,937	36,698	0.09	35,246	
	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	128,355	100.00	-	
	MILLERFUL NO.1 REIT	-	Financial asset at FVTOCI - non-current	30,000	302,700	-	302,700	
	Subordinated perpetual corporate bonds of Cathay Life Insurance Co., Ltd	-	Financial assets at amortized cost	5,000	500,000	-	-	5,000 thousand shares pledged or mortgaged as collateral for loans.

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 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 H)	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	\$ 25,561,821	100.00	\$ -	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	734,899	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,897	838,084	99.99	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - non-current	90,014	(543,598)	86.41	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	28,956	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	4,883	100.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,005,640	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,302	183,832	30.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	51,528	15.00	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	8,850	106,322	11.11	106,322	
	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	216,868	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	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	87,072	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	104,452	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	200,850	100.00	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - non-current	2,500	(15,095)	2.40	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	17,176	5.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	125,878	25.00	-	
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	141,664	100.00	-	
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,430	414,230	70.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial asset at FVTPL - current	13	454,170	-	454,170	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial asset at FVTPL - current	5	162,277	-	162,277	
	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	31,040	2.50	31,040		
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	294	100.00	-	
	Far East New Diligent Company Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,776	100.00	-	
	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,800	100.00	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	63,737	100.00	-	
	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	36,762	100.00	-	
Nextlink Technology Co., Ltd.	MICROFUSION TECHNOLOGY CO., LTD.	(Note A)	Investments accounted for using the equity method	2,600	11,577	100.00	-	
	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	11,776	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)	2,006	100.00	-	
	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	980	155,200	6.77	155,200	
Far East New Diligent Company Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	(Note G)	6,570	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)	4,694	41.67	-	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,764	70.00	-	

(Continued)

- 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.
 - 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 NINE MONTHS ENDED SEPTEMBER 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)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Far Eastern Polytex (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	135	\$ 7,581,885 (Note D)	\$ 18	\$ 1,107,745	-	\$ -	\$ -	\$ -	\$ 128,059	153	\$ 8,817,689
	Far Eastern Investment (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	4,016	22,066,639 (Note E)	750	4,227,802	-	-	-	-	298,893	4,766	26,593,334
	Oriental Petrochemical (Taiwan) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,561,102	9,182,537 (Note F)	151,116	1,511,163	-	-	-	-	(450,357)	1,712,218	10,243,343
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 G)	(Note B)	US\$ 10,000	-	-	-	-	US\$ (5,546)	(Note B)	US\$ 504,641
	Opas Fund Segregated Portfolio Tranche D	Financial asset at FVTPL - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,007	US\$ 721 (Note I)	-	-	-
Far Eastern Apparel (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial asset at FVTPL - current	Opas Fund Segregated Portfolio Company	(Note C)	12	US\$ 11,996	-	US\$ 9	12	US\$ 12,437	US\$ 12,005	US\$ 432 (Note I)	-	-	-
Oriental Textile (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial asset at FVTPL - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,007	US\$ 721 (Note I)	-	-	-
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\$ (2,181)	(Note B)	US\$ 7,819
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 D)	(Note B)	1,107,028	-	-	-	-	262,057	(Note B)	3,105,304
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 perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	Financial assets at amortized cost	-	-	-	-	5,000	500,000	-	-	-	-	-	5,000	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 H)	(Note B)	RMB 244,000	-	-	-	-	RMB 66,475	(Note B)	RMB 444,547
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	-	-	-	-	(5,770)	3,430	414,230

Notes: A. Subsidiary.

B. Company limited.

C. Associates.

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

E. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(1,964) thousand.

F. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(495) thousand.

G. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(79) thousand.

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

I. 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 NINE MONTHS ENDED SEPTEMBER 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	\$ (1,475,592)	(4)	Based on contract	-	-	\$ -	-	\$ 292,219	5	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,246,296)	(3)	Based on contract	-	-	-	-	552,675	10	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(371,029)	(1)	Based on contract	-	-	-	-	53,755	1	
	Far Eastern Polychem Industries Ltd.	(Note A)	Sale	(142,549)	-	Based on contract	-	-	-	-	11,781	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(128,064)	-	Based on contract	-	-	-	-	43,206	1	
	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Sale	(131,630)	-	Based on contract	-	-	-	-	26,929	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	11,451,331	36	Based on contract	-	-	-	-	(1,081,352)	(39)	
	Oriental Resources Development Co., Ltd.	(Note A)	Purchase	651,704	2	Based on contract	-	-	-	-	-	-	
	Everest Textile Corporation	(Note D)	Sale	(142,214)	-	Based on contract	-	-	-	-	24,903	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(330,818)	(1)	Based on contract	-	-	-	-	62,522	1	
Oriental Union Chemical Corporation	(Note D)	Purchase	819,304	3	Based on contract	-	-	-	-	(98,922)	(4)		
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(11,451,331)	(32)	Based on contract	-	-	-	-	1,081,352	21	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(952,581)	(3)	Based on contract	-	-	-	-	314,312	6	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(4,631,736)	(13)	Based on contract	-	-	-	-	1,167,328	22	
Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(651,704)	(78)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(119,723)	(2)	Based on contract	-	-	-	-	33,450	6	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,039,061	29	Based on contract	-	-	-	-	(446,886)	(28)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	1,803,068	26	Based on contract	-	-	-	-	(419,369)	(26)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	415,205	6	Based on contract	-	-	-	-	(44,329)	(3)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	2,751,129	39	Based on contract	-	-	-	-	(640,238)	(40)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,751,129)	(64)	Based on contract	-	-	-	-	640,238	66	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(340,949)	(8)	Based on contract	-	-	-	-	83,873	9	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	297,706	8	Based on contract	-	-	-	-	(99,209)	(3)	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	207,445	5	Based on contract	-	-	-	-	(46,956)	(2)	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	3,329,769	95	Based on contract	-	-	-	-	(662,060)	(93)	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	156,951	4	Based on contract	-	-	-	-	(39,726)	(6)	
Far Eastern Industries (Wuxi) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(207,445)	(9)	Based on contract	-	-	-	-	46,956	16	
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(156,951)	(7)	Based on contract	-	-	-	-	39,726	14	
	Far Eastern New Century Corporation	(Note B)	Purchase	131,630	6	Based on contract	-	-	-	-	(26,929)	(12)	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(3,329,769)	(51)	Based on contract	-	-	-	-	662,060	49	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	803,543	14	Based on contract	-	-	-	-	(194,503)	(41)	
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(332,652)	(8)	Based on contract	-	-	-	-	56,721	9	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(280,522)	(7)	Based on contract	-	-	-	-	65,972	10	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	3,557,354	86	Based on contract	-	-	-	-	(299,109)	(88)	
	Far Eastern New Century Corporation	(Note B)	Purchase	142,549	3	Based on contract	-	-	-	-	(11,781)	(3)	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	425,828	10	Based on contract	-	-	-	-	(22,736)	(7)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	\$ (3,557,354)	(20)	Based on contract	-	-	\$ -	-	\$ 299,109	15	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(297,706)	(2)	Based on contract	-	-	-	-	99,209	5	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(417,022)	(2)	Based on contract	-	-	-	-	183,708	9	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(803,543)	(5)	Based on contract	-	-	-	-	194,503	10	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,475,592	9	Based on contract	-	-	-	-	(292,219)	(10)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	6,455,878	39	Based on contract	-	-	-	-	(159,239)	(6)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	952,581	6	Based on contract	-	-	-	-	(314,312)	(11)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	113,724	1	Based on contract	-	-	-	-	(16,970)	(1)	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(6,455,878)	(45)	Based on contract	-	-	-	-	159,239	100	
Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(425,828)	(41)	Based on contract	-	-	-	-	22,736	19	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	280,522	30	Based on contract	-	-	-	-	(65,972)	(24)	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	417,022	45	Based on contract	-	-	-	-	(183,708)	(66)	
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(415,205)	(20)	Based on contract	-	-	-	-	44,329	16	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	340,949	18	Based on contract	-	-	-	-	(83,873)	(15)	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	332,652	31	Based on contract	-	-	-	-	(56,721)	(19)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	418,429	39	Based on contract	-	-	-	-	(120,487)	(40)	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,039,061)	(84)	Based on contract	-	-	-	-	446,886	84	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	119,723	6	Based on contract	-	-	-	-	(33,450)	(14)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	294,044	14	Based on contract	-	-	-	-	(38,256)	(16)	
	Far Eastern New Century Corporation	(Note B)	Purchase	128,064	6	Based on contract	-	-	-	-	(43,206)	(18)	
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(1,803,068)	(75)	Based on contract	-	-	-	-	419,369	82	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	426,626	20	Based on contract	-	-	-	-	(62,925)	(26)	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note C)	Sale	(1,533,851)	(13)	Based on contract	-	-	-	-	1,135,249	44	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(418,429)	(4)	Based on contract	-	-	-	-	120,487	5	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(294,044)	(3)	Based on contract	-	-	-	-	38,256	1	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(426,626)	(4)	Based on contract	-	-	-	-	62,925	2	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(113,724)	(1)	Based on contract	-	-	-	-	16,970	1	
	Far Eastern New Century Corporation	(Note B)	Purchase	371,029	4	Based on contract	-	-	-	-	(53,755)	(3)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	4,631,736	45	Based on contract	-	-	-	-	(1,167,328)	(57)	
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	1,246,296	42	Based on contract	-	-	-	-	(552,675)	(34)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	1,533,851	52	Based on contract	-	-	-	-	(1,135,249)	(65)	
Far Eastern Fibertech Co., Ltd.	Everest Textile Corporation	(Note D)	Sale	(168,010)	12	Based on contract	-	-	-	-	38,928	19	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note C)	Purchase	411,106	26	Based on contract	-	-	-	-	(19,217)	(9)	
Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(298,499)	(7)	Based on contract	-	-	-	-	19,217	12	
	Far Eastern Department Stores Co., Ltd.	(Note D)	Construction revenue	(551,486)	(13)	Based on contract	-	-	-	-	292	-	
	Chubei New Century Shopping Mall Co., Ltd.	(Note E)	Construction revenue	(201,399)	(5)	Based on contract	-	-	-	-	10,531	6	
	Ya Tung Ready-mixed Concrete Corporation	(Note E)	Purchase	270,011	7	Based on contract	-	-	(35,410)	(16)	(12,233)	(8)	
Far Eastone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales and marketing expenses	6,149,016	16	Based on contract	-	-	-	-	(1,273,361)	(7)	
	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	(232,231)	-	Based on contract	-	-	-	-	152,469	2	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(177,731)	-	Based on contract	-	-	-	-	826	-	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Cost of sales	1,739,266	5	Based on contract	-	-	-	-	(563,996)	(3)	(Note F)
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(120,355)	-	Based on contract	-	-	-	-	30,804	-	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Far EasTone Telecommunications Co., Ltd.	(Note C) (Note C)	Operating revenue	\$ (1,739,266)	(22)	Based on contract	-	-	\$ -	-	\$ 563,996	37	(Note G)
			Cost of sales	177,731	3	Based on contract	-	-	-	-	(826)	-	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Far EasTone Telecommunications Co., Ltd. Home Master Technology Ltd.	(Note C) (Note C) (Note C)	Operating revenue	(6,149,016)	(66)	Based on contract	-	-	-	-	1,273,361	71	
			Cost of sales	232,231	3	Based on contract	-	-	-	-	(152,469)	(12)	
			Operating revenue	(797,549)	(9)	Based on contract	-	-	-	-	289,546	16	
DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	(Note C)	Operating revenue	(194,135)	(6)	Based on contract	-	-	-	-	2,030	-	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	120,355	11	Based on contract	-	-	-	-	(30,804)	(17)	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd. DataExpress Infotech Co., Ltd.	(Note C) (Note C)	Cost of sales	797,549	66	Based on contract	-	-	-	-	(289,546)	(92)	
			Cost of sales	194,135	16	Based on contract	-	-	-	-	(2,030)	(1)	

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 NINE MONTHS ENDED SEPTEMBER 30, 2019
(In Thousands of New Taiwan Dollars)**

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)	\$ 552,675	3.87	\$ -	-	\$ 203,422	\$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	292,219	5.84	-	-	140,148	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	1,081,352	13.07	-	-	1,081,352	-
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	314,312	4.67	-	-	136,334	-
	Far Eastern Polytex (Vietnam) Ltd.	(Note D)	1,167,328	5.10	-	-	456,707	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	446,886	5.47	-	-	340,739	-
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	419,369	6.62	-	-	202,161	-
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	1,135,249	2.43	-	-	311,433	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	120,487	7.92	-	-	31,891	-
Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note D)	183,708	2.42	-	-	41,817	-
	Oriental Industries (Suzhou) Ltd.	(Note D)	194,503	3.36	-	-	90,077	-
	Far Eastern Polychem Industries Ltd.	(Note D)	299,109	28.44	-	-	192,717	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	640,238	6.75	-	-	335,460	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	159,239	17.48	-	-	159,239	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note D)	662,060	6.44	-	-	316,077	-
Far Eastern Construction Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note E)	105,651	(Note G)	-	-	-	-
Ding Ding Integrated Marketing Service Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note F)	127,246	(Note H)	-	-	5,492	-
	Far Eastern International Bank	(Note E)	128,542	(Note H)	-	-	-	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	154,877	10.88	-	-	128,414	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	7,628,943	(Note I)	-	-	270,587	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	1,273,361	8.56	-	-	773,275	-
	Home Master Technology Ltd.	(Note D)	289,792	3.65	-	-	81,485	-

(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.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(In Thousands of New Taiwan Dollars)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			% of Consolidated Sales or Assets (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	\$ 292,219	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	1,475,592	Based on contract	1
		Worldwide Polychem (HK) Ltd.	1	Accounts receivable	552,675	Based on contract	-
		Worldwide Polychem (HK) Ltd.	1	Sales	1,246,296	Based on contract	1
		Far Eastern Apparel (Vietnam) Ltd.	1	Sales	128,064	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	1	Sales	371,029	Based on contract	-
		Far Eastern Polychem Industries Ltd.	1	Sales	142,549	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	1	Sales	131,630	Based on contract	-
		Far Eastern Resources Development Co., Ltd.	1	Interest revenue	143	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	1,486	Based on contract	-
		An Ho Garment Co., Ltd.	3	Interest revenue	1,486	Based on contract	-
		Oriental Green Materials Limited	3	Other receivables	430,000	Based on contract	-
		Oriental Green Materials Limited	3	Interest revenue	515	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	Sales	332,652	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	280,522	Based on contract	-
3	Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	2	Accounts receivable	1,081,352	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	11,451,331	Based on contract	6
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	314,312	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	952,581	Based on contract	1
		Far Eastern Polytex (Vietnam) Ltd.	3	Accounts receivable	1,167,328	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Sales	4,631,736	Based on contract	2
4	Far Eastern Investment (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	3	Other receivables	140,187	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Other receivables	434,560	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Interest receivables	585	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Interest revenue	10,657	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest receivables	55,292	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest revenue	2,102	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	164,512	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Interest receivables	10,232	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	7,543	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	493,560	Based on contract	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Interest revenue	750	Based on contract	-

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
5	PET Far Eastern (Holding) Ltd.	Yuan Ding Enterprise (Shanghai) Limited Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	\$ 304,500	Based on contract	-
			3	Other receivables	286,397	Based on contract	-
6	Oriental Textile (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd. Far Eastern Polytex (Vietnam) Ltd. Far Eastern Investment (Holding) Ltd.	3	Other receivables	1,552,000	Based on contract	-
			3	Interest revenue	29,542	Based on contract	-
			3	Interest revenue	528	Based on contract	-
7	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	446,886	Based on contract	-
			3	Sales	2,039,061	Based on contract	1
8	Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd. Worldwide Polychem (HK) Ltd. Pet Far Eastern (M) Sdn. Bhd. Pet Far Eastern (M) Sdn. Bhd. Far Eastern New Apparel (Vietnam) Ltd. Far Eastern Apparel (Vietnam) Ltd. Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	1,135,249	Based on contract	-
			3	Sales	1,533,851	Based on contract	1
			3	Accounts receivable	120,487	Based on contract	-
			3	Sales	418,429	Based on contract	-
			3	Sales	426,626	Based on contract	-
			3	Sales	294,044	Based on contract	-
			3	Sales	113,724	Based on contract	-
9	Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	419,369	Based on contract	-
			3	Sales	1,803,068	Based on contract	1
10	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	3	Sales	119,723	Based on contract	-
11	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd. Wuhan Far Eastern New Material Ltd. Wuhan Far Eastern New Material Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Petrochemical (Shanghai) Corporation	3	Accounts receivable	299,109	Based on contract	-
			3	Sales	3,557,354	Based on contract	2
			3	Accounts receivable	183,708	Based on contract	-
			3	Sales	417,022	Based on contract	-
			3	Accounts receivable	194,503	Based on contract	-
			3	Sales	803,543	Based on contract	-
			3	Sales	297,706	Based on contract	-
			3	Interest revenue	7,401	Based on contract	-
12	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	304,500	Based on contract	-
			3	Interest receivables	6,425	Based on contract	-
			3	Interest revenue	6,298	Based on contract	-
13	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Textile (Holding) Ltd. Oriental Industries (Suzhou) Ltd.	3	Interest receivables	94	Based on contract	-
			3	Sales	207,445	Based on contract	-
			3	Sales	156,951	Based on contract	-
			3	Interest revenue	379	Based on contract	-
14	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Co., Ltd.	3	Accounts receivable	640,238	Based on contract	-
			3	Sales	2,751,129	Based on contract	1
			3	Other receivables	1,862,170	Based on contract	-
			3	Interest receivables	6,552	Based on contract	-
			3	Interest revenue	51,678	Based on contract	-
			3	Sales	340,949	Based on contract	-

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
15	Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	3	Interest revenue	\$ 405	Based on contract	-
16	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	159,239	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	6,455,878	Based on contract	3
		Far Eastern New Century (China) Investment Co., Ltd.	3	Interest revenue	13	Based on contract	-
17	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	3	Accounts receivable	662,060	Based on contract	-
		Oriental Textile (Holding) Ltd.	3	Sales	3,329,769	Based on contract	2
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	712,926	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest receivables	2,251	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest revenue	20,337	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	3	Interest receivables	26	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	3	Interest revenue	174	Based on contract	-
18	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Interest receivables	3,030	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	1,250,612	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	22,088	Based on contract	-
19	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables	739,696	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	1,587	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	22,800	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	415,205	Based on contract	-
20	Far Eastern New Century (China) Investment Co., Ltd.	Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	89,549	Based on contract	-
		Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	312	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Interest revenue	1,284	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	23	Based on contract	-
		Shanghai Far Eastern Petrochemical Logistic Corporation	3	Interest revenue	61	Based on contract	-
21	Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	2	Sales	651,704	Based on contract	-
22	Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Sales	425,828	Based on contract	-
23	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	435,000	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest receivables	3,189	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	435,000	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	3,489	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest revenue	8,126	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	8,172	Based on contract	-
24	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Ding Co., Ltd.	3	Interest revenue	40	Based on contract	-
25	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	3	Other receivables	263,790	Based on contract	-
		Phoenix Technologies International, LLC	3	Interest receivables	420	Based on contract	-
		Phoenix Technologies International, LLC	3	Interest revenue	4,929	Based on contract	-

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
26	Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	3	Construction revenue	\$ 298,499	Based on contract	-
27	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	3	Other receivables	200,000	Based on contract	-
		Ding Ding Hotel Co., Ltd.	3	Interest receivables	327	Based on contract	-
		Ding Ding Hotel Co., Ltd.	3	Interest revenue	393	Based on contract	-
28	Far Eastern Resources Development Co., Ltd.	An Ho Garment Co., Ltd.	3	Interest revenue	960	Based on contract	-
29	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	3	Operating revenue	177,731	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Accounts receivable	152,469	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Operating revenue	232,231	Based on contract	-
		Yuanshi Digital Technology Co., Ltd.	3	Operating revenue	120,355	Based on contract	-
30	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Other receivables	7,609,686	Based on contract	1
		Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	1,739,266	Based on contract	1
		Yuanshi Digital Technology Co., Ltd.	3	Other receivables	142,004	Based on contract	-
31	ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Accounts receivable	1,204,705	Based on contract	-
		Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	6,164,744	Based on contract	3
		Home Master Technology Ltd.	3	Accounts receivable	289,546	Based on contract	-
		Home Master Technology Ltd.	3	Operating revenue	797,549	Based on contract	-
32	DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	3	Operating revenue	194,135	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.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2019			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 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	\$ 18,827,186	\$ 13,451,005	\$ 2,689,073	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	4,801,274	1,144,719	195,289	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,225,727	75,905	6,960	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,568	(51,509)	(15)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	140,278	19.65	1,987,283	189,724	37,281	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	810,000	810,000	135,000	16.83	1,850,841	115,069	19,366	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,598	805,598	87,767	2.62	1,090,964	3,020,240	92,876	(Notes A and K)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	39,861,889	3,578,445	3,557,886	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$912 (Notes B and H)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and sales	14,931,733	14,931,733	775,836	100.00	103,657,562	683,909	707,834	Including the adjustments of the transactions between subsidiaries \$23,925 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	9,491,954	8,384,209	153	100.00	8,817,689	53,274	53,274	(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	7,673,547	319,081	233,057	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,397,441	411,741	419,170	Including the adjustments of the transactions between subsidiaries \$7,429 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,509,309	315,901	315,901	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	22,679,820	18,452,018	4,766	100.00	26,593,334	77,182	77,182	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	6,003,873	8,896	15,475	Including discounted amortization \$7,295 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,209,038	14,697,875	1,712,218	75.56	10,243,343	(503,229)	(450,357)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(70,117) (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	8,845,746	616,522	401,417	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,249,377	200,403	81,982	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	75,704	100.00	2,062,237	155,872	155,949	Including the adjustments of the transactions between subsidiaries \$77 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,083,145	174,348	174,407	Including the adjustments of the transactions between subsidiaries \$59 (Note B)
FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	916,424	22,363	11,278	(Note B)	
Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	228,228	31,363	31,363	(Note B)	
Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	393,651	393,651	769	0.74	6,022	(289,907)	(2,145)	(Note B)	
Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,636	47	47	(Note B)	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	613,487	600,883	21,625	0.64	744,128	13,451,005	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,244,912	75,905	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	709,557	464,170	33,606	2.37	732,559	1,144,719	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	128,618	25.23	1,158,232	(51,509)	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2019			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 30, 2019	December 31, 2018	Shares (Note F)	% of Ownership	Carrying Amount			
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	\$ 2,723,598	\$ 2,723,598	1,066,658	32.73	\$ 22,066,658	\$ 6,600,639	\$ -	(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	2,832,404	319,081	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	3,705,211	285,440	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	59,558	41.86	2,081,021	119,335	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	100.00	107,990	(68,810)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	153,974	7,584	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	71,089	2,370	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	389,693	10,361	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,136,617	69,985	-	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	660,558	1,000	100.00	29,063	68,463	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	1,966,224	1,413,680	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	27,370	29.80	458,025	267,348	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	255,424	255,424	185,247	25.96	2,730,962	189,724	-	(Note A)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,142,657	200,403	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	930,692	70,609	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,795,640	61,394	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	796,491	796,491	119,653	14.92	1,554,183	115,069	-	(Note A)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	962,633	769,170	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	21,925	34,093	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	675,479	117,746	5.20	724,894	(503,229)	-	(Note B)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	647,083	-	53,304	100.00	539,428	6,389	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	119,403	3.56	1,483,852	3,020,240	-	(Note A)
Far Eastern Investment (Holding) Ltd.	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	34,781	(463)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	238,553	23,422	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 2,975	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	1,117,577	71,726	-	(Note B)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	45,713	(14,248)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,708	-	-	(Note A)
	Far Eastern Polytex (Vietnam) Ltd.	Vietnam	Chemical fiber and Textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,209,466	348,387	-	(Note B)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 18,000	US\$ 18,000	(Note D)	100.00	375,614	87,941	-	(Note B)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	236,751	11,717	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	483,439	(5,383)	-	(Note B)
	Drive Catalyst SPC	Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	536	-	-	(Note A)
	APG Polytech USA Holdings, Inc.	America	Investment	US\$ 30,000	US\$ 30,000	4,965	100.00	15,664,070	(172,221)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	125,878	6,868	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,786)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,864)	-	-	(Note A)
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	America	Petrochemical materials production and Polychemical products production	US\$ 422,800	US\$ 415,800	(Note D)	33.33	12,979,283	(431,903)	-	(Notes L)
	APG Polytech, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,953,353	45,122	-	(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	242,706	(75,250)	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	238,562	23,422	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	337,260	375,512	12,241	0.36	450,130	13,451,005	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	110,306	110,306	5,903	0.42	124,728	1,144,719	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	34,561	34,561	1,183	0.23	9,524	(51,509)	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	649,205	75,905	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	40,933	6,600,639	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2.24	228,410	115,069	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	14,964	13.20	398,047	114,395	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	88,726	2.64	1,102,182	3,020,240	-	(Note A)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	463,412	483,448	19,512	0.58	716,483	13,451,005	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,101,221	6,600,639	-	(Note B)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	32,473	3.67	650,488	75,905	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2019			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 30, 2019	December 31, 2018	Shares (Note F)	% of Ownership	Carrying Amount			
Far Eastern Polychem Industries Ltd.	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	\$ 519,473	\$ 519,473	20,672	1.46	\$ 573,460	\$ 1,144,719	\$ -	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	453,469	31,243	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	931,715	70,609	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2.24	228,611	115,069	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	107,717	3.21	1,338,495	3,020,240	-	(Note A)
Far Eastern Construction Co., Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	527,044	8,896	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	900,796	22,363	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	975,468	162,368	-	(Note B)
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	595,767	13,451,005	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	1,985,177	34,093	-	(Note B)
Far Eastern General Contractor Inc.	Asia Cement Corporation	Taiwan	Cement production	16,246	16,246	469	0.01	15,898	13,451,005	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	6,026	6,600,639	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	134	114,395	-	(Note A)
Malaysia Garment Manufactures Pte. Ltd.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	7,084	15,890	-	(Note B)
An Ho Garment Co., 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)
Yuan Faun Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,022,629	6,600,639	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	250,799	13,451,005	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	253,788	75,905	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,463	1,144,719	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	118,125	118,125	8,193	1.15	112,367	189,724	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	17,763	15.66	374,109	114,395	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	67,285	67,285	9,681	1.21	128,158	115,069	-	(Note A)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	163,961	3,578,445	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,094	0.66	274,672	3,020,240	-	(Note A)
	Fu Kwok Knitting & Garment Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	13,296	3,953	-
Far Eastern International Bank		Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,682	0.14	58,215	3,020,240	-	(Note A)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	18,038	6,600,639	-	(Note B)
Yuan Ding Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,682,097	6,600,639	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,276,646	1,159,521	44,613	3.15	1,363,515	1,144,719	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,650,603	75,905	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,579	0.85	1,142,072	13,451,005	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2.24	227,413	115,069	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	434,120	316,390	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	28	1,413,680	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(703,458)	(102,381)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	2	-	44	267,348	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Far Eastern International Bank	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	165,736	(5,383)	-
Yuan Ding Co., Ltd.	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	986,735	986,735	107,501	3.20	1,335,526	3,020,240	-	(Note A)
	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	250,405	5,839	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,786	60.00	206,239	(19,825)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	70,421	15,890	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	8,943	851	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2019			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 30, 2019	December 31, 2018	Shares (Note F)	% of Ownership	Carrying Amount			
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	\$ 566,896	\$ 566,896	4,995	4.79	\$ (30,132)	\$ (160,378)	\$ -	(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	54,615	(2,806)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	209,000	13,451,005	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	107,825	6,600,639	-	(Note B)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,057,911	769,170	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	756	2,370	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,939	2.59	61,502	114,395	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	136,927	99,242	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	535,724	316,390	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,352	0.25	103,874	3,020,240	-	(Note A)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	15,535	20.00	122,726	(163,059)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	1,645,021	1,645,021	102,509	98.52	(142,618)	(289,907)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,828	1,828	17	0.02	(118)	(160,378)	-
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	300,200	300,200	11,659	15.01	92,103	(163,059)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	26,660	(5,358)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	31,133	(5,358)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	1,206	(51,509)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	95,622	1,144,719	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,363	13,451,005	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	41,583	851	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	2,937	0.09	36,698	3,020,240	-	(Note A)
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	128,355	(21,916)	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	25,561,821	583,490	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	734,899	150,082	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,340,472	2,340,472	68,897	99.99	838,084	110,437	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	886,169	886,169	90,014	86.41	(543,598)	(160,378)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	28,956	5,253	-	(Notes B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,883	(3)	-	(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	1,005,640	316,390	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	600,000	600,000	23,302	30.00	183,832	(163,059)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	51,528	(19,825)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	216,868	77,866	-	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	540,000	540,000	54,000	100.00	87,072	784	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	104,452	(1,582)	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	317,446	317,446	10,320	100.00	200,850	2,322	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	20,000	20,000	2,500	2.40	(15,095)	(160,378)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	17,176	(19,825)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	125,878	6,868	-	(Note A)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	141,664	(13,651)	-	(Note B)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	-	3,430	70.00	414,230	5,015	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2019			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				September 30, 2019	December 31, 2018	Shares (Note F)	% of Ownership	Carrying Amount			
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	\$ 125	\$ 125	30	100.00	\$ 294	\$ 53	\$ -	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	24,776	647	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,800	(136)	-	(Note B)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	63,737	13,780	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	36,762	20,437	-	(Note B)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	11,577	4,208	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	11,776	3,477	-	(Note B)
Microfusion Technology Co., Ltd	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	-	-	-	-	-	-	-	(Notes B and M)

Note A: Equity-method investee.

Note B: Subsidiary.

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

Note D: Company limited.

Note 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.

Note F: Shares in thousands.

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

Note 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.

Note I: The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$7,572 thousand.

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

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

Note L: Joint operation entity.

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	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 September 30, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2019 (Note B)	Accumulated Repatriation of Investment Income as of September 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	\$ 8,179,737	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 257,566	100.00	\$ 257,566	\$ 8,535,920	\$ 853,493	Notes C and D
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	889,911	2	1,010,901	-	-	1,010,901	36,059	100.00	36,059	1,557,276	233,172	Notes E and F
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,033,640	2	-	-	-	-	8,361	100.00	8,361	1,041,900	-	
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, griever woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,094,397	2	2,018,430	-	-	2,018,430	29,127	100.00	29,127	2,872,100	313,458	Notes G and H
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,802,114	2	3,791,007	-	-	3,791,007	395,720	61.35	242,774	3,640,590	1,064,005	Note I
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	1,606,338	2	1,342,854	-	-	1,342,854	203,211	100.00	203,211	2,892,750	159,799	Notes G and Q
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	1,715,508	2	1,765,319	-	-	1,765,319	16,628	100.00	16,628	1,591,403	-	Note J
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	744,057	2	724,110	-	-	724,110	19,366	100.00	19,366	931,227	-	
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	4,762,583	2	4,957,248	-	-	4,957,248	124,185	100.00	124,185	5,889,311	-	Note G

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	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 September 30, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2019 (Note B)	Accumulated Repatriation of Investment Income as of September 30, 2019	Note
					Outflow	Inflow							
Far Eastern New Century (China) Investment Co., Ltd.	Investment	\$ 2,699,965	2	\$ 2,795,325	\$ 1,107,028	\$ -	\$ 3,902,353	\$ 27,017	100.00	\$ 27,017	\$ 3,105,304	\$ -	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,658,038	2	1,763,952	-	-	1,763,952	(27,506)	100.00	(27,506)	(625,581)	-	Note K
Martens Beers (Shanghai) Ltd.	Beer brewing	341,067	2	231,475	-	-	231,475	(71)	100.00	(71)	14,815	-	Note K
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,322,078	2	4,181,323	-	-	4,181,323	(10,483)	60.00	(6,291)	3,811,012	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,343,725	2	1,436,190	-	-	1,436,190	7,896	100.00	7,896	1,366,346	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,550,081	2	1,962,908	-	-	1,962,908	(452,120)	50.00	(226,061)	2,190,512	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	55,289	3	-	-	-	-	8,530	100.00	8,530	64,874	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	82,650	3	-	-	-	-	4,362	100.00	4,362	135,607	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,350	3	-	-	-	-	558	100.00	558	54,079	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	5,437,500	3	-	-	-	-	(75,512)	40.00	(40,273)	1,933,778	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,789,912	2	1,020,489	-	-	1,020,489	123,467	50.00	61,734	1,179,552	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	655,320	2	598,270	-	-	598,270	(3,778)	100.00	(3,778)	61,605	-	Note L
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	28,446	2	24,220	-	-	24,220	977	100.00	977	48,842	-	Note M
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	96,224	2	96,224	-	-	96,224	194	100.00	194	2,006	-	Note O
Far Eastern Tech-Info Ltd. (Shanghai)	Computer software, data processing and provision of network information services	186,240	2	201,326	-	-	201,256	(25)	100.00	(25)	11,264	-	Note N
Nextlink (Shanghai) Technology Co., Ltd.	Digital information supply services	2,235	2	2,236	-	-	2,235	724	70.00	426	2,764	-	Note P

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA (Note R)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note S)
Far Eastern New Century Corporation	\$ 21,762,922	\$ 25,069,060	\$ -

(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. The ending balance of long term investment.
- C. As of September 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.
- D. As of September 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.
- E. As of September 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.
- F. As of September 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.
- G. As of September 30, 2019, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- H. As of September 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.
- I. As of September 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.
- J. As of September 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.
- K. As of September 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- L. As of September 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.
- M. As of September 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- N. As of September 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far EasTone Telecommunications Co., Ltd.
- O. As of September 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- P. As of September 30, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- Q. As of September 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.
- R. 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\$1:31.04 and RMB1:4.35.
- S. Based on MOEA Approval Letter No. 10620430940, there is no limitation on the amount of the parent company's investment in China.
- T. The paid-in capital was calculated based on the ending exchange rate of RMB1:NT\$4.35.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPES
FOR THE NINE MONTHS ENDED SEPTEMBER 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				

(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.	\$ 4,800 754 (Note G)	\$ 4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note 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	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment 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 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. 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. 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. 10000021360), 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)