

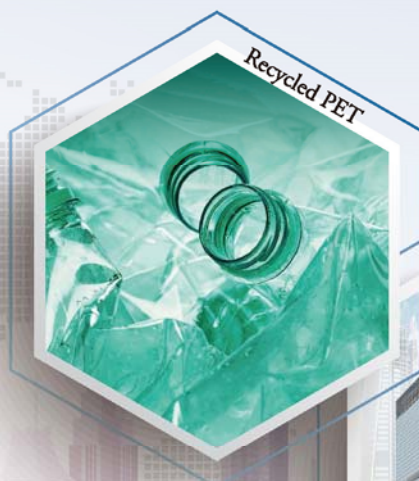


2019 ANNUAL REPORT FAR EASTERN NEW CENTURY

2019

Stock Code 1402 MAY 15, 2020

飛躍
A New Far Eastern Beyond
再創遠東新時代



GCSA
World Class
Best Practice



Global Views Monthly
CSR Award
Winner



TCSA
Platinum



Corporate Governance
TOP 5%



遠東集團
FAR EASTERN GROUP

FENC annual report is available at <http://www.fenc.com> and <http://mops.twse.com.tw>

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I. Letter to Shareholders

Dear Shareholders,

The era of the New Economy in which phenomenal growth in AI, IoT, big data, and 5G has been galvanized by a variety of trends, including Industry 4.0, digital revolution, environmental sustainability, protectionism, the transparency and traceability of supply chains and energy transitioning, has revealed Far Eastern New Century Corporation (FENC) as poised to add a new chapter of remarkable performance to its 70-years of sustainable prosperity. By proactively undertaking transformational initiatives, we will overcome constantly-evolving challenges, while adhering to our overarching principles of sincerity, diligence, thrift, prudence and innovation.

The world economy entered 2020 with precarious prospects and mounting challenges on the heels of a tumultuous year punctuated by trade wars, the resurgence of protectionism, geopolitical skirmishes, growth deceleration in the world's four major economies—the US, EU, China and Japan - and a seeming worldwide exhaustion of economic impetus. The COVID-19 pandemic has wrought havoc across the world. In the face of these unprecedented challenges, governments have attempted to contain the viral spread with border closures, but the resultant restrictions on human movement and transportation of goods have paralyzed economic activities from supply to consumption globally. The spillover effects of this pandemic not only threaten to derail the world economy, but have also put countries' abilities to respond under the microscope. In March 2020, the world suffered a further blow when oil prices took a historic nosedive. Saudi-led OPEC and Russia found it difficult to reach a new deal and the Middle East's complicated geopolitical conditions and an epidemic-triggered decrease in demand combined to cause the tumble in oil prices, which in turn brought about some of the toughest obstacles to business survival in recent decades. Politically, the United States' trade dispute with China escalated into full-blown tensions on various fronts ranging from trading and finance to technology and human rights, which has jeopardized the stability of global supply chain. Massive protests against the government's proposed amendment of extraditions laws in Hong Kong have drawn worldwide attention while Japan and Korea were embroiled in legal battles over the issue of forced labor during WWII, ratcheting up tensions in East Asia for several months. Developments during the lead-up to the US presidential elections in late-2020 and the results afterwards are expected to send ripples throughout the world. Financially, Brexit and Germany's flat-lining economy have weighed down Europe's recovery, while China, one of the world's economic powerhouses, is mired in economic woes due to the coronavirus outbreak that erupted amidst the trade war with the US. Its economic growth continues to decline as exports plunged, consumption slowed and debts have ballooned and financial risks skyrocketed. However, this trade-triggered crisis is also projected to add fuel to China's economic transformation focusing on high-tech industries and the digital economy and ushering in further deregulation of capital markets for foreign investors and substantial financial reforms. The world's leading economies are at least on the same page with regard to monetary policies. The US Federal Reserve has preemptively lowered interest rates to sustain the economy. The EU central bank is once again implementing quantitative easing policies. Japan intends to keep interest rates in the negative territory. RTAs (regional trade agreements) dictate trading activities of the global market and CPTPP and RCEP have initiated negotiations for zero-tariffs among regional members, exposing international market participants to uncertainties. As the world economy starts to lose steam, Taiwan's growth has also slowed. Facing threats from international trade conflicts and East Asia's ongoing FTA-based integration, exporters can expect challenges, but, despite rising tensions across the strait, antagonism in domestic politics, policy uncertainty and the continuing brain drain, there are still a raft of reasons to be optimistic about

Letter to Shareholders

Taiwan's economic outlook. Internally, it has launched industrial upgrading across the board. In terms of management of external factors, it has managed to minimize the Covid-19 epidemic's threat to public health, cushioning the economic impact, while recording massive inflows of capital from overseas and a resultant increase in investment amid the benefits from trade diversification efforts. Business opportunities abound as its development of industrial innovation accelerates. Environmentally, on the environmental protection front, climate change and resource depletion have underscored the urgency of continuing energy transition and the importance of sustainable development. This intensive pursuit of an environmental agenda is bound to rapidly enhance the maturity of the green energy industry.

FENC, as an enterprise headquartered in Taiwan but with a global footprint, aligns its strategic direction with the latest global trends. As one challenge after another arises in this hyper-connected world, we are constantly on the lookout for signs that foretell significant changes in the business environment and calibrate our positioning in the marketplace accordingly in order to reshape our corporate vision and mission. We will establish a solid foothold and stake a substantial claim in the new economy to demonstrate FENC's ever-increasing value for years to come.

Operating Results

Founded in Taiwan in 1949 as Far Eastern Knitting Factory Co. Ltd, after developing into diversified businesses for decades, it was renamed Far Eastern New Century Corporation in 2009. FENC, with a record-high consolidated revenue in 2019, thrives in the Production, Property and Investments Businesses. With diversification across different industries, optimized property development and forward looking investment strategies, the Company's management continued to deliver increases in both return on assets and return on equity. Solid performances were seen across business segments in 2019, the consolidated revenue reached NT\$250.1 billion, a growth of 9% from the previous year due to the increased capacity of the Production Business, and net income of NT\$16.435 billion. The net income attributable to shareholders of the Company is NT\$10.733 billion, translating into a basic EPS of NT\$2.15 based on the IFRS rule. The 23rd term Board of Directors in the 8th meeting proposed a cash dividend of NT\$1.50 per share.

Production Business: Go Integrated, Go Global, Go Green

1. Production Business: Go Integrated, Go Global, Go Green

A vertically-integrated network of petrochemical, polyester and textile operations management at its headquarters is the greatest competitive edge of the Company's Production Business. Our streamlined system from raw material procurement to production, processing and sale has delivered a synergy that secures our leading position in the global market. Upstream, we retain a strategic control of petrochemical feedstock supply; midstream, we are the global leader in quality PET resin; downstream, our textile operations have helped us build strategic partnerships with world-class brands. We are the world's second largest supplier of recycled PET (rPET), third largest in PET resin, Asia' leader in PET sheet, world's number one in both eco-friendly polyester filament and hygiene fiber, the world's third largest in nonwoven fiber and Asia-Pacific's largest producer of Nylon 6,6 filament for apparel usages. These exemplary performances have put us in the ranks of the world's top five polyester manufacturers.

2. *Establishing a global presence and developing a solid foothold in countries of business operations*

As the Company deepens roots in Taiwan, it has also branched out to China, Southeast Asia, Japan, Vietnam, and the United States to build a network of production and sales facilities around the world. This synergy of global operations accentuates its competitiveness in agile adaptation and swift crisis-responsiveness. The implementation of RTAs has accelerated the relocation of supply chains, we have been able to make timely adjustments, fending off the threats in this wave of regional economic integration while capitalizing on the opportunities. APG Polytech was set up in the State of West Virginia in 2018 as our first PET production site in the United States to gain advantages in raw material and energy costs and directly supply the American domestic market without trade barriers. In collaboration with two other multinationals, we built the largest integrated PTA-PET facility in the Americas. To add value to APG Polytech's products and thereby raise the Company's competitiveness in the US market to an even higher level, in 2019 we acquired Phoenix Technologies International, LLC, a recycled PET producer located in Ohio. The multi-phase expansion of our vertically-integrated production site in Vietnam over the years has helped us to secure a tariff advantage in international trade. With the completion of Phase I, a capacity of 400,000 tons has been added to PET production and a knitting, dyeing and finishing plant is now up and running. Phase II expansion is also underway to increase production of polyester filament and staple fibers. In addition, to secure its involvement in the circular economy, the Company has also expanded the second line of its recycled PET plant at the existing location in Japan and plans to set up another production site in a further location.

3. *Standing out from the competition with an environmental commitment paving the way to a successful global green economy*

The Company is a leading pioneer in green polyester and textile technology whose dedication to research and development of innovative manufacturing processes for recycled products dates back more than 30 years. Not only have we been broadening the scope of applications for green materials and scaling up production, but we have also managed to establish an international green network of recycled PET production with a total capacity ranking at the top of the industry and operations extending from Taiwan to Japan, the United States, the Philippines and Vietnam. Our green products are all certified to rigorous standards and well-received by international brand owners. Our customers are served with TopGreen® Recycling Solutions. As an example, we have partnered with Adidas and Parley for the Oceans, an environmental NGO, in a joint project as Adidas' exclusive supplier of ocean-recycled materials to turn ocean waste PET bottles into eco-friendly yarn. In addition, we successfully developed FENC® TOPGREEN® Membrane, the world's first waterproof breathable polyester membrane made from recycled material, which was awarded Top 10 at ISPO Textrends 2020. FENC has the honor of serving as one of the role models in the industry to help build a global green economy.

4. *Staying innovative with continuous commitment to R&D and maximizing brand value with lucrative intellectual property*

FENC has a top-notch R&D team of more than 200 people devoted to high-end innovation and the improvement or development of polyester materials, fiber& textile, new materials and biotech & energy. We aspire to build the most powerful R&D capability in the industry here in Asia. This team in Taiwan can also access the resources and expertise of the Company's American R&D center in the State of Ohio and the two can collaborate on innovative projects. This has worked seamlessly with the management of the Company's Production Business and developed many upscale products and technologies, which have

Letter to Shareholders

translated into billions of NT dollars in additional revenue. We have received numerous honors, including two Top Ten awards, two awards of Selection, and a Sporting Innovation Award at ISPO Textrends 2020(Munich), the world's largest sports exhibition, with FENC®DynaFeed®, the world's first smart clothing that we developed jointly with NMES Group AB. In 2019 we contributed to sustainable development by introducing Asia's first bio-based gas barrier PEF bottles for carbonated soft drinks and beers and APR-certified (the US Association of Plastic Recyclers) polyester shrinkage film. The Company has a valuable portfolio of 794 approved patents.

5. CSR model enterprise thriving on sustainability

The Company has an impressive track record in CSR, recognized around the world. We earned many great honors in 2019 Global Corporate Sustainability Awards (GCSA) and Taiwan Corporate Sustainability Awards (TCSA), standing out as GCSA's only World Class winner for Outstanding Practices in the category of Best Practice Award and collecting seven TCSA titles, including Taiwan Top 50 Corporate Sustainability Awards, Corporate Sustainability Report Platinum Awards, English Report Gold Awards, People Development Awards, Climate Leadership Awards, Growth through Innovation Awards and Circular Economy Leadership Awards. We were also recognized in 2019 by Taiwan's CommonWealth Magazine for Excellence in Corporate Social Responsibility and won consecutively Grand Prize in the Traditional Industrial Group and for the first time Model Award for Environmental Friendliness with our project of sustainable production in the Global Views Monthly's CSR Annual Survey. In addition, FENC is included in the FTSE4Good Emerging Index, TWSE Corporate Governance 100 Index, and Taiwan Sustainability Index, selected as an "A-Level" constituent of the MSCI ESG Leaders Indexes, and ranked in the top 5% of the listed companies in the Corporate Governance Evaluation conducted by Taiwan Stock Exchange. These recognitions qualify FENC as a role model for corporate Taiwan.

Investment Business: Broadening Investment Portfolio for Robust Profit Growth

In order to effectively mitigate market volatility risks and secure stable profits, FENC has built a diversified investment portfolio that ranges from cement production, department store retail chains, telecommunications, financial and banking services, land and sea transport to construction. Our invested businesses are listed companies with an outstanding record of reliable stewardship of investors' capital, including Far EasTone Telecommunications Corporation Limited (FET), Asia Cement Corporation (ACC), Far Eastern Department Stores Limited (FEDS), Oriental Union Chemical Corporation (OUCC), and Far Eastern International Bank (FEIB). They not only generated significant revenues and earnings in 2019, but are also pursuing growth with forward-looking and innovative strategies. FET has aggressively tapped into the new economy with a focus on 5G digital solutions, having secured optimal 5G bandwidth. It plans to build the most comprehensive 5G coverage in the country with a combination of low, medium and high bands, so as to successfully launch AR/VR, 4K/8K ultra-high-definition audiovisual streaming services. It is also committed to utilizing its strong capabilities in big data, AI and IoT as the core competencies essential for corporate transformation and industrial upgrading. ACC's significant growth in earnings thanks to its remarkable performance in China has been recognized as FENC's record-high investment income. It has undertaken great efforts to transform into an environmentally friendly company. FEDS intends to advance its dominance in the sector of department stores by engaging intensely in smart retail with the latest technology. Its innovative operations are certain to fortify its iconic stature in Taiwan's retail industry. Taipei's Xinyi A13 is an intelligent shopping mall that connects consumers to fashion and the Chubei New Century Shopping Mall is scheduled to open next year. Our invested companies are

managed by teams who demonstrate both innovation and vision while seeking to grow their businesses, and thereby capture the best market opportunities and deliver maximal profits for the company.

Property Business: Developing Properties with Flexible Strategies to Maximize Value

To actualize and increase the return on land resources, the Company has been active in real estate development, rental and sale, and property management. Our signature projects are located in premium areas of Greater Taipei, including Taipei Far Eastern Telecom Park (Tpark)—a hub for ICT and intelligent technology industries in Banqiao, Taipei Far Eastern Plaza—office buildings in downtown Taipei, and Mega Tower—the tallest skyscraper in New Taipei City that houses one of FENC's shopping malls, Mega City. These have boosted local economic prosperity and raised the land values in nearby areas. Tpark's first-completed office building, TPKA, is now fully rented and occupied. The second one, TPKC—FET's cloud computing center, won a Platinum Award in Excellent Intelligent Green Building Design Class in the 2019 TIBA Awards (the 3rd Taiwan Intelligent Green Building and System Product Awards). The third one, TPKD, is Google's innovative Engineering Hub, which is anticipated to bolster New Taipei City's economy, bring prosperity to local communities, create employment opportunities, foster an overall industrial upgrade and raise Taiwan's visibility in the world. A building permit has been issued for the construction of the fourth building, TPKE, which is scheduled for completion in 2022 followed by transfer to the tenant. The premium residential project located in Tpark has a gross floor area of more than 7,000 pings (23,140 m²) for sale and is expected to generate a significant income. In addition to the project in Banqiao, we have also applied to Taoyuan City government for land rezoning of our old textile plant in Neili to fit into the city's urban renewal program. It will be converted into a branch of the Far Eastern Memorial Hospital in Taoyuan City and become a locus for the biochemical and pharmaceutical industries and join the artistic architecture on the campus of Yuan Ze University and Far Eastern International Convention Center as one of the new landmarks in northern Taiwan. The management of Far Eastern Resources Development Corporation is committed to maximizing the value of our assets and invigorating the local economy with our development projects. We believe that the appreciation in land value will continue to yield nutrients essential to the growth of FENC's operations across the board.

Business Goals and Prospects

The Company proceeds with a strategic vision on a path of solid growth, thrives on the trends of the world economy and trade development by harnessing advanced technologies. We continue to stride towards the goal of sustainable development by drawing on our strengths in innovative thinking, superior know-how and excellent management.

A. Seeking the Leap through Expansion, Optimization, and Diversification

The Company has been implementing a comprehensive set of transformational strategies, including global deployment of production bases, product optimization, and collaboration with world-class brands to achieve our own leap. In recent years, FENC's Production Business includes Taiwan, China, Vietnam, the United States, Japan, and Southeast Asia. This continuous global expansion has enabled the Company not only to increase profits with increased capacities but also to mitigate risks associated with any particular geographic location. As for product development, in addition to optimizing our products in general, we have been increasing the proportion of distinctive products in the product mix to burnish our

Letter to Shareholders

brand image as a high-tech green enterprise. In terms of customer risk management, while remaining dedicated to consistent reinforcement of our existing core customer base, we have also been proactive and persistent in initiating cooperation with partners that command global brand recognition so as to minimize the risks stemming from a homogenous customer base. The aforementioned strategic moves have been undertaken to put the Company on the map with an integrated network of production and sale around the world.

B. Overcoming Challenges with Holistic Risk Management

In the face of a global crisis, the Company has activated a highly-efficient mechanism for risk management that responds timely and comprehensively. In anticipation of the global economic chaos triggered by the coronavirus pandemic, we immediately set up an emergency response taskforce within the organization to stress-test our business operations. On the side of supply chain management, we can obtain real-time information on supplies to keep adequate amounts of feedstock and merchandize in inventory. We also adjust our capacities in a timely manner according to market demand and coordinate the supply chains in different geographic locations so that our customers do not need to worry about any disruption in supply. A steady and reliable delivery of our products adds to our competitive strengths. On the financial side, the Company controls its cash flow effectively and possesses sufficient funds to exempt us from any cash flow risk. Finally, on the side of receivables management, we monitor our customers' status of operation and credit ratings very closely to ensure a secure and reliable collection of payments. Despite the capricious nature of today's business climate, the Company's management remains responsive and resourceful under enormous pressure. FENC's robust system of holistic risk management guarantees that the Company will ride out the economic storm stronger than ever.

C. Driving Innovation with Advanced Digital Technologies

The Company has set up a team in charge of intellectualization to unlock business opportunities through digital transformation and set aside a budget of NT\$1 billion to make our Production Business more intelligent. We have formulated strategies for AI application in production operations in combination with mobile communication, big data, cloud computing, IoT and blockchain. We have decided to implement AI and Industry 4.0 on production sites. We will build AI-based active energy management systems (EMS) in our petrochemical plants, introduce smart electricity management systems and intelligent quality control systems to polyester plants, and install EMS and robotic process automation (RPA) in textile plants. The administration at FENC headquarters has adopted a series of measures to speed up the transition to intelligent management, which include implementing AI programs, building an integrated big-data platform, operating OCR (optical character recognition) with the support of big data and filing export custom declarations with RPA.

D. Maintaining our Lead in the Green Economy with Increased Production of Eco-friendly Products

The Company set up a strategic green material unit to help the green economy grow. We aim to go green in sourcing of raw materials, product design and manufacturing processes. We also strive to move up on the global green value chain through collaboration with international customers. The tangible results of our effort include the world's first FENC® TOPGREEN® Bio3-PET HTY (a third-generation biomass feedstock High Tenacity Yarn), specialty chemicals from recycled PET, textile chemical recycling

technology, etc. By 2023, FENC plans to have the world's largest rPET capacity and highest number of certifications for food packaging applications. We also plan to raise the proportion of recycled products to more than 30% of the PET capacity by 2025 and are seeking actively to set up production sites in various locations around the world to bring up the total capacity and solidify our leadership position in the market.

E. Achieving Sustained Growth through Managerial Excellence

The Company takes the development of a new generation of management talent and brain trust that coordinates its strategic expansion around the world very seriously. Great minds are brought together as a team from Taiwan and overseas to create managerial synergy that sustains excellence in business competitiveness. Their attention is focused on various facets of our operations, including financial planning, risk management, R&D, legal compliance, environmental protection, information integration, mobility management, cost control, energy efficiency, employment safety and health, etc. With a corporate culture conducive to innovation, we survive the vagaries of the business climate with exceptional nimbleness to adapt and thrive in the face of impending challenges. For example, we have implemented a project in accordance with the Task Force on Climate-Related Financial Disclosures(TCFD) guidance and rolled out a program of loss prevention across various production sites. Our professional management team takes an accurate pulse of the economy and adapts the Company's operations accordingly to achieve growth in diverse ways.

F. Creating Commercial Successes with Customized Technology & Solutions

To realize the Company's vision for sustained growth, the R&D team is keen on pursuing promising technologies and versatile applications, such as eco-friendly materials, highly-functional materials, and smart textiles, etc. In order to further draw on the integrated research capabilities and core specialties in the textile business unit, in 2019, IDM (Innovation Direct to Market), a new platform consisting of seven technology platforms for green products solutions, was set up to work alongside COLAB (a product design center) to develop top-of-the-line products and turn them into great commercial successes, with the support of our customized technological platform under collaborative projects with various brand clients and so vastly speed up the commercialization of these new consumer focused product solutions. The Company also plans to cooperate with the FE Group's academic institutes on development of new technologies in the future. It will also seek cooperation in research on bio-based polyester, eco-friendly materials, high-end functional fibers, and footwear materials with Taiwan's Industrial Technology Research Institute, Taiwan Textile Research Institute, and Footwear & Recreation Technology Research Institute.

G. Advancing Social Well-being through Charitable Causes

The Company has endeavored for more than half a century to serve the public interest in three major areas—education, healthcare and charity. This work is carried out by three schools, two medical institutes, and three foundations respectively. In the field of education, FENC upholds the conviction that quality education is the most valuable legacy for future generations. Yuan Ze University shoulders the responsibility of cultivating talent for the country, upgrading itself with digital innovation and aligning its teaching practices with global standards in expectation of joining the ranks of world-class universities. At the forefront of healthcare, the Far Eastern Memorial Hospital continues to excel with innovative medical technology; our medical professionals' remarkable contribution and performance have been recognized with the National Quality Awards and National Innovation Awards. In pursuits of philanthropy, the Far Eastern Memorial Foundation sponsors a wide range of arts and cultural events; the Far Eastern Medical Foundation provides generous grants for medical research and healthcare assistance; the Y. Z. Hsu

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Science and Technology Memorial Foundation hosts annually the Y. Z. Hsu Science Awards, honors outstanding performances in three categories, namely Y. Z. Hsu Science Chair Professor, Y. Z. Hsu Science Paper Award, and Y. Z. Hsu Technology Invention Award, and fosters domestic scientific research and development. It promotes and incentivizes domestic innovation in various fields, including nanotechnology, ICT, optoelectronics, biotechnology & pharmacology, green technology, and newly additional artificial intelligence in 2019. Three foundations also play an instrumental role in Taiwan's progress on various fronts, ranging from the economy, architecture, arts, education, and culture to culinary service, making society more benevolent and beautiful. In addition, FENC hosts an annual marathon in Taiwan to spark enthusiasm for fitness among the public. In 2019, the Company launched a charity campaign called "70 Years of Love, FE HAPPY GO." In celebration of FENC's 70 years of establishment in Taiwan, we have planned a series of events to further public interests in seven categories, ranging from arts and culture, environmental protection, education, healthy lifestyle, social engagement, community care, and commitment to consumer welfare, and actualize our belief that FENC works "Together for a Promising Future" with everyone in society.

As with its achievements over the past seven decades, FENC will continue to rise above competitors with differentiating and innovative strategies. The Company will keep up its proven success in the Production Business with renewed core competencies and expand the market presence of its investments across different industries with renewed ambition and vision. In the era of the new economy, we will leverage the latest technologies and groundbreaking discoveries to quickly expand in to new markets and business territories. We will secure sustainable growth with upgraded business models and herald "A New Far Eastern Beyond 70."

Chairman
Douglas Tong Hsu

徐旭東



II. Company Profile

1. Date of Incorporation

13 January 1954

2. Company History

- 1942** • Yu-Ziang Hsu founded Far Eastern Knitting Factory Co., Ltd. in Shanghai to produce "Skyscraper"-brand underwear for sale throughout China.
- 1949** • The company was relocated to Taiwan, and installed its knitting factory in Banqiao, the outskirt of the Taipei City, where it continued producing and marketing knitted fabrics.
- 1953** • The name of the Company was changed to Far Eastern Knitting Co., Ltd.; meanwhile, the Taiwan Far Eastern Textile Co., Ltd. was founded in Banqiao for the purpose of establishing a weaving mill.
- 1954** • Far Eastern Knitting and Taiwan Far Eastern Textile were merged to form Far Eastern Textile Ltd. (FETL), which was located on Yungsui Rd. in Taipei.
- 1955** • Shirt production equipment was added, and the Company was the first one in the Republic of China to receive an order for the cotton yarn export.
- 1960** • An advanced apparel plant was established.
- 1963** • Cotton and chemical fiber facilities were installed for the rising demand of the Taiwan society and the synthetic fiber industry.
- 1965** • The third synthetic fiber textile plant was established, completing the vertical integration of FETL's processes from spinning to weaving, dyeing and finishing, and apparel production.
- 1966** • The head office was moved to Paoching Rd. in Taipei in July.
- 1967** • Permission for FETL shares listed on the Taiwan Stock Exchange was received in April.
- 1969** • A new garment factory was constructed at Hsinpu.
- 1970** • A new spinning plant was built at Hsinpu to produce yarns from polyester and acrylic fibers.
- 1972** • The Banqiao textile factory of Taiwan Textile and the Neili textile plant of Yunghsing Industries were procured and converted to FETL's Banqiao and Neili textile plants.
- 1974** • The Yilan apparel plant was built.
- 1978** • The Chungchou Textile Plant at Kuanyin in Taoyuan County was purchased and renamed as Kuanyin Textile Factory.
- Permission was received to acquire and merge Orient Chemical Fiber and establish a chemical fiber plant.
- 1982** • Permission was received to merge Eastern Manmade Fiber into FETL and established the Eastman Division, which in July of the next year was merged into the Textile Division.
- 1987** • The Hukou production site was established, and later yarn and fabric plants were constructed there.
- Ground-breaking took place in August for the Taipei Metro Tower; a multiple-purpose twin towers with 41 stories above ground and five below, containing offices, a shopping center, and a tourist hotel.
- 1988** • To create new applications for polyester filament, a joint investment was made together with Hong Ho Precision Textile Co. in the establishment of Everest Textile Co. to produce fine woven fabrics as a means of adding value to FETL products.
- 1993** • The Hsinpu Synthetic Fiber Plant of the Fiber Division received ISO-9001 certification from the D.N.V. company, being the first chemical fiber plant in Taiwan to be accredited with such certification.
- Construction of the Taipei Metro Tower completed in October and the head offices of FETL as well as of Asia Cement and other affiliated companies moved into the complex on Oct. 16 and 17, making this the headquarters of the Far Eastern Group.
- 1994** • The Yilan and Banqiao plants of the Apparel Division, and the Neili and Hukou plants of the Textile Division, were accredited with ISO-9002 certification.
- 1995** • DuPont-Far Eastern Co., Ltd. (renamed as Far Eastern Fibertech Co., Ltd.) was established in cooperation with DuPont of the United States for the production of high-tech nylon 66.
- A contract was signed with ICI for the establishment of ICI Far Eastern Ltd. (renamed as Oriental Petrochemical Corporation now) to construct a PTA plant at Kuanyin in Taoyuan County.
- 1996** • Permission was received in July from the Investment Commission, Ministry of Economic Affairs for a joint investment by FETL and its wholly-owned subsidiary Yuan Ding Investment Corp. in the establishment of Far Eastern Industries (Shanghai) Ltd. for the production and sale of polyester staple, polyester filament, and other products.
- 1997** • In January, Far EasTone Telecommunications Co., Ltd. (Far EasTone), which is 62.4% owned by FETL's subsidiary Yuan Ding Investment Corp., obtained island-wide DCS and northern-region GSM mobile phone licenses from the Directorate General of Telecommunications.
- 1998** • The FETL-invested Far Eastern Textile Industrial (Shanghai) Co., Ltd. began trial production in September.

Company Profile

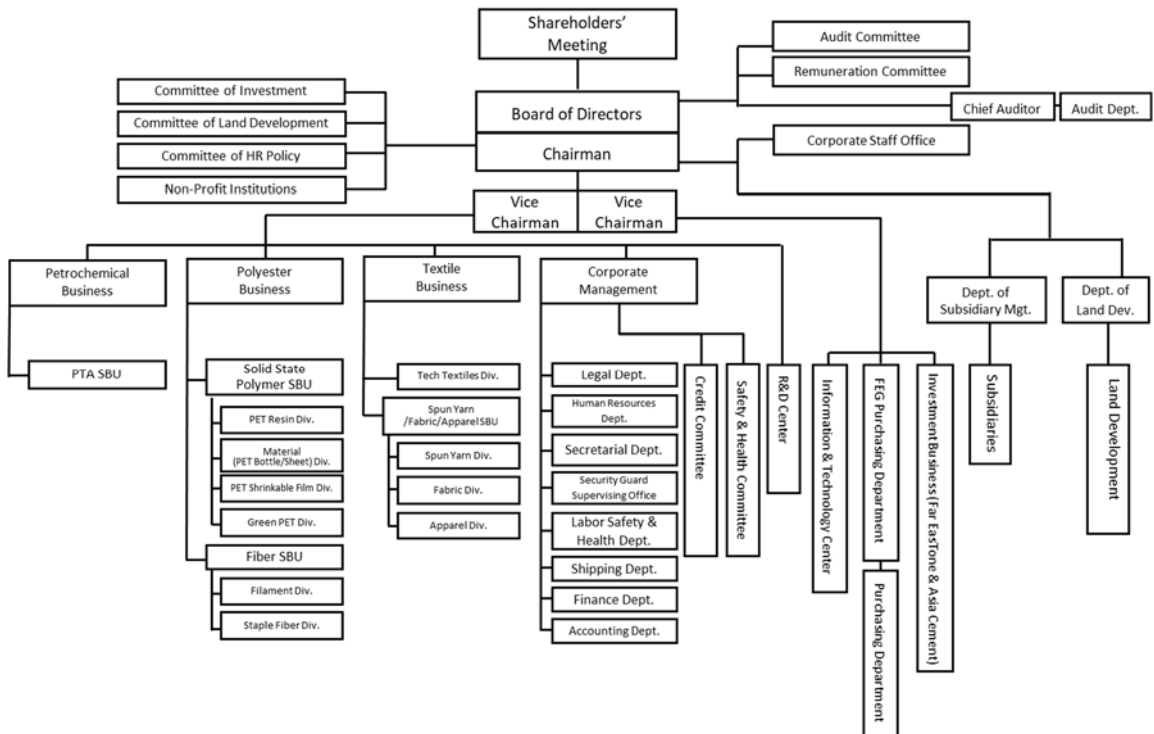
- 2000** • Mr. Y. Z. Hsu, Far Eastern Group founder, passed away at the age of 90 in December and left behind the most valuable and cherished founding spirit of "Sincerity, Diligence, Thrift, and Diligence" as the Company's motto.
- 2001** • In March, FETL-invested NCIC launched its voice and data services with "Sparq" as the brand name.
- 2002** • In May, FETL started the installation of the ERP system with PricewaterhouseCoopers. This project helped promoting internal processing re-engineering, cost reduction and management of financial information.
- In October, a joint investment by FETL's subsidiaries and Far Eastern Department Stores ("FEDS") was formed to acquire the controlling interests of the SOGO Department Stores.
- 2003** • In September, FETL spun off its holdings of land and transferred such holdings as paid-in capital of the 100%-owned Far Eastern Resources Development Co., Ltd. ("FERD"), which became a vehicle specializing in developing and monetizing the existing land resources.
- 2004** • In April, FETL-invested company "Far Eastern Electronic Toll Collection Co., Ltd." has signed BOT contract with National Freeway Bureau.
- 2005** • In April, Far EasTone was approved by Taiwan Stock Exchange Corporation to become as a publicly listed company.
- 2006** • In February, the public highway electronic toll collection system was officially activated. This system was built by FETL-invested company "Far Eastern Electronic Toll Collection Co., Ltd.".
- In March, Oriental Petrochemical (Shanghai) Corporation invested by FETL commenced production, with a PTA production capacity of 650,000 tons/year to support the synthetic fiber business under Far Eastern group and other producers.
- 2007** • In January, FERD, fully owned by FETL, proposed to the government a change on the urban development plan, converting its Banqiao factory from production factory into a telecommunication-related specialized zone. The government had approved such proposal after a three-year evaluation and this land re-zoning plan was officially announced on 23 January 2007.
- 2008** • In March, Sino-Belgium Beer (Suzhou) Ltd. was established and invested by FETL. The factory was completed in April. In October, a beer "Martens 1758", manufactured for Belgium Martens beer company, was launched in the Shanghai market.
- In October, FETL obtained all shares of "Invista Far Eastern Petrochemicals Ltd." & "Far Eastern Invista Ltd." and renamed them "Oriental Petrochemical (Taiwan) Co. Ltd." & "Far Eastern Fibertech Co., Ltd.", respectively.
- 2009** • In October, in the Company's Extraordinary Shareholders' Meeting, shareholders presented had resolved and approved the renaming of the Company, from Far Eastern Textile Limited (FETL) to Far Eastern New Century Corporation (FENC), effective on the same date.
- 2010** • In January, new shares of FENC were listed on the Taiwan Stock Exchange.
- 2011** • In March, FENC constructed, operated and sponsored "FE EcoARK", a pavilion made of 100% recycled PET bottles, at the Taipei International Flora Expo. This architecture was the first of its kind in the world.
- In December, a wholly owned subsidiary of FENC has entered a joint venture with Sinopec Yizheng Chemical Fibre Company Limited to establish Far Eastern Yihua Petrochemical (Yanzhou) Corporation to conduct purified terephthalic acid (PTA) production.
- 2012** • In May, FENC founded Far Eastern Industries (Yangzhou) Ltd. and Far Eastern Union Petrochemical (Yangzhou) Ltd., via indirect investments and plans to build a new production site for polyester and ethylene glycol.
- 2013** • In April, FENC, through its subsidiary "Far Eastern Polychem Industries Ltd.", has entered into a joint venture with Ishizuka Glass Co., Ltd. ("IGC"), to establish Far Eastern Ishizuka Green PET Corporation in Japan to conduct R-PET production and distribution business
- In May, 1st Global Sustainable Procurement (GSP) supplier awards was launched by Coca-Cola and FENC was awarded "2013 Supplier of the Year" out of 900 suppliers.
- In May, FENC issued Formosa and Yen bonds in the Taipei Exchange, successfully being the first manufacturing company in Taiwan to issue bonds denominated in both RMB and Yen.
- In May, Far Eastern New Century (China) Investment Co., Ltd., the subsidiary of Far Eastern New Century, obtained the right to the use of land through public auction for RMB 978 million (equivalent to NT\$ 4.67 billion). The land is located at plot A09B – 02, World Expo Zone, Pudong New Area, Shanghai.
- 2014** • In April, FENC was awarded the "10th Annual Corporate Social Responsibility Awards - Global Views Excellent Service Awards" for the project "The Greenest Bottle, starts with a Genuine Heart"
- 2015** • In April, FENC was awarded the highest "A++" ranking in the 12th Annual Information Disclosure and Transparency Rankings Evaluation among Listed Companies.
- In June, FENC, through its subsidiary "Far Eastern Investment (H) Ltd.", has established Far Eastern Polytex (Vietnam) Ltd. for a new vertically integrated polyester and textile production base.
- In November, FENC won a Gold Award from Taiwan Institute for Sustainable Energy (TAISE) in "Taiwan Top 50 Corporate Sustainability Report Awards," ranking first in the Traditional Manufacturing category and also received the "Growth Through Innovation Award" in "Corporate Sustainable Performances" category for developing the world's first 100% bio-based PET bottle.

- 2016**
 - In February, DynaFeed, a FENC revolutionary smart garment system with bio-sensing technology and IoT platform, was awarded the ISPO Asian Gold Award at the globally prestigious ISPO Textrends Exhibition.
 - In May, FENC won the “Corporate Social Responsibility Award”, ranking first in the manufacturing industry category from Global View Magazine due to conserving energy and protecting the environment.
 - In June, FENC won Enterprise Asia’s “2016 Asia Responsible Entrepreneurship Award” in the category of green leadership for developing the world’s first Bio-PET bottle.
 - In December, FENC earned the 13th “National Innovation Award” in Taiwan in developing the 100% bio-PET polyester shirt. The 100% bio-PET polyester shirt made entirely from plant-based material, which reduces the carbon footprints by 30% compared to the petrochemical based one, was developed by FE Group R&D Center.
- 2017**
 - In April, FENC was in the top 5% of the listed companies in the third “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the first time.
 - In May, FENC won the “CSR Annual Survey – Excellence Award in the Traditional Industrial Group” of the 13th Annual Corporate Social Responsibility Award by Global Views Magazine.
 - In November, FENC was included as a constituent of the MSCI ESG Leaders Indexes and assessed of MSCI ESG Rating – Industrial Conglomerates: A.
- 2018**
 - In February, FENC, through its subsidiary “Far Eastern Investment (H) Ltd.” acquired Mossi & Ghisolfi’s (M&G) assets of a PET plant in West Virginia and a R&D center in Ohio, USA.
 - In May, FENC won the “CSR Annual Survey – Grand Prize in the Traditional Industrial Group” of the 14th Annual Corporate Social Responsibility Award by Global Views Magazine.
 - In December, FENC was selected as a constituent of the FTSE4Good TIP Taiwan ESG Index, conducted by Taiwan Index Plus Corporation and FTSE Russell.
 - In December, FENC, through its subsidiary “APG Polytech USA Holdings, Inc.” joint ventured with Indorama Ventures Corpus Christi Holding LLC and DAK Americas, LLC, with the FTC approval, to acquire M&G’s PTA/PET plant in Texas, USA.
- 2019**
 - In January, FENC was selected as a constituent of the Taiwan Sustainability Index, conducted by Taiwan Institute for Sustainable Energy and National Taipei University.
 - In April, FENC was in the top 5% of the listed companies in the fifth “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange again.
 - In April, FENC won the “CSR Annual Survey – Grand Prize in the Traditional Industrial Group” of the 15th Annual Corporate Social Responsibility Award by Global Views Magazine.
 - In June, FENC acquired Phoenix Technologies International, LLC, a recycled PET producer located in Ohio, USA.
 - In November, FENC stood out as GCSA’s only World Class winner for Outstanding Practices in the category of Best Practice Award.
- 2020**
 - In April, FENC was in the top 5% of the listed companies in the sixth “Corporate Governance Evaluation” conducted by Taiwan Stock Exchange for the third time.
 - In April, FENC won the “CSR Annual Survey – Model Award in the Traditional Industrial Group” of the 16th Annual Corporate Social Responsibility Award by Global Views Magazine.

III. Corporate Governance Report

1. Organization

1.1 Organization Chart



1.2 Affairs in Charge for Each Major Department

Department	Affairs in charge
Audit Department	Internal auditing
Petrochemical Business	Production and sales of PTA
Polyester Business	Production and sales of polyester chips, polyester staple fibers, polyester filaments, PET films, PET sheets, PET bottle preforms and Nylon filaments
Textile Business	Printing, dyeing and finishing of yarns, fabrics and cloths; production and sales of miscellaneous natural, man-made, synthetic fiber yarns and fabrics, blended yarns and fabrics, and woven finished clothing and knitted finished clothing; production and sales of industrial yarns and industrial fabrics
Corporate Management	Arrange the planning and enforcement of the company's legal, human resources, general administration, shipping, security, labor safety and health, finance and accounting related matters
R&D Center	Research and development

2. Directors and Management Team

2.1 Directors

Book closure date: 1 May 2020

Title	Nationality or Record of Birth	Name	Gender	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Other positions in FENC and/or other companies	Executives or Directors who are spouses or within two degrees of kinship		
							Share	%	Share	%	Share	%		Title	Name	Relation
Chairman	R.O.C	Douglas Tong Hsu	Male	29 Jun 2018	3	23 Dec 1967	91,748,698	1.71	91,748,698	1.71	-	-	National Chiao Tung University, Taiwan, Honor Ph.D in Management University of Notre Dame, USA, MA Columbia University, USA △ Chairman of Asia Cement Corp.(ACC), Oriental Union Chemical Corp.(OUCC), U-Ming Marine Transport Corp.(U-Ming), Far Eastern Department Stores Ltd. (FEDS), Far EastOne(FET), and Vice Chairman of Far Eastern International Bank (FEIB)	Vice Chairman Vice Chairman Director Director Director	Johnny Hsi Peter Hsu Raymond Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Brother Brother Daughter Sister
Vice Chairman	R.O.C	Johnny Hsi Representative of Asia Cement Corporation	Male	29 Jun 2018	3	9 Feb 1979	1,272,277,085 *1,672,207	23.77 0.03	1,272,277,085 *1,672,207	23.77 0.03	-	-	Columbia University, USA, Master in Computer Science △ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC and CTCL Corporation	Chairman Vice Chairman Director Director	Douglas Tong Hsu Peter Hsu Raymond Hsu Alice Hsu	Brother-in-law Brother-in-law Brother-in-law Sister-in-law
	R.O.C	Peter Hsu Representative of Asia Cement Corporation	Male	29 Jun 2018	3	14 Apr 1976	1,272,277,085 *48,269,210	23.77 0.90	1,272,277,085 *48,269,210	23.77 0.90	-	637	Stanford University, USA, Master in Operation Research △ Managing Director of FET, Director of ACC and U-Ming	Chairman Vice Chairman Director Director	Douglas Tong Hsu Johnny Hsi Raymond Hsu Alice Hsu	Brother Brother-in-law Brother Sister
Director	R.O.C	Raymond Hsu Representative of Asia Cement Corporation	Male	29 Jun 2018	3	14 Apr 1976	1,272,277,085 *33,967,959	23.77 0.63	1,272,277,085 *33,967,959	23.77 0.63	-	-	Australian Mining and Metallurgy College, Australia △ Chief auditor of FENC	Chairman Vice Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Peter Hsu Alice Hsu	Brother Brother-in-law Brother Sister
	R.O.C	Shaw Y. Wang Representative of Asia Cement Corporation	Male	29 Jun 2018	3	10 May 1985	1,272,277,085 *395,366	23.77 0.01	1,272,277,085 *395,366	23.77 0.01	-	-	National Chung Hsing University, Taiwan, Business Administration Department National Taiwan University, Taiwan, the Executive Program in Business Administration △ Executive Director of Group Foundation, Director of FEIB	-	-	-
	R.O.C	Richard Yang Representative of Far Eastern Department Stores Ltd.	Male	29 Jun 2018	3	13 Jun 2006	19,964,370 *1,379,348	0.37 0.03	19,964,370 *1,379,348	0.37 0.03	-	-	American Graduate School of International Management, USA △ Managing Director of Surfview Capital Ltd.	-	-	-
	U.S.A	Tonia Katherine Hsu Representative of Far Eastern Department Stores Ltd.	Female	29 Jun 2018	3	13 Jun 2006	19,964,370 *-	0.37 -	19,964,370 *-	0.37 -	-	-	Sarah Lawrence College, USA △ -	Chairman	Douglas Tong Hsu	Father
	R.O.C	Kwan-Tao Li Representative of U-Ming Marine Transport Corp.	Male	29 Jun 2018	3	13 Jun 2006	31,181,470 *-	0.58 -	31,181,470 *-	0.58 -	-	-	Kellogg-HKUST, MBA △ Chief Senior Counselor, Lee and Li, Attorney-at-law, Director of ACC	-	-	-

Title	Nationality or Record of Birth	Name	Gender	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Other positions in FENC and/or other companies	Executives or Directors who are spouses or within two degrees of kinship		
							Share	%	Share	%	Share	%		Title	Name	Relation
Director	R.O.C	Alice Hsu Representative of U-Ming Marine Transport Corp.	Female	29 Jun 2018	3	20 Apr 1988	31,181,470 *24,072,710	0.58 0.45	31,181,470 *24,072,710	0.58 0.45	-	-	Sheridan College, Retail Management △ -	Chairman Vice Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Peter Hsu Raymond Hsu	Brother Brother-in-Law Brother Brother
	R.O.C	Champion Lee Representative of Yue Ding Industries Co., Ltd.	Male	29 Jun 2018	3	20 Apr 1988	20,963,781 *618,060	0.39 0.01	24,763,781 *618,060	0.47 0.01	-	-	Texas A&I University, USA, Master in Business Administration △ Director of ACC, FET & U-Ming	-	-	-
Independent Director	R.O.C	Bing Shen	Male	29 Jun 2018	3	28 Jun 2012	-	-	-	-	-	-	Harvard University, USA, Master in Business Administration △ Independent Director of FEIB and Elite Material Co. Ltd.	-	-	-
	R.O.C	Johnsee Lee	Male	29 Jun 2018	3	28 Jun 2012	-	-	-	-	-	-	Illinois Institute of Technology, USA, Ph.D. in Chemical Engineering △ Director of Taiwan HOPAX Chemical MFG. Co. Ltd., Independent Director of Zhen Ding Technology Holding Limited, San Fu Chemical Co., Ltd. & Everlight Electronics Co., Ltd.	-	-	-
	R.O.C	Raymond R.M. Tai	Male	28 Jun 2019	3	28 Jun 2019	-	-	-	-	-	-	Fu Jen Catholic University, Taiwan, Honor Ph.D. in School of Law University of Hawaii, USA, Master, Department of American Studies Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See △ -	-	-	-

* represents the number of company shares owned by the individual representative.

Note 1: No Director holds company shares via accounts under others' names.

Note 2: For Directors are company entities, the company registry is R.O.C.

Note 3: When the Company's chairman and the president or an officer of equivalent position (the most senior manager) are the same person, or spouses or consanguinity within the first degree to each other, the reason, rationality, necessity and countermeasure shall be disclosed: None

2.1.1 Major Shareholders of FENC's Directors are Institutional Shareholders

Book closure date: 1 May 2020

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders (%)
Asia Cement Corporation	Far Eastern New Century Corp. (22.33); Far Eastern Medical Foundation (5.40); Labor Pension Fund Committee of Far Eastern New Century Corp. (1.55); Yuan Ding Investment Co., Ltd. (1.53); Yuanta Taiwan Dividend Plus ETF account in the custody of Cathay United Bank (1.51); Far Eastern Department Stores Ltd. (1.49); Yuan Ze University (1.41); Far Eastern Memorial Foundation (1.31); Yu Yuan Investment Co., Ltd. (1.29); Yu Chang Investment Co., Ltd. (1.26)
Far Eastern Department Stores Ltd.	Far Eastern New Century Corp. (17.06); PJ Asset Management Co., Ltd. (7.75); Asia Cement Corp. (5.65); Yuan Ding Investment Co., Ltd. (5.33); Jaryuan Investment Co., Ltd. (5.05); Yuan Ze University (4.75); Yuan Tong Investment Co., Ltd. (3.61); Norges Bank account in the custody of Citibank (Taiwan) (2.26); Labor Pension Fund Committee of Far Eastern Department Stores Ltd. (2.11); Yu Yuan Investment Co., Ltd. (2.06)
U-Ming Marine Transport Corp.	Asia Cement Corp. (39.25); Management Board of the Public Service Pension Fund (2.08); Cathay Life Insurance Co., Ltd. (1.60); Yuan Ding Investment Co., Ltd. (1.05); Fubon Life Insurance Co., Ltd. (1.04); Cape Ann Global Developing Markets Fund account in the custody of Bank of Taiwan (1.00); Yu Yuan Investment Co., Ltd. (0.94); Ding Shen Investment Co., Ltd. (0.94); TransGlobe Life Insurance Co., Ltd. (0.93); Asia Investment Co., Ltd. (0.92)
Yue Ding Industries Co., Ltd.	Fu Da Transport Co., Ltd. (26.95), Yue Tung Investment Co., Ltd. (25.36), An Ho Garment Co., Ltd. (15.66), Ding Yuan International Investment Co., Ltd. (13.20), Ton Fu Investment Corp. (4.61), Ya Li Precast Pre-stressed Concrete Industries Corp. (3.89), Da Ju Fiber Co., Ltd. (3.89), Yuan-Ding Co., Ltd. (2.59), Bai Ding Investment Co., Ltd. (2.31), U-Ming Commerce Co., Ltd. (1.53)

2.1.2 Major Shareholders of the Major Shareholders that are Juridical Persons

Book closure date: 1 May 2020

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Far Eastern New Century Corp.	Please refer to page 62.
Far Eastern Medical Foundation	Y.Z. Hsu (76.90); Zong-Yan He (2.31); Shu-Peng Wang (2.31); Wei-Yuan Hsu (2.31); Ying-Chung Huang (2.31); Douglas Tong Hsu (2.31); Laurence M. Yang (2.31); John Hsu (2.31); Johnny Hsi (2.31); S.S. Hsu (2.31); Wei-San Yu (2.31)
Yuan Ding Investment Co., Ltd.	Far Eastern New Century Corp. (99.40); An Ho Garment Co., Ltd. (0.30); Da Ju Fiber Co., Ltd. (0.30)
Yuan Ze University	U-Ming Marine Transport Corp. (55.21); Far Eastern Medical Foundation (26.05); Far Eastern New Century Corp. (5.52); Fu Ming Transportation Co., Ltd. (5.25); Far Eastern Memorial Foundation (4.91); Asia Cement Corp. (2.76); Connie Hsu (0.28); Y.Z. Hsu (0.01); Zhao-Zhong Yu (0.01)
Far Eastern Memorial Foundation	Y.Z. Hsu (50.00); Y.J. Hsu (50.00)
Yue Yuan Investment Co., Ltd.	Asia Cement Corp. (29.92); Yuan-Ding Co., Ltd. (25.02); Yuan Ding Investment Co., Ltd. (18.96); U-Ming Marine Transport Corp. (17.66); Ding Shen Investment Co., Ltd. (6.50); Yue Tung Investment Co., Ltd. (1.84); Yue Ding Industries Co., Ltd. (0.10)
Yu Chang Investment Co., Ltd.	Yu Sheng Investment Co., Ltd. (99.97)
PJ Asset Management Co., Ltd.	He Yang Management Consulting Co., Ltd. (94.95); He Zhu Investment Co., Ltd. (5.05)
Jaryuan Investment Co., Ltd.	He Yuan Global Investment Co., Ltd. (100.00)
Yuan Tong Investment Co., Ltd.	Far Eastern New Century Corp. (100.00)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100.00)
Fubon Life Insurance Co. Ltd.	Fubon Financial Holding Co., Ltd. (100.00)
Ding Shen Investment Co., Ltd.	Yuan Tong Investment Co., Ltd. (18.00); Asia Investment Co., Ltd. (18.00); Bai Ding Investment Co., Ltd. (18.00); Dong Fu Investment Co., Ltd. (18.00); Yue Tung Investment Co., Ltd. (18.00); Yue Ding Industries Co., Ltd. (5.00); Da Ju Fiber Co., Ltd. (5.00)
TransGlobe Life Insurance Co., Ltd.	Z.W.Y Co., Ltd. (100.00)
Asia Investment Co., Ltd.	Asia Cement Corp. (100.00)
Fu Da Transport Co., Ltd.	Fu Ming Transportation Co., Ltd. (99.87); Asia Investment Corp. (0.03)
Yue Tung Investment Co., Ltd.	U-Ming Marine Transport Corp. (73.54); U-Ming Marine Transport (Singapore) Private Ltd. (26.46)
An Ho Garment Co., Ltd.	Far Eastern New Century Corp. (100.00)
Ding Yuan International Investment Co., Ltd.	Far Eastern New Century Corp. (100.00)
Ton Fu Investment Corp.	Oriental Union Chemical Corp. (100.00)
Ya Li Precast Pre-stressed Concrete Industries Corp.	Asia Cement Corporation (83.81); Far-Eastern Construction Engineering Co., Ltd. (16.03)
Da Ju Fiber Co., Ltd.	Yuan Ding Investment Co., Ltd. (41.86); Yue Ding Industries Co., Ltd. (38.76); Yue Lee Investment Co., Ltd. (19.38)
Yuan-Ding Co., Ltd.	Far Eastern New Century Corporation (37.13); Asia Cement Corporation (35.50); Der Ching Investment Co., Ltd. (14.50); Yuan Ding Investment Co., Ltd. (12.86)
Bai Ding Investment Co., Ltd.	Far Eastern Department Stores (66.66); Bai Yang Investment Co Ltd (33.34)
U-Ming Commerce Co., Ltd.	Bai Ding Investment Co., Ltd. (47.00); Yuan Ding Investment Co., Ltd. (45.50); Yue Ding Industries Co., Ltd. (5.00); Ding & Ding Management Consultants Co., Ltd. (1.00); Yuan-Ding Co., Ltd. (1.00); Yuan Ding Leasing Co., Ltd. (0.50)

2.1.3 Directors

Item Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five-Year Work Experience			Independence Criteria (Note 1)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Douglas Tong Hsu			V						V		V	V		V	V	None
Johnny Hsi			V						V		V	V		V		
Peter Hsu			V						V		V	V		V		
Raymond Hsu			V					V	V	V	V	V		V		
Shaw Y. Wang			V			V	V		V		V	V	V	V		
Richard Yang			V	V	V	V	V	V	V	V	V	V	V	V		
Tonia Katherine Hsu			V	V	V	V			V		V	V		V		
Kwan-Tao Li		V	V	V	V	V	V		V		V		V	V		
Alice Hsu			V	V	V			V	V	V	V	V		V		
Champion Lee			V	V		V	V		V		V	V	V	V		
Bing Shen			V	V	V	V	V	V	V	V	V	V	V	V	V	2
Johnsee Lee			V	V	V	V	V	V	V	V	V	V	V	V	V	3
Raymond R.M. Tai	V		V	V	V	V	V	V	V	V	V	V	V	V	V	None

Note : Please tick the corresponding boxes if Directors have been any of the following during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Paragraph 1 or 2, Article 27 of the Company Act. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent). (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (This requirement does not apply where the specific company or institution owns twenty percent or more but less than fifty percent of the company's outstanding shares, and the independent director serving concurrently in the Company and

its' parent company or subsidiaries, or subsidiaries of the same parent company, is set up in accordance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local laws)

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation with the recent two years exceeds NT\$500,000. However, this restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who exercise powers to laws and regulations in association with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

(11) Not been a person of any conditions defined in Article 30 of the Company Act.

(12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

2.2 President, Executive Vice President, Senior Vice President, and Managers of Departments and Branches

Book closure date: 1 May 2020

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
President Petrochemical Business	R.O.C	K.S. Wu	Male	1 Jul 11	1,380	0.00	10	0.00	Chinese Culture University, Taiwan, Chemical Department △ Director of OUCC, Everest Textile & Oriental Petrochemical (Taiwan) Co., Ltd.(OPTC)	-	-	-
President Polyester Business	R.O.C	Y.H. Tseng	Male	1 Jul 11	151,177	0.00	0	0.00	Tung Hai University, Taiwan, Chemical Engineering Department △ Director of Oriental Petrochemical (Shanghai) Corp.(OPSC). & Far Eastern Polytex (Vietnam) Ltd.	-	-	-
President Textile Business	R.O.C	Eric Hu	Male	1 Jul 11	195	0.00	0	0.00	Tung Hai University, Taiwan, Industrial Engineering Department △ Director of Everest Textile & Far Eastern Apparel	-	-	-
President Corporate Management	R.O.C	Humphrey Cheng	Male	1 Jul 11	0	0.00	0	0.00	National Taiwan University, Taiwan, International Business, EMBA △ Director of OUCC & FEIB	-	-	-
Chief Operating Officer Polyester Business	R.O.C	Donald Fan	Male	1 Jul 12	5,791	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Chairman of Wuhan Far Eastern New Material Ltd.; Director of Far Eastern Industries (Shanghai)	-	-	-
Chief Operating Officer Polyester Business	R.O.C	B.C. Chang	Male	9 Dec 19	453	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Industry Engineering △ Director of Far Eastern Fibertech Co. Ltd.(FEFC)	-	-	-
Chief Operating Officer Textile Business	R.O.C	Judy Lee	Female	1 Mar 19	0	0.00	26	0.00	National Taiwan University, Taiwan, Department of Business △ Director of Far Eastern Apparel (Suzhou) & Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Chief Auditor Chairman Office	R.O.C	Raymond Hsu	Male	1 Mar 96	33,967,959	0.63	0	0.00	Australian Mining and Metallurgy College, Australia △ Please refer to page 14.	-	-	-
Chief Auditor Group Auditing Department	R.O.C	Chun Min Ho	Female	1 Aug 12	0	0.00	10,752	0.00	National Cheng Kung University, Taiwan, Accounting and Statistics Department △ -	-	-	-
Chief Auditor Group Auditing Department	R.O.C	Y.C. Yuan	Female	12 Aug 14	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ -	-	-	-
Chief Financial Officer Corporate Management	R.O.C	David Wang	Male	1 Jul 12	7,113	0.00	67	0.00	Mississippi State University, USA, MBA △ Chairman of Yuan Tong Investment; Director of Kai Yuan International Investment	-	-	-
Executive Vice President Corporate Management	R.O.C	Alan Tsai	Male	1 Jul 12	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Operation Management & Master of Laws Program for Executives △ Chairman of Ding Yuan International Investment Co., Ltd.; Director of Yuan Ding Investment Co., Ltd.	-	-	-
Executive Vice President Corporate Management	R.O.C	Emily Wu	Female	1 Jul 12	0	0.00	0	0.00	University of Texas at Arlington, USA, Master in Accounting △ Director of Yuan Cheng Human Resource Consultant ; Supervisor of Yuan Faun Co., Ltd.	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Executive Vice President Chairman Office & R&D Center	R.O.C	Fanny Liao	Female	20 May 19	0	0.00	0	0.00	The State University of New York, Stony Brook University, USA, PhD in Chemistry △ Director of Oriental Resources Development Co., Ltd. & Martens Beer (Shanghai) Ltd. & APG Polytech USA Holdings, Inc.	-	-	-
Executive Vice President Polyester Business	R.O.C	M.Y. Yeh	Male	11 Feb 20	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ Director of Far Eastern Industries (Yangzhou) & Far Eastern Polytex (Vietnam) Ltd.	-	-	-
Executive Vice President Textile Business	R.O.C	M.J. Wu	Male	1 Oct 13	17,759	0.00	515	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Director of Oriental Industries (Suzhou) & Far Eastern Industries (Suzhou) Ltd.	-	-	-
Executive Vice President Textile Business	R.O.C	Mingo A. Chen	Male	1 Sep 15	1,051	0.00	693	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Director of Far Eastern Industries (Wuxi) & Far Eastern Polytex (Vietnam) Ltd.	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Jackson Wu	Male	1 Oct 07	50,545	0.00	0	0.00	Chung Yuan Christian University, Taiwan, Master in Mechanical Engineering △ Supervisor of Far Eastern General Contractor	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Allen Sha	Male	1 Apr 15	1,166	0.00	0	0.00	Tamkang University, Taiwan, Master in Department of Banking and Finance △ Director of Yuan Tong Investment & Kai Yuan International Investment	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Y.L. Chen	Male	1 Apr 15	11,879	0.00	18,432	0.00	Tamkang University, Taiwan, Master in Business Administration △ -	-	-	-
Senior Vice President Corporate Staff Office	R.O.C	Y.S. Yang	Male	1 Apr 15	0	0.00	0	0.00	National Chiao Tung University, Taiwan, PhD in Business & Management △ Chairman of YDT Technology International Co., Ltd. & Director of Yuan Hsin Digital Payment Co., Ltd.	-	-	-
Vice Chief Auditor Audit Department	R.O.C	Mark Lu	Male	11 Jan 91	43,165	0.00	8,458	0.00	University of Georgia, USA, Master in Accounting △ Supervisor of Yuan Ding Investment	-	-	-
Vice Chief Auditor Group Auditing Department	R.O.C	Rebecca Huang	Female	1 Aug 12	6,149	0.00	0	0.00	National Chengchi University, Taiwan, EMBA In Accounting △ -	-	-	-
Senior Vice President Accounting Department	R.O.C	Davis Dai	Male	1 Oct 15	0	0.00	0	0.00	Fu Jen Catholic University, Taiwan, Master in Accounting △ Supervisor of Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Accounting Department	R.O.C	Liang-Wei Hsu	Male	1 Dec 19	0	0.00	0	0.00	National Sun Yat-Sen University, Taiwan, EMBA △ -	-	-	-
Senior Vice President Finance Department	R.O.C	Jenny Ho	Female	1 Jul 15	913	0.00	0	0.00	University of Reading, UK, Master in International Securities, Investment and Banking △ Director of Far Eastern Apparel & Fu Kwok Knitting & Garment Co., Ltd.	-	-	-
Senior Vice President Finance Department	R.O.C	Carol Wang	Female	1 May 18	0	0.00	0	0.00	University of Illinois at Urbana Champaign, USA, Master in Finance △ Director of Far Eastern Apparel (Vietnam) Ltd.	-	-	-
Senior Vice President Finance Department	R.O.C	Yu-Sheng Lin	Male	21 May 18	0	0.00	0	0.00	Iowa State University, USA, MBA △ -	-	-	-
Senior Vice President Legal Department	R.O.C	Li-Chi Chen	Male	1 Oct 07	0	0.00	0	0.00	National Taiwan University, Taiwan, College of Law △ Director of Far Eastern Apparel; Supervisor of Arcoa Communication	-	-	-
Senior Vice President Human Resource Department	R.O.C	C.Y. Lin	Male	1 Jun 09	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Labor Research △ Director of Yuan Cheng Human Resource Consultant	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%		Title	Name	Relation
Senior Vice President Learning & Development Center	R.O.C	William Hsu	Male	1 May 19	0	0.00	0	0.00	University of Leicester, UK, MBA △ -	-	-	-
Senior Vice President Shipping Department	R.O.C	Ching-Shan Hsieh	Female	14 May 18	113	0.00	0	0.00	Tunghai University, Taiwan, Department of Economics △ -	-	-	-
Senior Vice President R&D Center	R.O.C	Ken Chang	Male	1 Aug 12	0	0.00	0	0.00	National Tsing Hua University, Taiwan, PhD in Chemical Engineering △ -	-	-	-
Senior Vice President R&D Center	R.O.C	Y.T. Chang	Male	1 Jul 13	0	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Senior Vice President R&D Center	R.O.C	David Liu	Male	9 Sep 16	307	0.00	0	0.00	Yuan Tzu University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Senior Vice President R&D Center	R.O.C	D.R. Huang	Male	21 Aug 19	0	0.00	0	0.00	National Tsing Hua University, Taiwan, PhD in Chemical △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	David Shih	Male	1 Nov 06	349	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, Industrial Management Department △ Director of OPTC	-	-	-
Senior Vice President Polyester Business	R.O.C	Arthur Lee	Male	15 Feb 07	5,964	0.00	0	0.00	Oklahoma City University, USA, MBA △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	C.T. Peng	Male	1 Aug 10	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Chemical Engineering △ Director of Oriental Resources Development Co., Ltd.	-	-	-
Senior Vice President Polyester Business	R.O.C	C.T. Chen	Male	1 Nov 10	0	0.00	0	0.00	Yuan Ze University, Taiwan, Masters in Industrial Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	C.T. Chang	Male	1 Jan 11	30,783	0.00	140	0.00	Yuan Ze University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Eric Huang	Male	1 Jul 12	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, PhD in Chemical Engineering △ Director of FEFC & Oriental Industries (Suzhou)	-	-	-
Senior Vice President Polyester Business	R.O.C	J.K. Tsai	Male	1 Jul 12	37,187	0.00	11,257	0.00	National Open University, Taiwan, Sociology Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	M.L. Tsai	Male	1 Sep 13	0	0.00	383	0.00	Feng Chia University, Taiwan, Master in Textile Engineering △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Roder Chang	Male	1 Dec 14	1,555	0.00	6,000	0.00	Feng Chia University, Taiwan, Master in Textile Engineering Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	K.B. Louy	Male	15 Mar 16	35	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ -	-	-	-
Senior Vice President Polyester Business	R.O.C	Nico Peng	Male	1 Nov 17	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ -	-	-	-
Senior Vice President Textile Business	R.O.C	Y.J. Lou	Male	1 Sep 16	0	0.00	62,434	0.00	Tatung University, Taiwan, Chemical Engineering Department △ Director of Worldwide Polychem (HK) Ltd. & Far Eastern Apparel	-	-	-
Senior Vice President Purchasing Department	R.O.C	Ryan Wu	Male	1 May 11	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, MBA △ -	-	-	-
Senior Vice President Purchasing Department	R.O.C	Hans Kuo	Male	1 Jul 18	0	0.00	0	0.00	Chinese Culture University, Taiwan, Department of Law △ -	-	-	-

Note 1: Managers mentioned in table above do not hold the Company shares via accounts in others' names.

Note 2: There is no share warrant and share option issued by the Company to employees for purchasing shares.

Note 3: Where the Company's President or an officer of equivalent position (the most senior manager) is the same person as, the spouse of, or a relative with the first degree to the chairman, the reason, rationality, necessity and countermeasures: None.

2.3 Remuneration of Directors, President, and Executive Vice Presidents

2.3.1 Remuneration Paid to Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of total remuneration (I+II+III+IV) over net income (%)		Relevant compensation received by directors who are also employees								Ratio of total remuneration (I+II+III+IV+V+VI+VII) to net income (%)		Remuneration paid to Directors and Independent Directors from an invested company or the parent company other than the Company's subsidiary (VIII)
		Base Remuneration (I)		Severance Pay and Pension (II)		Directors' remuneration from distribution of earnings (III)		Operating Allowances (IV)				Salary, Bonuses, and Allowances (V)		Severance Pay and Pension (VI)		Employees' compensation from distribution of earnings (VII)						
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	
Chairman	Douglas Tong Hsu																					
Director	Asia Cement Corporation																					
	Far Eastern Department Stores Ltd.	0	0	0	0	198,777	198,777	1,200	5,772	1.87%	1.91%	30,762	123,303	0	0	3,154	0	3,154	0	2.18%	3.09%	115,136
	U-Ming Marine Transport Corp.																					
	Yue Ding Industries Co., Ltd.																					
Independent Director	Bing Shen																					
	Johnsee Lee	0	0	0	0	5,500	5,500	300	300	0.05%	0.05%	0	0	0	0	0	0	0	0	0.05%	0.05%	2,410
	Raymond R.M. Tai																					

Note:

- Column A represents the Company; Column B represents all companies in the consolidated financial statement.
- The Company pays remuneration to Directors in accordance with the Articles of Incorporation. After being resolved by the Remuneration Committee and the Board of Directors, the remuneration shall be reported in the annual shareholder's meeting pursuant to laws and regulations. The remuneration paid to Independent Directors is a fixed amount with consideration to their time spend and responsibilities assumed for the position. Additional remuneration of a fixed amount is provided if the Independent Director serves concurrently as a committee chairman or a Remuneration Committee member. The operating allowances for Independent Directors are a fixed amount for traveling expenses.
- Operating allowances mentioned in the table above were the actual amount distributed in 2019. Directors' remuneration and Employees' compensation, approved by the Board Meeting on March 24 2020, are the proposed figures to be resolved by the upcoming 2020 Annual General Shareholders' Meeting.
- A company car is assigned to Chairman Douglas Tong Hsu for business purpose. The acquisition cost of the said car is NT\$6.508 million.
- There is neither share bonus being issued nor share warrant and share option being issued by the Company or companies in the consolidated financial report to employees for purchasing shares.
- Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang; Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu; Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li.; Representative of Yue Ding Industries Co., Ltd.: Champion Lee

Bracket	Name of Directors			
	Total of (I+II+III+IV)		Total of (I+II+III+IV+V+VI+VII)	
	The Company	Companies in the consolidated financial statement	The Company	Companies in the consolidated financial statement
Under NT\$1,000,000	0	0	0	0
NT\$1,000,000 ~ NT\$1,999,999	Raymond R.M. Tai (note)	Raymond R.M. Tai (note)	Raymond R.M. Tai (note)	Raymond R.M. Tai (note)
NT\$2,000,000 ~ NT\$3,499,999	Bing Shen, Johnsee Lee	Bing Shen, Johnsee Lee	Bing Shen, Johnsee Lee	Johnsee Lee
NT\$3,500,000 ~ NT\$4,999,999	0	0	0	Bing Shen
NT\$5,000,000 ~ NT\$9,999,999	0	0	0	0
NT\$10,000,000 ~ NT\$14,999,999	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Yue Ding Industries Co., Ltd.: Champion Lee	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li	Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Yue Ding Industries Co., Ltd.: Champion Lee	R Representative of Far Eastern Department Stores Ltd.: Richard Yang, Tonia Katherine Hsu
NT\$15,000,000 ~ NT\$29,999,999	Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang, Representative of Yue Ding Industries Co., Ltd.: Champion Lee	Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,	Representative of U-Ming Marine Transport Corp.: Alice Hsu, Kwan-Tao Li Representative of Yue Ding Industries Co., Ltd.: Champion Lee
NT\$30,000,000 ~ NT\$49,999,999	Douglas Tong Hsu	Douglas Tong Hsu	Douglas Tong Hsu	Representative of Asia Cement Corporation: Johnny Hsi, Raymond Hsu, Peter Hsu, Shaw Y. Wang,
NT\$50,000,000 ~ NT\$99,999,999	0	0	0	0
NT\$100,000,000 and over	0	0	0	Douglas Tong Hsu
Total	13	13	13	13

Note: Independent Director, Mr. Raymond R.M. Tai was newly elected on 28 June, 2019.

2.3.2 Compensation Paid to Presidents and Executive Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary (I)		Severance Pay and Pension (II)		Compensation and Allowances (III)		Employees' compensation from distribution of earnings (IV)				Ratio of total remuneration (I+II+III+IV) to net income (%)		Compensation paid to the President and Executive Vice President from an invested company or the parent company other than the Company's subsidiary
		A	B	A	B	A	B	A		B		A	B	
								Cash	Stock	Cash	Stock			
President	K.S. Wu	54,100	74,374	1,188	1,188	70,653	70,653	6,024	0	10,499	0	1.23%	1.46%	8,542
	Y.H. Tseng													
	Eric Hu													
	Humphrey Cheng													
Chief Operating Officer	Donald Fan													
	B.C. Chang													
	Judy Lee													
Chief Auditor	Raymond Hsu													
	Chun Min Ho													
	Y.C. Yuan													
Chief Financial Officer	David Wang													
Executive Vice President	Alan Tsai													
	Emily Wu													
	Fanny Liao													
	M.Y. Yeh													
	M.J. Wu													
	Mingo A. Chen													

Note:

1. Column A represents the Company; Column B represents all companies in the consolidated financial statement.
2. The Company and all companies in the consolidated financial statement neither issue shares nor issue warrants and options for purchasing common shares to employees as bonus.
3. A company car is assigned to all Presidents and Executive Vice Presidents for business purposes. The total rental for the said car is NT\$372,000 per year.
4. C.Y. Dai and Ru-yu Wu were retired on 2 January 2020.

Bracket	Name of Presidents and Executive Vice Presidents	
	The Company	Companies in the consolidated financial statement
Under NT\$1,000,000	0	0
NT\$1,000,000 ~ NT\$1,999,999	0	0
NT\$2,000,000 ~ NT\$3,499,999	0	0
NT\$3,500,000 ~ NT\$4,999,999	0	0
NT\$5,000,000 ~ NT\$9,999,999	K.S. Wu, Y.H. Tseng, Eric Hu, Humphrey Cheng, Donald Fan, B.C. Chang, Judy Lee, Raymond Hsu, Chun Min Ho, Y.C. Yuan, David Wang, Alan Tsai, Emily Wu, Fanny Liao, M.J. Wu, Mingo A. Chen, M.Y. Yeh	K.S. Wu, Y.H. Tseng, Eric Hu, Humphrey Cheng, Donald Fan, B.C. Chang, Judy Lee, Raymond Hsu, Chun Min Ho, Y.C. Yuan, David Wang, Alan Tsai, Emily Wu, Fanny Liao, M.J. Wu, Mingo A. Chen, M.Y. Yeh
NT\$10,000,000 ~ NT\$14,999,999	0	0
NT\$15,000,000 ~ NT\$29,999,999	0	0
NT\$30,000,000 ~ NT\$49,999,999	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0
NT\$100,000,000 and over	0	0
Total	17	17

2.3.3 Compensation Paid to Managers

Unit:NT\$ thousands

Title	Name	Employee Compensation- in Cash	Ratio of Total Amount to Net Income (%)
President, Petrochemical Business	K.S. Wu	16,711	0.14%
President, Polyester Business	Y.H. Tseng		
President, Textile Business	Eric Hu		
President, Corporate Management	Humphrey Cheng		
Chief Operating Officer, Polyester Business	Donald Fan		
Chief Operating Officer, Polyester Business	B.C. Chang		
Chief Operating Officer, Textile Business	Judy Lee		
Chief Auditor, Chairman Office	Raymond Hsu		
Chief Auditor, Group Auditing Department	Chun Min Ho		
Chief Auditor, Group Auditing Department	Y.C. Yuan		
Chief Financial Officer, Corporate Management	David Wang		
Executive Vice President, Corporate Management	Alan Tsai		
Executive Vice President, Corporate Management	Emily Wu		
Executive Vice President, Chairman Office & R&D Center	Fanny Liao		
Executive Vice President, Polyester Business	M.Y. Yeh		
Executive Vice President, Textile Business	M.J. Wu		
Executive Vice President, Textile Business	Mingo A. Chen		
Senior Vice President, Corporate Staff Office	Jackson Wu		
Senior Vice President, Corporate Staff Office	Allen Sha		
Senior Vice President, Corporate Staff Office	Y.L. Chen		
Senior Vice President, Corporate Staff Office	Y.S. Yang		
Vice Chief Auditor, Audit Department	Mark Lu		
Vice Chief Auditor, Group Auditing Department	Rebecca Huang		
Senior Vice President, Accounting Department	Davis Dai		
Senior Vice President, Accounting Department	Liang-Wei Hsu		
Senior Vice President, Finance Department	Jenny Ho		
Senior Vice President, Finance Department	Carol Wang		
Senior Vice President, Finance Department	Yu-Sheng Lin		
Senior Vice President, Legal Department	Li-Chi Chen		
Senior Vice President, Human Resource Department	C.Y. Lin		
Senior Vice President, Learning & Development Center	William Hsu		
Senior Vice President, Shipping Department	Ching-Shan Hsieh		
Senior Vice President, R&D Center	Ken Chang		
Senior Vice President, R&D Center	Y.T. Chang		
Senior Vice President, R&D Center	David Liu		
Senior Vice President, R&D Center	D.R. Huang		
Senior Vice President, Polyester Business	David Shih		
Senior Vice President, Polyester Business	Arthur Lee		
Senior Vice President, Polyester Business	C.T. Peng		
Senior Vice President, Polyester Business	C.T. Chen		
Senior Vice President, Polyester Business	C.T. Chang		
Senior Vice President, Polyester Business	Eric Huang		
Senior Vice President, Polyester Business	J.K. Tsai		
Senior Vice President, Polyester Business	M.L. Tsai		
Senior Vice President, Polyester Business	Roder Chang		
Senior Vice President, Polyester Business	K.B. Louy		
Senior Vice President, Polyester Business	Nico Peng		
Senior Vice President, Textile Business	Y.J. Lou		
Senior Vice President, Purchasing Department	Ryan Wu		
Senior Vice President, Purchasing Department	Hans Kuo		

Note:

- There are no shares being issued by the Company to pay for employee bonuses.
- C.Y. Dai and Ru-yu Wu were retired on 2 January 2020.

Corporate Governance Report

2.4 Remuneration Paid to Directors, Compensation Paid to Presidents and Executive Vice Presidents

2.4.1 The Ratio of Total Remuneration Paid by the Company and by All Companies Included in the Consolidated Financial Statements for the Two Latest Fiscal Years to Directors, Presidents and Executive Vice Presidents of the Company over Net Income:

Year	The Ratio of Total Paid Remuneration over Net Income	
	The Company	Companies in the consolidated financial statement
2019	3.46%	4.60%
2018	3.10%	3.98%

2.4.2 The Policies, Standards, Structures for the Payments of Remuneration, the Procedures for Determining Remuneration, and the Correlations with Business Performance:

Pursuant to Company Act and the Article 26 of the “Articles of Incorporation of Far Eastern New Century Corporation”, 2% to 3.5% of profit of the current year should be distributed as employees’ compensation and not more than 2.5% of profit of the current year should be distributed as Directors’ remuneration in the case where there are profits for the current year. However, the Company’s accumulated losses shall have been covered. The Company may, by a resolution adopted by Board of Directors to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees’ compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders’ meeting. The remuneration paid to Independent Directors is a fixed amount. The actual ratio and amount of the profit distributable as Directors’ remuneration shall also be determined by Board of Directors in accordance with the “Board Performance Evaluation Rule”, and a report of such distribution shall be submitted to the shareholders’ meeting. The remuneration of Directors, Presidents, Executive Vice Presidents, and managers was paid according to not only the peer standards but also the correlations with the personal assessment, operational performance, and future risks. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be referenced. In addition, the Remuneration Committee of the Company regularly (at least once a year) reviews and evaluates the remuneration policies, systems, standards and structures of directors and managers, and presents its recommendations to the Board of Directors for discussion in order to balance the Company’s sustainability and risk control.

3. Corporate Governance

3.1 Board of Directors

Total four meetings were convened by the Board of Directors in 2019. Attendance of each Director is as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Douglas Tong Hsu		4	0	100	-
Director	Asia Cement Corp.	Johnny Hsi	4	0	100	
		Peter Hsu	4	0	100	
		Raymond Hsu	2	2	50	
		Shaw Y. Wang	4	0	100	
		Far Eastern Department Stores Ltd.	Richard Yang	4	0	
		Tonia Katherine Hsu	4	0	100	
	U-Ming Marine Transport Corp.	Kwan-Tao Li	4	0	100	
		Alice Hsu	1	0	25	
	Yue Ding Industries Co., Ltd.	Champion Lee	4	0	100	
		Independent Directors	Bing Shen	4	0	
	Johnsee Lee		4	0	100	
	Raymond R.M. Tai		2	0	100	
	Other required disclosure:					
(1) Should any circumstance occurred on board practices, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of all independent directors, and measures the Company had in responding to such opinions shall be specified:						

1. Any circumstance described in Article 14-3 of the Securities and Exchange Act: Please refer to page 54 to 55 "Major resolutions by Board of Directors"
2. Any resolution on which an independent director had a dissenting or qualified opinion occurred in board meetings: None
- (2) Should there be any director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such director, the contents of the said resolution, the reasons such director has personal interests, and the voting results shall be specified: None

(3) Implementation of the Board and each functional committee assessment:

Assessment Frequency	Assessment Period	Assessment Scope	Assessment Method	Contents
Annually	1 Jan 2019 ~ 31 Dec 2019	The Board of Directors	The Board's internal assessment: "Self-evaluation questionnaire for the Board's performance"	1.Involvement of the Company's operation 2.Improvement the Board's decision making 3.Composition and structure of the Board 4.Election and continuing education for the Directors 5.Internal control
		The Board members	The Board members' internal assessment: "Self-evaluation questionnaire for the Board members' review"	1.Familiarity of the goals and missions of the Company 2.Awareness of the Directors' duties 3.Involvement of the Company's operation 4.Management of internal relationship and communication 5.Professionalism and continuing education of the Directors 6.Internal control
		Functional committees (Audit Committee and Remuneration Committee)	The functional committees' internal assessment: "Self-evaluation questionnaire for the functional committee's performance"	1.Involvement of the Company's operation 2.Awareness of the functional committees' duties 3.Improvement of the functional committees' decision making 4.Composition of the functional committee and the election of the members 5.Internal control

- (4) Targets and measures of this and previous years established to improve the functionality of the Board of Directors and their execution results (for instance, the establishment of the audit committee, the improvement of information disclosure, and so forth): The Company announces the resolutions of every Board of Director's meeting on its website, and purchases liability insurance for its Directors as to improve the Company's operational transparency and protect the shareholders' rights. The Audit Committee established in accordance with regulations. Additionally, the Company planned to conduct an external board evaluation for the Board's performance in 2020.

(5) The attendance status of Independent Directors in 2019 until 15 May, 2020:

	2019/3/22	2019/5/10	2019/8/9	2019/11/8	2020/3/24	2020/5/12
Bing Shen	✓	✓	✓	✓	✓	✓
Johnsee Lee	✓	✓	✓	✓	✓	✓
Raymond R.M. Tao	28 June 2019, Newly-elected		✓	✓	✓	✓

Note: ✓: Attendance in person

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3.2 Audit Committee:

Total four meetings were convened by the Audit Committee in 2019. Attendance of each Independent Director is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Bing Shen	4	0	100	-
Committee member	Johnsee Lee	4	0	100	
Committee member	Raymond R.M. Tai	2	0	100	28 June 2019, Newly-elected

The Committee shall compose of the entire independent directors and shall hold a regular meeting at least once a quarter. The powers of the Committee are as follows:

1. The adoption of or amendments of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and providing endorsements or guarantees to others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of an external certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as required by this Corporation or by the competent authority

• Audit Committee's Review Report

We have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2019 which had been audited by Deloitte & Touche, and found them in order.

• The hiring of CPA

The independence and eligibility of the certified accountants was assessed by the Audit Committee on 24 March, 2020 and the Board of Directors on 24 March, 2020. The certified accountants have no relationship or interest conflicts with the Company, and maintain impartiality in providing professional services. In addition, the Company obtained the independent statement issued by the CPA firm, in accordance with the norms of independence and eligibility.

Other required disclosure:

(1)

1. Any circumstance described in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
2019.03.11 (3 rd Meeting of the 2 nd Term)	1. The Company's IFRS 16 implementation status		All presented committee members have approved and submitted to the Board of Directors. All Directors present consented to the Declaration, and no dissenting opinion was expressed.
	2. Circumstances for acquisition and disposition of assets during Oct. 2018 to Jan. 2019	√	
	3. Transactions for FX hedging until 15 Feb. 2019	√	
	4. 2018 financial reports (including consolidated & stand-alone) and the hiring of CPA	√	
	5. The proposal for distribution of 2018 profits	√	
	6. Approved amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"	√	
	7. Approved amending the company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation"	√	

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
2019.03.11 (3 rd Meeting of the 2 nd Term)	8. Approved amending the company bylaw of "Procedures for Endorsement and Guarantees of Far Eastern New Century Corporation"	√	All presented committee members have approved and submitted to the Board of Directors. All Directors present consented to the Declaration, and no dissenting opinion was expressed.
	9. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary	√	
	10. 2018Q4 internal audit report	√	
	11. The results of the voluntary reviews of the internal control systems in 2018, which was presented by supervisory committee including the list of executive team members	√	
2019.05.10 (4 th Meeting of the 2 nd Term)	1. 2019Q1 consolidated financial report		
	2. Circumstances for acquisition and disposition of assets during Feb. 2019 to Mar. 2019	√	
	3. Transactions for FX hedging until 15 Apr. 2019	√	
	4. Approved 2018 business report	√	
	5. Approved the guarantees of Yuan Ding Investment Co., Ltd.	√	
	6. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd.	√	
	7. 2019Q1 internal audit report	√	
	8. Approved amending the Company bylaw of "Internal Audit Implementation Rules"	√	
2019.08.09 (5 th Meeting of the 2 nd Term)	1. 2018H1 consolidated financial report		
	2. Circumstances for acquisition and disposition of assets during Apr. 2019 to Jun. 2019	√	
	3. Transactions for FX hedging until 15 Jul. 2019	√	
	4. Approved the guarantees of Yuan Ding Investment Co., Ltd.	√	
	5. Approved the Company's indirect investment in China	√	
	6. 2018Q2 internal audit report	√	
	7. Approved amending the Company bylaw of "Internal Audit Implementation Rules"	√	
2019.11.08 (6 th Meeting of the 2 nd Term)	1. 2019Q1-3 consolidated financial report		
	2. Circumstances for acquisition and disposition of assets from Jul. 2019 to Sep. 2019	√	
	3. Transactions for FX hedging until 15 Oct. 2019	√	
	4. Approved the guarantees of Yuan Ding Investment Co., Ltd.	√	
	5. 2018Q3 internal audit report	√	
	6. The 2018 Audit Plan review and the 2019 Audit Plan	√	

2. Any resolution on which the Audit Committee had a dissenting or qualified opinion occur with the approval of two thirds or more of the entire Board of Directors: None

(2) Should there be any independent director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such independent director, the contents of the said resolution, the reasons such independent director has personal interests, and the voting results shall be specified: None

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(3) Communications between Independent Directors and the chief internal auditor and CPA of the Company (including the ways and topics that the aforesaid parties discuss on the financial and business situations of the Company, and the conclusions of their discussions):

1. Audit Committee meetings are held by Independent Directors quarterly. Meeting minutes will be recorded and submitted to notify the President and top management of the Company of important discussions and resolutions. (Including 1. Effectiveness and efficiency of business operations, 2. Reliability, timeliness, transparency, and regulatory compliance of reporting; 3. Compliance with applicable laws, regulations, and bylaws) In the meetings, the internal audit officer reports the execution of internal audit work, significant internal audit findings, and provides the status of the follow-up matters instructed by Independent Director from previous meeting. The Independent Directors represented no counter advices or qualified opinions in each meeting.
2. The CPA of the Company attends the Audit Committee meetings and communicates the audited (or reviewed) financial reports and any important matters required by law to Independent Directors in the quarterly Audit Committee meetings. The Independent Directors represented no counter advices or qualified opinions in each meeting.

Meeting Date	Communications with the internal audit officer	Communications with the CPA of the Company
2019.03.11 (3 rd Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 2018Q4 internal audit report • The results of the voluntary reviews of the internal control systems in 2018, which was presented by supervisory committee including the list of executive team members 	<ul style="list-style-type: none"> • 2018 financial reports (including consolidated & stand-alone) • 2018 internal control review reports
2019.05.10 (4 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 2019Q1 internal audit report 	<ul style="list-style-type: none"> • 2019Q1 consolidated financial report
2019.08.09 (5 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 2019Q2 internal audit report 	<ul style="list-style-type: none"> • 2019H1 consolidated financial report
2019.11.08 (6 th Meeting of the 2 nd Term)	<ul style="list-style-type: none"> • 2019Q3 internal audit report • Reviewed 2019 audit result and proposed 2020 audit plan 	<ul style="list-style-type: none"> • 2019Q1-3 consolidated financial report • Communication and explanation upon key audit matters for the 2019 independent auditors' report

3.3 Corporate Governance Execution Results and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
(1) Has the Company formulated and disclosed its own corporate governance best-practice principles in accordance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”?	V		The Company has formulated “Corporate Governance Principles” and disclosed them through the company website and the Market Observatory Post System (MOPS).	None
(2) Shareholding Structure & Shareholders’ Rights a. Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues, and practically implemented such procedures?	V		The Company has established communication channel (e.g. the Audit Committee and Audit Department email addresses) for its shareholders and stakeholders. The Company has handled shareholder proposals, doubts, disputes, and litigation-related issues in accordance with “Procedures for the Audit Committee’s Email Management” and “Audit Department Misconduct Reporting and Resolution Procedures on Handling Employees or Stakeholders”.	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
b. Has the Company kept a list of major shareholders and a list of ultimate owners of these major shareholders?	V		The Company, at all time, keeps updated information of major shareholders and the ultimate owners of these major shareholders. If change in ownership occurs, the Company follows the relevant regulations to disclose related information.	None
c. Has the Company established and operated a risk management mechanism and "firewall" between the Company and its affiliates?	V		The Company has assigned risk control of accounts receivable to the Credit Committee. To manage the potential risk and establish a "firewall" between the Company and its affiliates, the Company and its affiliates have already established and implemented "Procedures for Acquisition and Disposition of Assets", "Procedures for Lending of Capital to Others", and "Procedures for Endorsements and Guarantees".	
d. Has the Company established internal rules to prohibit company insiders from trading securities using information not disclosed to the market?	V		The Company has established the "Procedures for Handling Material Inside Information", the "Code of Ethics" and the "Best Practice Principles of Ethical Corporate Management" to prohibit company insiders from trading securities using information not disclosed to the market, and has advocated the following: A. New managers be given a copy of the "Procedures for Handling Material Inside Information" when they sign the declaration statement. B. The Company promotes the "Procedures for Handling Material Inside Information" to its managers on an intermittent basis and prohibits company insiders from trading securities using information not disclosed to the market or to disclose information prohibited by insider trading-related laws. C. The Company advocates the "Procedures for Handling Material Inside Information" to managers and employees when they sign the confidentiality agreement during initial hiring.	
(3) Composition and Responsibilities of the Board of Directors a. Have members of the Board of Directors formulated diverse policies and implemented them accordingly?			The Company has adopted the Board of Directors member nomination and selection system which complies with the "Election Procedures of Director" and the "Corporate Governance Principles", and annually conduct performance assessment to ensure that competency, diversity and independent stakeholder opinions have been taken into consideration.	

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Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
	V		The 23 rd board members are well-experienced in management and leadership decision making and have in-depth industrial knowledge. Some of the members have backgrounds in law, finance, economics, sales, etc. In order to continuously implement the diverse policies, future goals include the succession plans for Directors and promote the portion of female Directors (currently two, evaluation for increasing female seats) or Independent Directors (currently three, evaluation for increasing the fourth). The evaluation will be thoroughly carried out until the next election of Directors. The current implementation status of diverse policies can be referred to Note 1 and succession plans can be referred to Note 2.	None
b. In addition to establishing a Remuneration Committee and an Audit Committee, has the Company voluntarily established other types of functional committees?	V		<p>A. “Credit Committee”: Audits credit ratings of domestic sales and export customers, and approves credits granted. Implements control of customer credits and account receivables in order to achieve the “Zero Bad Debt” management target for the year.</p> <p>B. “The Supervisory Committee of Information Safety”: In charge of promotions and coordination of information security matters.</p> <p>C. “Safety and Health Committee”: Practically implements occupational safety and health control matters.</p>	
c. Has the Company established a Board performance assessment method, and have performance evaluations been conducted annually with results reported to the Board and used as reference material for individual Directors’ remuneration and reelection nomination?	V		The Company has formulated the “Board Performance Evaluation Rule”, which was resolved by BOD on 11 August 2016 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Every year, the Board members and the divisions in charge of organizing meetings conducted a self-evaluation of the Board’s performance on five areas, namely, involvement in the Company’s operations, improvement in the Board’s decision making, the Board’s structure and organization, the selection and further training of the Board members as well as internal control. The Board meeting on 10 May 2019 resolved the Performance Evaluation Rule of Functional Committee. In 2019, the	

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
d. Has the Company evaluated the independence of CPAs on a regular basis?	V		<p>performance of the Board, the Audit Committee, and the Remuneration Committee was evaluated as “excellent”, which indicates the improvement in the Board’s effectiveness. The performance assessment was reported in Remuneration Committee on 19 March 2020, and the above results are also used as a reference for remuneration payment and reelection nomination. In addition, the Board meeting in Nov. 2018 resolved that the “Board Performance Evaluation Rule” shall be assessed once by external institutes & professionals every three years.</p> <p>At FENC and its subsidiary FarEasTone, an annual assessment is conducted on the independence and competence of CPAs and the results are reported to the Board. On March 24, 2020, the Board made a final review on the CPAs’ independence and competence over 2019 and confirmed that they were free of conflicts of interest relationships and maintained objectivity and impartiality when discharging their professional responsibilities. The Company also received the “letter of independence from auditors of Deloitte and Touche” in accordance with the regulations of independence and competence. The assessment results can be referred to Note 3.</p>	None
(4) Does the Company deploy competent and adequate number of corporate governance personnel and appoint a corporate governance officer in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors & supervisors, assist directors & supervisors in legal compliance, handle matters relating to board meetings and shareholders’ meetings according to laws, record minutes of board meetings and shareholders meetings, etc.)?	V		<p>The Board meeting of 10 May 2019 resolved to appoint a Chief Corporate Governance Officer. SVP of Legal Department, Li-Chi Chen was assigned and granted authorities to deals with corporate governance related matters, including handling matters relating to board meetings and shareholders’ meetings, recording minutes of board meetings and shareholders’ meetings, conducting Directors’ training, assisting relevant data for Directors’ practices, assisting Directors in legal compliance etc. 2019 Corporate Governance related routines:</p> <p>A. Conducted meetings of BOD and Audit Committee: four & four times respectively, totaling eight times</p> <p>B. Conducted Annual General Meeting and prepared AGM meeting minutes: one time</p>	

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Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
			<p>C. Conducted Directors' training: 13 participants, totaling 87 hours</p> <p>D. Assisted relevant data for Directors' practices, including meeting materials provided to the Board and the Audit Committee 7 days ahead</p> <p>E. Assisted Directors in compliance with the laws</p> <p>The Chief Corporate Governance Officer took training for at least 18 hours within one year and at least 12 hours per year from the date of the appointment. (Please refer to page 52 for details)</p>	None
(5) Has the company established a stakeholder (including, but not limited to, shareholders, employees, clients and suppliers, etc.) communication channel, a company website dedicated to stakeholders, and appropriately responded to the main social responsibility issues which are critical to stakeholders?	V		The Company has established Investor Relations Team and a "Stakeholder's Contact Information" list as well as a communication channel for shareholders, stakeholders, and the relevant company units on its company website. The aforementioned communication with the stakeholders was regularly reported to the Board meetings and the regular meetings.	
(6) Has the Company commissioned professional stock services agents to handle shareholder affairs?	V		The Company and its subsidiary, Far EasTone have commissioned Oriental Securities Corporation to be the professional stock services agent in assisting and handling shareholder-related matters.	
(7) Information Disclosure a. Has the Company set up a corporate website to disclose information on financial, business and its corporate governance?	V		The Company and its subsidiary Far EasTone have set up multiple-language (traditional Chinese/simplified Chinese/English) websites: www.fenc.com & www.fareastone.com.tw , respectively. Both corporate websites disclose the most updated information on financial, business and corporate governance.	
b. Has the Company adopted other information disclosure channels (i.e. English website; designated appropriate personnel to be in charge of Company information collection and disclosure, implemented the spokesperson system, uploaded the investor conference presentations on the Company's website, etc.)?	V		The Company and its subsidiary Far EasTone have established a spokesperson system, including a spokesperson and a deputy spokesperson. Both managers undertake their deeds precisely based on the Company's requirements. The Company's website is set up in multiple-language (traditional Chinese/simplified Chinese/English), and has designated appropriate persons to collect the Company's information. Investor conferences are held as needed, and the relevant information is disclosed on the Company's website and the M.O.P.S. website operated by the Taiwan Stock Exchange.	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
c. Has the Company announced and filed the annual financial report within two months after the end of the fiscal year, and of financial reports for the first three quarters as well as the monthly revenue before the deadline?		V	In accordance with Article 36 of the Securities and Exchange Act, the Company shall publish and report its financial reports within 3 months after the end of the fiscal year and within 45 days after the end of the first, second and third quarters, and shall publish and report its monthly revenue of the previous month before the 10 th day of each month.	The Company's financial report consolidated nearly hundreds of stand-alone companies; therefore, it was practically difficult to advance the announcement and filing of the financial report.
(8) Does the Company have other critical information which can help others to understand the implementation of corporate governance (including, but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director and Supervisor training status, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors and Supervisors?		V	Please refer to page 49 to 52 Section Eight: "Others" in regard to critical information that can help others to understand the implementation of corporate governance from the Company and its subsidiaries.	None
(9) Base on the result of "Corporate Governance Evaluation" announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven't been improved.		V	The Company ranked among the top 5% in the "Corporate Governance Evaluation" of 2019. The areas that require improvement are described below: To develop an intellectual property management plan linked to operational objectives and formulate risk management policies and procedures approved by the Board of Directors	

Note 1 : Assessment table of expertise and eligibility of members of the Board of Directors

Diverse Key Items Name	Age	Gender	1	2	3	4	5	6	7	8
			Operational judgement	Operational management	Finance & accounting	Business & economy	Risk management	Industrial know-how	International prospectives	Leadership & decision-making
Douglas Tong Hsu	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Johnny Hsi	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Peter Hsu	Above 70	Male	✓	✓	※	✓	✓	✓	✓	✓
Raymond Hsu	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Shaw Y. Wang	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Richard Yang	50~59	Male	✓	✓	✓	✓	✓	✓	✓	✓
Tonia Katherine Hsu	50~59	Female	✓	✓	※	✓	✓	✓	✓	✓
Kwan-Tao Li	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Alice Hsu	Above 70	Female	✓	✓	✓	✓	✓	✓	✓	✓

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Diverse Key Items	Age	Gender	1	2	3	4	5	6	7	8
Name			Operational judgement	Operational management	Finance & accounting	Business & economy	Risk management	Industrial know-how	International prospectives	Leadership & decision-making
Champion Lee	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Bing Shen	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Johnsee Lee	Above 70	Male	✓	✓	✓	✓	✓	✓	✓	✓
Raymond R.M. Tai	Above 70	Male	✓	✓	※	✓	✓	※	✓	✓

※ indicates the member of the Board of Directors who is moderately capable

The proportion of female Directors of the Company is 2/13. There are three Independent Directors of the Company. The tenure of two Independent Directors has been 6~9 years; the other one has been 0~3 years.

Note 2 : Succession plan and managerial goal for board members and the management team

In the Company's succession plan, the successor must be equipped with outstanding capabilities and have management concepts compatible with its philosophy of management, i.e. sincerity, diligence, thrift, prudence and innovation. Included in directors' self-evaluation of performance are social indicators which determine whether board members demonstrate their credibility and moral convictions through their instruction, action and conduct to reflect the Company's recognition of the importance of internal control. For example, the board of directors sets the tone for business operations by adopting measures that are ethical, socially-responsible, and eco-friendly or any other policies that enable accountability, including publishing reports of greenhouse gas emissions, undertaking sustainable production processes or providing post-disaster relief to affected communities. In the 2018 shareholder meeting, ten directors and three independent directors were elected. Each of them understands and identifies with the Company's philosophy of management. Not only do they have a good grasp of the industry's ins and outs, but they also have years of experience in legal compliance, analysis of global political-economic trends, and international business / manufacturing management. In addition, the Company has also specifically designed courses for board members to ensure that high-level executives keep abreast of the latest developments in the ever-changing international competitive landscape and regulatory environment (e.g. laws on corporate governance).

For managers of vital positions, the Company has a well-established training program tied up with internal promotion. Besides, they are required to draw up an individual development plan (IDP) in accordance with the Company's operational goals and global strategies. The training's curriculum design is pivoted around a total of 13 critical competencies that each trainee is supposed to acquire as they progress through the program level by level. At each level, there are four competencies to master, with innovativeness as the core competency common to trainees of all levels. Based on their own IDP, employees can construct a learning map to navigate the training program. Meanwhile, staff's needs and requests are taken into consideration as courses are planned and designed. In addition, the annual performance review is used to reach a diagnosis of a staff member's capabilities and difficulties and match them to appropriate guidance and assistance for performance improvement.

For future executive successors, the Company organizes "New Century Executive Workshop," in which promising employees with outstanding track records can rapidly develop their readiness for potential leadership roles in various business segments by learning from seasoned leaders and working on case studies. Future leaders must build their leaderships on four major pillars, i.e. vision, growth, customer-centeredness and perseverance, adhere to core values, and place the focus of business operation on four dimensions—humanitarianism, innovation, customer relation, and operational excellence to achieve long-lasting prosperity in the industry and ensure sustainable development of the Company.

Note 3 : Assessment table of independence of Certified Public Accountant

Assessment table	Result	Independence? Y/N
1. Whether Certified Public Accountant has direct or significant indirect financial interests with the Company.	No	Y
2. Whether or not Certified Public Accountant has any financing or guarantees of conduct with the Company or the directors of the Company.	No	Y
3. Whether Certified Public Accountant has a close business relationship and potential employment relationship with the Company.	No	Y
4. Whether Certified Public Accountant or members of their audit team had any positions in the Company as directors, managers or significant influence on the audit in recent two years.	No	Y
5. Whether Certified Public Accountant has any non-audit services to the Company which may directly affect the audit work.	No	Y
6. Whether Certified Public Accountant has an intermediary to issue shares or other securities of the Company.	No	Y
7. Whether Certified Public Accountant has acted as the Company's defender or on behalf of the Company to coordinate conflicts with other third parties.	No	Y
8. Whether Certified Public Accountant has a kinship with the directors, managers of the Company or persons who have a significant influence on the audit work	No	Y

3.4 The Composition of the Remuneration Committee

a. Information of the Remuneration Committee Members

Role	Condition Name	With work experience for more than 5 years and the following professional qualification requirements			Conform to Independent (Note1)										Number of Other Public Companies in Which the Individual is Concurrently Serving as Remuneration Committee Member	Remarks
		An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a professional capacity that is necessary for company business	Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business	1	2	3	4	5	6	7	8	9	10		
Independent Director	Bing Shen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
	Johnsee Lee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
Others	J. W. Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-

Note 1: ✓ indicates qualified members during the two years before being elected or during the term of the appointment.

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or any of its affiliates. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding three subparagraphs.

(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Paragraph 1 or 2, Article 27 of the Company Act. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)

(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)

(7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent). (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (This requirement does not apply where the specific company or institution owns twenty percent or more but less than fifty percent of the company's outstanding shares, and the independent director serving concurrently in the Company and its' parent company or subsidiaries, or subsidiaries of the same parent company, is set up in accordance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local laws)

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation with the recent two years exceeds NT\$500,000. However, this restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who exercise powers to laws and regulations in association with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) Not been a person of any conditions defined in Article 30 of the Company Act.

Note 2: The scope of responsibilities of the Company's Remuneration Committee:

(1) Formulate and periodically examine the performance review, remuneration policy, system, standards, and structure for directors and managerial officers.

(2) Periodically evaluate and formulate the remuneration of directors and managerial officers.

Note 3: On 10 May, 2019, the Company changed a member of the Remuneration Committee to meet a majority of Remuneration Committee members shall be Independent Directors.

b. Executive Status of the Remuneration Committee:

The Company has established the Remuneration Committee on 19 August, 2011 and the number of the committee members is three. The tenure of current 4th term Remuneration Committee is from 10 August, 2018 to 28 June, 2021. In recent year, the Remuneration Committee held 3 times (A) and the attendance status of members is disclosed as follows:

Title	Name	Times of Attendance (B)	Times of Attendance by Proxy	Percentage of Attendance (%) (B/A)	Remark
Convener	Bing Shen	3	0	100%	-
Committee member	Johnsee Lee	3	0	100%	-
	J. W. Huang	3	0	100%	-

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Instances where discussion and results of resolution of the Remuneration Committee and the response to members' opinion:

Meeting Date (Term)	Mater to be discussed	Resolution	The response to members' opinion
23 Jan., 2019 The 2 nd meeting of the 4 th term	To discuss and approve the Company's annual performance evaluation and assessment form	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution
11 Mar., 2019 The 3 rd meeting of the 4 th term	To discuss and approve the 2018 Directors' remuneration and employees' compensation of the Company		The proposal is submitted to Board of Directors, and approved by all attending Directors.
19 Mar., 2020 The 4 th meeting of the 4 th term	To discuss and approve the 2019 Directors' remuneration and employees' compensation of the Company		

Other required disclosure:

- (1) If the Board does not adopt or amend the suggestions of the Remuneration Committee, date and term of the meeting, the agenda item, the resolution and the Company's disposition of the suggestions shall be specified. (If the remuneration passed by the board exceeds that proposed by the committee, the discrepancy and the reason therefor shall be specified.): None
- (2) If any of the Board members has expressed opposition or reservations to the resolution, which have been recorded or put in writing, the date and term of the meeting, the resolution, the view of each member and the disposition thereof shall be specified: None

3.5 Measures the Company Takes to Fulfill Corporate Social Responsibilities and Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons:

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
a. Does the Company conduct risk assessment of its operations regarding environmental, social and corporate governance issues based on the materiality principle and formulate risk-management policies or strategies?	V		The Company follows global vital issues regularly and based on the principle of materiality analyzes their impacts on the stakeholders in three aspects: environmental, social and corporate governance. Based on the results of the analysis, risk management measures are developed and subsequently presented at regular meetings for discussion with the highest relevant authority. The <i>2019 Analysis of Material Topics and Stakeholders</i> has been completed.	None
b. Does the Company have a dedicated (or ad-hoc) unit to promote CSR, which is authorized by the Board of Directors to handle senior-management level affairs and reports to the Board?	V		The Company instituted a functional CSR Committee in 2012. The committee is composed of four units, which mirrors the Company's four businesses, with unit members from different departments and divisions. There are three dedicated officers from the Corporate Staff Office who plan and promote CSR projects, whilst the committee members execute the projects, report on sustainability performance and communicate with stakeholders. There are 181 CSR committee members including a cross-unit Energy Task Force. FENC's subsidiary Far EastOne Telecommunications has established FET CSR Committee.	

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			The Company periodically reports on CSR implementations and results to the Board of Directors, totaling four times in 2019 in order to incorporate CSR as one of the Company's core values.	None
c. Environmental Issues (a) Has the Company established an appropriate environmental management system according to its industry characteristics?	V		In 2010, the Company and its subsidiaries set up a cross-subsidiary and inter-departmental "Energy Task Force," and set short, medium, and long-term goals of reduction in four areas in 2018, ranging from energy, water withdrawal, waste to air pollution. The Task Force addresses energy-related issues at the level of the Company's senior management. The team assesses the feasibility of various measures, implements appropriate projects and monitors the progress toward the goals. All these efforts are geared toward complying with government policies, mitigating the effects of global climate change, reducing greenhouse gas emissions, curtailing the consumption of energy and resources and fulfilling the Company's social responsibility of protecting our world's environment.	
(b) Is the Company committed to enhancing the efficiency of utilizing various resources and consuming recycled materials as feedstock to minimize the adverse impact on the environment?	V		Specific efforts that the Company and its subsidiaries make to conserve the environment include, but are not limited to, consuming recycled materials as feedstock, e.g. recycled PET bottles; re-utilizing the residuals from the production process as raw materials; collecting the residual fuel and the emission of heat and steam to reduce the consumption of energy; reclaiming water; and optimizing the production processes, which proves its commitment to improving the efficiency of resource utilization and minimizing energy wastage.	
(c) Has the Company assessed present and future risks and opportunities which climate change brings about and undertaken any response measures?	V		1. The Company takes the issue of climate change very seriously, conducting an assessment of climate-related risks/opportunities and corresponding response measures for each of its businesses and production sites in accordance with the framework of TCFD issued by FSB. The impact of climate events on its business operations is measured in quantified terms.	

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Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(d) Does the Company keep track of its greenhouse gas emissions, water use, and waste quantity in the past two years? Does it have any policy in place that aims to conserve energy and reduce carbon emissions, water use and waste production?			2. FENC's subsidiaries and each of its production sites adopt appropriate risk-management measures in compliance with local governments' regulations on greenhouse gas emissions (e.g. Shanghai's carbon trading scheme). The members of Energy Task Force at each production site, together with relevant personnel, discuss, institute, implement and review policies. For example, a meeting is held monthly to review energy consumption, evaluate the progress toward conservation goals and examine carbon emission reduction projects.	None
	V		<p>1. In 2010, a cross-subsidiary and inter-departmental "Energy Task Force" was established. In 2018, short, mid and long-term goals were set for reductions in energy consumption, water withdrawal, waste and air pollution emissions.</p> <p>2. To keep the environment sustainable for future generations by implementing energy conservation projects, the Company first set aside a special budget of NT\$2 billion for energy conservation in 2010, and again in 2017. Production facilities have been invited to propose innovative solutions and apply for funding.</p> <p>3. The Company has developed a comprehensive inventory of greenhouse gas emissions and performed verifications. Hsinpu Chemical Fiber Plant and Kuanyin Chemical Fiber Plant aim to reduce emissions by 2% every year. FENC's subsidiary, FET has established an energy management committee and related policies to promote energy conservation.</p> <p>4. The greenhouse gas (GHG) emissions by the 15 production sites of the Company and its subsidiaries around the world totaled 1,792 kt-CO₂e and 1,953 kt-CO₂e respectively in 2018 and 2019. In 2019, FENC's total GHG emissions amounted to 725 kt-CO₂e.</p>	

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			<p>5. Production sites which were verified under the standards of ISO 14064-1, etc. for GHG inventories in 2018 include Oriental Petrochemical (Taiwan), Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant, Far Eastern Fibertech, Hukou Mill, Oriental Petrochemical (Shanghai), Far Eastern Industries (Shanghai), and Wuhan Far Eastern New Material.</p> <p>6. Production sites which were verified under the standards of ISO 14064-1, etc. for GHG inventories in 2019 include Oriental Petrochemical (Taiwan), Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant, Oriental Petrochemical (Shanghai), and Far Eastern Industries (Shanghai). The water withdrawal by the Company's production facilities and its subsidiaries around the world totaled 19.348 million m³ and 23.037 million m³ in 2018 and 2019 respectively; the water consumption amounted to 9.311 million m³ in 2018 and 11.156 million m³ in 2019. Water consumption is the difference between water withdrawal and water discharge, consisting of mainly the amount which evaporates in the cooling tower and a small quantity lost in the course of production. The increase in water withdrawal and water consumption over the year stemmed from increased production volumes and establishments of new production sites.</p> <p>7. The waste produced by the Company's production facilities and its subsidiaries around the world totaled 115,700 tons in 2018 and 148,803 tons in 2019. The increase in the amount of waste over the year stemmed from increased production volumes and establishments of new production sites.</p>	None
d. Social Issues (a) Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights?	V		The Company is devoted to protect the employees' basic human rights, follow relevant labor laws and regulations, and support and voluntarily comply with international human rights treaties, including the International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights and The UN Global Compact.	

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Item	Implementation Status			Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			In order to guarantee the employees' human rights, the Company provides 2~4 hours training on human rights and labor related regulations for new hires, and conducts regular updates on employee codes and corporate values. For instance, review all overtime and hours reports on a monthly basis; if there are any irregularities and violations, the Group will ensure compliance with relevant human rights standards through investigation and follow ups. The Company conducted training for managers who dealt with human rights affairs in various production sites, and signed human rights policies to determine for human rights.	None
(b) Has the Company established and adopted reasonable employee welfare measures (e.g. bonuses and salaries, leaves, and other benefits), and had employee bonuses and salaries adequately reflect its operation performance or results?	V		The Company provides an incentive variable compensation system based on individual and organizational performance in accordance with the Articles of Incorporation that a portion of the company's net profits shall be paid to employees. The Company participates in the salary survey held by the industry consulting firms every year, grasps the market salary dynamics, carries on the appropriate adjustment, and achieves the talent retention benefit. Please refer to page 84 for staff welfare measures.	
(c) Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?	V		In order to construct a safe working environment that benefits both sides of the industrial relationship, the Company has undertaken several measures: Maintaining safe working conditions: requiring stringent safety and health standards starting from the purchasing of machinery, tools, and materials, as well as stringent supervision during the installation of machinery and tools; periodic inspection of various production environments according to the law, and any condition that does not meet the standard will be immediately excluded or modified; appropriate protective equipment will be set up depending on the risk factors associated with the workplace; Maintaining the health of employees: in addition to conducting health checkups to prevent workplace hazards in accordance with the government regulations, the Company also routinely arranges health checkups for its employees and collaborates with the Group's hospital to undertake healthcare management depending on the results of the checkups. Each plant is equipped with the required medication,	

Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			healthcare materials and simple medical supplies; some plants have also contracted doctors and medical personnel to provide routine services.	None
(d) Has the Company established an effective career developmental plan for its employees?	V		The Company and its subsidiaries value the educational training and career development of its employees. In addition to offering managerial capability training to its employees, such as corporate management and factory management courses, the Company has also planned systematic and on-going basis programs to facilitate employees in pursuing further education that enhance their competencies and strengthen individual and corporate competitiveness.	
(e) Has the Company protected the customers of its products or services in terms of their health, safety and privacy and conduct marketing and labeling in compliance with relevant regulations, laws and international standards? Has it had in place consumer protection policies and a customer complaint process?	V		The Company and its subsidiaries ensure that products and service quality are in compliance with government regulations and industry standards. The Company has implemented "Customer Quality Complaint Handling Standards," and handles written complaints from clients or via electronic means. The corporate website also offers a newsletter, and an email facility is in place to receive feedback. These measures allow customers to quickly grasp significant information on the Company and to immediately provide feedback should there be problems.	
(f) Has the Company had a supplier management policy and required all its suppliers be compliant with laws and regulations on environmental protection, occupational safety & health, and labor rights and verified their compliance?	V		The Company and its subsidiaries have in place "Code of Ethics", "Supplier Code of Conduct" and "Supplier CSR Commitment Statement," which specifically sets forth principles and expectations regarding ethics, compliance, health, human rights, safety and security. Suppliers' evaluation records are used as a reference in supplier selection process.	
e. Does the Company compile a CSR report in accordance with international reporting standards for disclosure of non-financial information? Is the report externally accredited or assured by an independent third party?	V		The "2019 Corporate Social Responsibility Report" published by the Company was written in accordance with the AA1000 standards and the requirements of the Global Reporting Initiative (GRI) Standard Comprehensive Option. This report has been assured by the third party SGS Taiwan at a Type 1, Moderate level assurance.	
f. If the company has set up the principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference: To develop the economy, society and environment in a balanced and sustainable manner, the Company and its subsidiary, Far EasTone, have implemented the CSR policies with the Board's approval. The Company endeavors to fulfill its social responsibilities through research and development in eco-friendly products, participating in philanthropic activities and pursuing environmental certification. In addition, the Company mobilizes its resources to strengthen corporate governance, promote environmental protection and give back to society. Information about the efforts is available on the Company's website and the M.O.P.S website operated by the Taiwan Stock Exchange.				

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Item	Implementation Status			Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
g. Please state any other important information that would facilitate better understanding of the Company's status in fulfilling corporate social responsibilities:				
(a) Working environment and employee safety precautions (Please refer to page 86-87)				
(b) Environment protection regulations, measures, and compliance				
(1) Sustainability policy				
i. Compliance with related laws and regulations				
ii. Continuing improving manufacturing process to prevent and control pollution				
iii. Reducing industrial waste to increase energy and resource efficiency.				
iv. Conducting training to raise employees' environmental awareness and help them improve skills to protect the environment				
v. Continuing recycling and raising the public's environmental awareness				
vi. Communicating our environmental achievement to stakeholders properly				
(2) The Company is dedicated in conserving the global environment through the following ways:				
i. <u>Reduce</u> : Minimize the resourced used during the manufacturing process and make our products lighter				
ii. <u>Recycle</u> : Develop and refine recycling technologies, increase the scale of recycling and use recycled materials in our products to protect the environment				
iii. <u>Replace</u> : Use non-food crops and waste as materials to develop our products so as to reduce our reliance on fossil fuels.				
As the leader in green polyester in the industry, FENC has continued to invest in development of forward-looking and sustainable green products, provide green solutions that emphasize recycling and reduction of resource consumption. In 2019, green products brought in a revenue of NT\$34.75 billion, a growth of 2% from the year before.				
(3) Material results				
i. We have incorporated the prevailing concept of "earthwork balance" in the ongoing construction of Tpark and recycled water resources at the park to protect the ecology. In order to be more eco-friendly, green space is added to this high-tech park.				
ii. In order to conserve energy comprehensively, the Company has implemented various projects to reduce the use of fuel oil, electricity, natural gas and coal water mixture. In 2019, the Company implemented a total of 74 projects to reduce 498TJ of energy consumption and 74,151 t-CO ₂ e of emissions, which saved a total of NT\$50.08 million/year.				
(c) Community welfare, social services, and social welfare:				
The Company contributes to society through participation in Environmental Protection, Art & Culture, Technology, Education, and Athletics. They are described as follows:				
(1) <u>Environmental Protection</u> : In 2019, the Company participated in 50 events for community and beach cleaning. On June 15, a total of 250 employees and their families joined in Taoyuan City Government's "World Ocean Day" event at Yongan Fishing Harbor to clean the beach. After the event, the Company produced 400 pieces of recycled PET garments from 200 kilograms of wasted PET bottles collected from the beach, so as to create new value for marine wastes.				
(2) <u>Art & Culture</u> : We organize Far Eastern Architectural Design Awards annually, which is composed of several awards, including Far Eastern Outstanding Architectural Design Award, Special Award for Heritage Reborn, Shinjinsen in Taiwan – Far Eastern Architectural Young Talent Award as well as events such as the Exhibition of Far Eastern Architectural Young Talent and Far Eastern International Architecture Seminar and events.				
(3) <u>Technology</u> : We organize Y. Z. Hsu Science Award annually to reward people who have achieved technological innovation, and also sponsor various tech-related research projects and events.				
(4) <u>Education</u> : We organize Y. Z. Hsu Competition – Taiwan Young Student Physicists' Tournament annually. The winners of this competition will participate in the International Young Physicists' Tournament on behalf of Taiwan. The "Y.Z. Hsu Innovation Forum" is held wherein winners of "Y. Z. Hsu Science Award" in the roles of speakers and discussants share research results and experiences to inspire brilliant young minds to fulfill their ambitions in the tech industry.				
(5) <u>Athletics</u> : In 2019, the Company launched a charity campaign called "70 Years of Love, FE HAPPY GO," which invites the public's participation in charity by walking 7,000 steps a day. An estimate 660,000 people nationwide took part and 6.5 billion steps in total were walked, which translated into the Company's donations to Junyi Academy Foundation and Digital Learning Resource Center in New Taipei City. In 2019, the Company sponsored 20,000 running shirts made of recycled PET bottles for NGC Earth Day Run. Hsinpu Chemical Fiber Plant holds the annual FENC Classic Marathon, which incorporates a lot of local cultural elements and invites local people from Hsinchu to participate in the event. Every year, thousands of runners sign up for this marathon, which has become one of the most important events to runners in the country. It marked its 11 th anniversary in 2019 and was attended by 6,201 contestants.				

3.6 Measures the Company Takes to Fulfill Code of Business Conduct Policy and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons

Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
a. Establishment of Business Conduct Policy and Plans				
(a) Has the Company established business conduct policy approved by the Board, and also demonstrated the policy and practice in the corporate guidelines and external documents? Have the Board of Directors and management committed to actively implement such policy?	V		The Company and its subsidiary, Far EasTone, have established “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management”. In order to promote awareness, the policies are available for access through channels such as intranet, company publications, facility labels and various meetings, etc. All employees are required and trained to comply with our “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management” throughout daily operations.	None
(b) Has the Company established measures for evaluating unethical conduct risks? Has the Company taken any precautionary measures regularly to prevent corruption or high-risk illegal business activities, at least covering the precautionary measures of Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”?	V		The procedures and guidelines of the Company and its subsidiaries should at least contain the following matters: (1) Standards for determining if improper benefits have been offered or accepted. (2) Procedures for offering legitimate political donations. (3) Procedures and the standard amounts for offering charitable donations or sponsorship. (4) Rules for avoiding work-related conflicts of interests, and how such conflicts be reported and handled. (5) Rules for preserving confidentiality of trade secrets and business sensitive information obtained in the ordinary course of business. (6) Regulations and procedures for dealing with vendors, clients, and business transaction counterparties suspected of Misconducts. (7) Operational procedures for violations of “Best Practice Principles of Ethical Corporate Management”. (8) Disciplinary measures for offenders.	
(c) Has the Company established and implemented an unethical conduct prevention plan, which stipulates operational processes, provides guidelines for conduct, discipline for violations of rules and an appeal system, as well as reviewed and amended the aforesaid plan regularly?	V		To establish an ethical corporate culture and to prevent unethical conduct, the Company hosts education/training seminars periodically for its employees and to remind the stakeholders of the Company to follow and respect the moral and ethical standards of the Company. Related procedures and standards are reviewed and amended regularly, and disclosed on the Company’s website (www.fenc.com).	

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Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
b. Implementation of the Code of Business Conduct (a) Does the Company evaluate the ethical conduct records of its counterparties and specify “Ethical clauses” in business contracts?	V		1. The Company and its subsidiaries require that suppliers provide the assurance to comply with its rules regarding social activities, such as entertainment and the offering of gifts. If such rules are violated, all rights and cooperation with the supplier will be terminated. 2. The Company's subsidiary, Far EasTone, also requires suppliers to sign “Code of Conduct for Far EasTone Supplier Chain Social Responsibility” within the commercial document data sheet provided to suppliers as a way of encouraging all stakeholders to comply and respect with Far EasTone's “Ethical Corporate Management Best Practice Principles”.	
(b) Has the Company established dedicated units under the supervision of the Board of Directors to promote corporate ethical management and which regularly (at least once a year) report to the Board on their implementation status?	V		1. The Company has set up “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management” and incorporated them into employment guidelines. Regarding the Legal Department, the “Legal Compliance Team” is established to promote and conduct corporate ethical management, including “Business Corruption Self-Assessments”, during quarterly compliance reviews. The implementation status is subsequently reported to the Board of Directors. 2. The Human Resource Department of the Company's subsidiary, Far EasTone, is the unit responsible for encouraging ethical management and regularly reports the status of its implementation to the Board of Directors yearly.	
(c) Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?	V		1. The Company abides by the principle of zero-tolerance for malpractices. If an employee of the Company takes advantage of his/her position in the Company to advance his/her or a third party's interests, and such actions lead the Company to incur losses by any means, the employee not only will be discharged from the Company, but also will be required to unconditionally compensate the Company for any losses caused. 2. Any of the Company employees found to be in violation of the ethical management rules shall be disciplined in accordance with the reward and disciplinary rules of the Company,	

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
			subject to the severity of the case. Once discharged from the Company, such a person is not allowed to ever be re-employed by the Company or by any of its affiliates. 3. The Company has an appeal system in place to provide those who violate the rules with a channel to appeal for remedy, subject to the related rules.	
(d) Does the Company establish an effective operation of the accounting and internal control systems to thoroughly implement ethical corporate management, and have the internal audit unit formulating audit plans based on the assessment of unethical conduct risk to audit the compliance status of the preventive measures accordingly? Or does the Company appoint CPAs to perform the audits?	V		The Company has set up rigorous accounting systems and dedicated Accounting department. Financial statements are audited (or reviewed) by CPA and announced in compliance with legal requirement to ensure the accuracy and transparency of the financial information. At the Company, apart from establishing the Audit Department and related internal audit systems, we review and revise these systems periodically to ensure their effectiveness, so as to enforce the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and "Best Practice Principles of Ethical Corporate Management". Internal auditors of the Company shall also periodically examine the results of compliance with the foregoing, and quarterly prepare audit reports submitted to the Board of Directors and the Audit Committee.	None
(e) Does the Company periodically conduct internal and external training on ethical management?	V		1. To instill an ethical corporate culture and prevent misconduct behaviors, our Company undertakes educational trainings for the employees, totaling 4 sessions in 2019. To our stakeholders, we put in effort to promote compliance with ethical and integrity standards. The relevant regulations, guidelines and operational procedures are publicly-disclosed on the Company's website (www.fenc.com). 2. Our subsidiary, Far EasTone, makes use of e-Paper to conduct educational training on "The Code of Ethics" & "The Code of Business Conduct".	
c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct. (a) Has the Company established a specific complaints and rewards system through convenient channels for lodging complaints? And does the Company assign dedicated personnel to attend to the matter?	V		1. FENC has multiple communication channels for stakeholders to report instances of misconduct, such as bribery and corruption. There are measures in place to conduct independent investigation into the alleged misconduct and escalate the matter to higher levels of authority. The company's suppliers, clients and stakeholders can file a complaint via	

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Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
			email to the Supplier Team of the FEG Purchasing Department, the contact of each division or the Audit Committee and Audit Department. More contact information is provided in the stakeholders' section on the Company's website (www.fenc.com). 2. For complaints that do not specify the details of procurement malpractices, FENC will audit the scope of the matter that is related to the complaint. If internal control defects and management issues are found, a remedy will be proposed immediately. At the same time, disciplinary action for those responsible for the misconduct will be proposed.	None
(b) Has the Company established standard operating procedures for investigating, measures to be taken upon completion of the investigation, and relevant confidentiality mechanism for the cases reported?	V		The Company established "The Whistle-Blowing and Disciplinary Method of Violating Ethical Conduct and Ethical Management", which includes the whistle-blowing procedures, the procedures for accepting whistle-blowing cases, the measures to be taken upon completion of the investigation, and relevant confidentiality mechanisms for the reported cases.	
(c) Does the Company adopt measures to protect whistle-blowers from reprisals for having filed the complaint report?	V		According to the Company's "Code of Ethics", the Company ensures that the whistle-blower's identity and the contents of the complaint are kept confidential in order to protect the whistle-blower from retaliation for having filed the complaint. For all the related contents are verified by independent channels to protect the whistle blower.	
d. Improvements in Information Disclosure Does the Company disclose the principle and the practice of business conduct related information on the corporate website and M.O.P.S. website operated by the Taiwan Stock Exchange?	V		The Company and its subsidiary, Far EasTone, have set up multiple-language (traditional Chinese/simplified Chinese/English) websites to disclose the related information on “Best Practice Principles of Ethical Corporate Management”.	
e. If the Company has established its own guidelines for the “Code of Business Conduct” according to Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please state the discrepancies (if any) between actual operation and policy: None				
f. Other important information revealing the Company's ethical operations (e.g. review and revision of the Company's code of business conduct): The Code of Procurement is added to the FENC's procurement system to provide important information, such as the Company's prohibition of child labor, bribery and corruption as well as laws and regulations related to environmental protection, in order to ensure compliance from suppliers. The Company also provides suppliers with an avenue to lodge a complaint if any of their rights and interests is harmed in the procurement process. Both the Company's employees and the Company's suppliers are observed in high-standard code of ethics. Suppliers bribing the Company's employees or the Company's employees asking bribes from suppliers shall be referred to a court of law.				

3.7 Methods for Searching the Rules and Relevant Regulations of Corporate Governance

The Company's website: www.fenc.com, subsidiary Far EasTone's website: www.fetnet.net, and the Market Operation Observe System by the Taiwan Stock Exchange: <http://mops.twse.com.tw/>

3.8 Others

3.8.1 Directors of the Company shall exercise a high degree of self-discipline. A director may present his/her opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the Company. The Company's appointed personnel will review and revise accounting and internal audit systems periodically to ensure their effectiveness and prepare audit reports to be submitted to the Board of Directors. "Sincerity, Diligence, Thrift, Prudence and Innovation" is the motto of the Company, and also the code of conducts for each employee of the Company.

3.8.2 Employee Rights and Interests, Employee Care: (Please refer to page 84)

3.8.3 Investor Relations, Vendor Relations and Rights of Interest-conflicting Parties: (Please refer to page 34)

3.8.4 Risk Management Policies and Risk Measurement Standard Implementation Progress: (Please refer to page 127)

a. Company's risk management organization:

(a) Risk precaution system oversees the risk items covered by the administrative units' operation. Each risk item is prioritized with trackable leading indicators and countermeasures, and each countermeasure is scheduled for the review timeline and assigned with in-charges and coordinators. The Corporate Management convenes the risk management meeting monthly, reviews execution performance cross units, and continually improves and optimizes the aforementioned system.

(b) Established the "Credit Committee": the committee is in charge of the review of the credit situation of domestic and foreign customers, and decides the credit ratings and credit allowances for such customers based on the review results. The committee is also in charge of the continual monitor and control of each credit account and account receivables, in order to achieve the target of "zero bad debt".

(c) Established the "The Supervisory Committee of Information Safety": the committee is in charge of preventing business information from being misappropriated or being released to irrelevant parties.

b. The Company has obtained the approval of the "Procedures for Handling Material Inside Information" in the 5th Board Meeting of the 20th term on Dec. 21, 2009 and proceeded to promote as follows:

(a) Provide "Procedures for Handling Material Inside Information" to new managers upon signing the security agreement.

(b) The Company promotes the "Procedures for Handling Material Inside Information", and the "Insider Trading" related information posted on TWSE website to remind managers upon the declaration of shareholding variation.

(c) The Company's employees and managers have to sign a security agreement upon coming on board and be aware of the Company's "Procedures for Handling Material Inside Information".

3.8.5 Customer Policy Implementation Progress: (Please refer to page 43)

3.8.6 The Company's purchase of liability insurance for Directors: the Company purchases liability insurance for the Company's directors, in order to reduce their risk of legal and financial liabilities that may arise during day to day operations. (The related report has been submitted to the Board meeting on 24 Mar 2020)

Corporate Governance Report

3.8.7 Professional licenses granted to those who are responsible for the financial information transparency of the Company and its subsidiaries by regulatory authorities:

Category	Licenses	The Company	Subsidiaries
Accounting / Taxation	CPA ROC	17	11
	CPA China	1	2
	CPA USA	3	4
	CIA	5	5
	CPB	13	4
Finance	CFA	2	1
	Securities Investment Analyst	3	3
	Senior Securities Specialist	16	5
	Futures Specialist	4	4
	Foreign Exchange Trading Personnel	2	2
	Trust Specialist	11	11
	Financial Planning Personnel	7	3
Real Estate	Realtor	-	2
	Land Administration Agent	-	2
Insurance	Non-Life Insurance Broker	-	1
	Non-Life Insurance Salesman	5	4
Labor Safety	CISA	1	3

3.8.8 Training for Board of Directors, Presidents, Executive Vice Presidents, and Chief Corporate Governance Officer:

Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
Chairman	Douglas Tong Hsu	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Directors	Johnny Hsi	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	From the Bitcoins to see the Corporate Corruption & Information Security Issues	3
	Shaw Y. Wang	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Raymond Hsu	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Peter Hsu	2 Aug 19	2 Aug 19	Taiwan Corporate Governance Association	Cloud Computing: the Benefit and the Risk	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		8 May 19	8 May 19	Taiwan Corporate Governance Association	Critical Issues in Corporate Governance for Conglomerates	3

Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
Directors	Tonia Katherine Hsu	2 Aug 19	2 Aug 19	Taiwan Corporate Governance Association	Cloud Computing: the Benefit and the Risk	3
		8 May 19	8 May 19	Taiwan Corporate Governance Association	Critical Issues in Corporate Governance for Conglomerates	3
	Richard Yang	21 Jun 19	21 Jun 19	Taiwan Corporate Governance Association	Value and Disclosure of Corporate Non-financial Performance - Global Trends and Impact on Taiwanese Corporates	3
		14 Jun 19	14 Jun 19	Taiwan Corporate Governance Association	How do Directors and Supervisors Oversee the Company to Detect and Prevent Fraud and Establish Whistle-blower System to Strengthen Corporate Governance	3
	Kwan-Tao Li	10 Dec 19	10 Dec 19	Taiwan Corporate Governance Association	The Influence of Economic Substance Act and Global Anti-tax Avoidance on Corporate Governance from the Perspectives of Directors and Supervisors	3
		14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Alice Hsu	27 Sep 19	27 Sep 19	Taiwan Corporate Governance Association	Introduction of Legal Due Diligence and Business Contracts for Mergers and Acquisitions	3
		20 Sep 19	20 Sep 19	Taiwan Corporate Governance Association	The Influence of Economic Substance Act and Global Anti-tax Avoidance on Corporate Governance from the Perspectives of Directors and Supervisors	3
	Champion Lee	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		2 Aug 19	2 Aug 19	Taiwan Corporate Governance Association	Cloud Computing: the Benefit and the Risk	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Independent Directors	Bing Shen	2 Aug 19	2 Aug 19	Securities & Futures Institute	Directors, Supervisors (Including Independent), and Chief Corporate Governance Officer on Board Practices Forum	3
		3 May 19	3 May 19	Taiwan Corporate Governance Association	Trend of Sustainable Decision Making – TCFD Climate Related Financial Disclosure	3
	Johnsee Lee	7 Aug 19	7 Aug 19	Taiwan Corporate Governance Association	The Tax Duty Impact and Strategy to the Corporates for US-China Trade War	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Raymond R.M. Tai	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		22 Feb 19	22 Feb 19	Taiwan Corporate Governance Association	Seminar: Embracing Corporate Governance to Uplift the Long Term Values	3
President	Eric Hu	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Y.H. Tseng	22 Dec 14	22 Dec 14	Taiwan Corporate Governance Association	Trend of CSR and Sustainable Governance	3
		22 Dec 14	22 Dec 14	Taiwan Corporate Governance Association	Trend of CSR and Sustainable Governance	3

Corporate Governance Report

Title	Name	Study Date		Sponsoring Organization	Name of the Course	Study hours
		From	To			
President	K.S. Wu	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Humphrey Cheng	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Chief Auditor	Chun Min Ho	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
	Y.C. Yuan	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Executive Vice President	Alan Tsai	11 Sep 19	11 Sep 19	Accounting Research and Development Foundation	The Key Role and Legal Liability of "Perjury" in Economic Crimes	3
		26 Apr 19	26 Apr 19	Accounting Research and Development Foundation	The Tax Perspective for Taiwanese Corporates to Transfer Production Capacity to other Countries	3
		26 Apr 19	26 Apr 19	Accounting Research and Development Foundation	The Impact and Strategy to the Latest Major Changes in Income Tax and Business Tax on Operations	3
		15 Mar 19	15 Mar 19	Accounting Research and Development Foundation	Case Study & Analysis: Key Revisions and Common Deficiencies in Compliance with IFRS Reporting	3
	Fanny Liao	14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
Chief Corporate Governance Officer	Li-Chi Chen	24 Dec 19	24 Dec 19	Taiwan Corporate Governance Association	Legal Risk and Crisis Management on Business Operation	3
		20 Dec 19	20 Dec 19	Taiwan Corporate Governance Association	Digital Resilience Practices - Directors, Supervisors, and Senior Management's Contingency Capability	3
		19 Nov 19	19 Nov 19	Taiwan Stock Exchange	Orientation for Effectively Executing the Competency of Directors	3
		18 Nov 19	18 Nov 19	Taiwan Securities Association	Risk Trend on Domestic and Foreign Laws and Regulations in Prevention of Money Laundering and the Fight Against Information Terrorism	3
		14 Nov 19	14 Nov 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3
		23 Jul 19	23 Jul 19	Taiwan Academy of Banking and Finance	Corporate Governance – the Practice of Board of Directors	3

3.9 In Recent Years until the Annual Report Being Published, Violation of Internal Control Policies by Employees: None

3.11 Internal Control System Execution Status

3.10.1 Internal Control Report

Far Eastern New Century Corporation Internal Control Statement

Date: 24 March 2020

Far Eastern New Century Corporation (the Company) states the following with regard to its internal control system during 2019, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws, and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as at 31 December, 2019 its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws, and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of Far Eastern New Century Corporation's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on 24 March 2020, where none of the 12 attending directors expressed dissenting opinions, all affirmed the content of this Statement.

Far Eastern New Century Corporation

Chairman: Douglas Tong Hsu

Corporate Management President: Humphrey Cheng



3.10.2 The investigative report of Entrusting CPA to examine the internal control system: None.

Corporate Governance Report

3.11 In Recent Years until the Annual Report Being Published, Major Resolutions of Shareholders' Meeting and Board Meetings:

3.11.1 Shareholders' Meeting

	Date	Resolutions of Shareholders' Meeting	Execution
2019 Annual General Shareholders' Meeting	June 28, 2019	Reporting items: 2018 business operations 2018 financial statements The Audit Committee's review report of 2018 business operations and financial statements 2018 employees' compensation and Directors' remuneration Information of the corporate bonds issued in 2018	Not applicable
		Approval items: To accept 2018 business report and financial statements To approve the proposal for distribution of 2018 profits Proposed item & elections of Directors: To approve amending the company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation" To approve amending the company bylaw of "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation" To approve amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation" To elect an Independent Director for Far Eastern New Century Corporation	27 July 2019 was settled as the ex-dividend date, and cash dividend was distributed on 16 August 2019. In accordance with the amended procedures, the newly elected Independent Director had been approved by the Department of Commerce, MOEA on 19 July 2019, and renewed on the Company's website as well.

3.11.2 Board Meetings

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
4 th Board Meeting of the 23 rd term	March 22, 2019	1. Approved 2018 employees' compensation and Directors' remuneration.	V	All presented Independent Directors approved
		2. Approved 2018 financial statements (including consolidated & stand-alone) & CPA appointment	V	
		3. Approved the proposal for distribution of 2018 profits.	V	
		4. Approved to elect an Independent Director of Far Eastern New Century Corporation.		
		5. Approved the amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"	V	
		6. Approved the amending the company bylaw of "Procedures for Lending of Capital to Others of Far Eastern New Century Corporation"	V	
		7. Approved the amending the company bylaw of "Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation"	V	
		8. Approved the proposal of convening 2019 Annual General Shareholders' Meeting.		
		9. Approved the proposal for 2019 operating budget and capital expenditure budget.		
		10. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary.	V	
		11. Approved the declaration of internal control system of Far Eastern New Century Corporation.	V	
5 th Board Meeting of the 23 rd term	May 10, 2019	1. Approved the candidate list of the Company's Independent Director nominees	V	
		2. Approved 2018 business operation	V	
		3. Approved amending the company bylaw of "Corporate Governance Principles", "Meeting Rules of Board of Directors", "Audit Committee Charter" and "Remuneration Committee Charter"	V	
		4. Approved the member change of the Remuneration Committee	V	
		5. Approved the appointment of the Chief Corporate Governance Officer	V	
		6. Approved the co-developed property project with the subsidiary		

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
		7. Approved the issuance of unsecured corporate bonds 8. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary. 9. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd. 10. Approved amending the company bylaw of "Internal Audit Implementation Rules"	V V V	
6 th Board Meeting of the 23 rd term	August 9, 2019	1. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary. 2. Approved the indirect investment in China. 3. Approved amending the Company bylaw of "Board Performance Evaluation Rules" 4. Approved amending the internal audit implementation rules of Far Eastern New Century Corporation	V V V V	
7 th Board Meeting of the 23 rd term	November 8, 2019	1. Approved the issuance of corporate bonds. 2. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary. 3. Approved the 2019 Audit Plan review and the 2020 Audit Plan	V V V	
8 th Board Meeting of the 23 rd term	March 24, 2020	1. Approved 2019 employees' compensation and Directors' remuneration. 2. Approved 2019 financial statements (including consolidated & stand-alone) 3. Approved the proposal for distribution of 2019 profits. 4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation" 5. Approved amending the company bylaw of "Meeting Rules of Stockholders for Far Eastern New Century Corporation" 6. Approved amending the company bylaw of "Best Practice Principles of Ethical Corporate Management for Far Eastern New Century Corporation" 7. Approved the proposal of convening 2020 Annual General Shareholders' Meeting 8. Approved amending the accounting policies, internal control system, and internal audit implementation rules of Far Eastern New Century Corporation 9. Approved the proposal for 2020 operating budget and capital expenditure budget. 10. Approve the release of the Chief Accounting Officer from the non-competition restrictions 11. Approved the issuance of corporate bonds. 12. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary. 13. Approved the declaration of internal control system of Far Eastern New Century Corporation.	V V V V V V V V V V V V	
9 th Board Meeting of the 23 rd term	May 12, 2020	1. Approved the guarantees of Yuan Ding Investment Co., Ltd. to the Company's subsidiary 2. Approved 2019 business operation	V V	

3.12 In recent years until the annual report being published, Dissenting Comments on Major BOD Resolutions from Directors and Supervisors: None

3.13 Resignation or Dismissal of Personnel Involved in Preparation of Financial Reports:

Title	Name	Date effective	Date dismissed	Reason for dismissal
Chief R&D Officer	Ru-yu Wu	2005.01.01	2020.01.02	Retired
Chief Operating Officer	C.Y. Dai	2012.07.01	2020.01.02	Retired

Corporate Governance Report

4. Audit Fees

4.1 Information of Audit Fees

4.1.1 Information of CPAs

Accounting Firm	Name of CPA		Audit Period	Note
Deloitte & Touche	Jing-Bin Shih	Cheng-Hung Kuo	1 Jan 2019 –31 Dec 2019	None

4.1.2 Audit Fees

Amount (NT\$)		Item	Audit Fee	Non-audit Fee	Total
1	Under 1,999,999			V	
2	2,000,000 ~ 3,999,999				
3	4,000,000 ~ 5,999,999				
4	6,000,000 ~ 7,999,999				
5	8,000,000 ~ 9,999,999		V		V
6	10,000,000 and over				

Unit: NT\$ thousands

Accounting Firm	Name of CPA		Audit Fee	Non-audit Fee					Audit period
				System Design	Registration	Human Resource	Other (Note)	Total	
Deloitte & Touche	Jing-Bin Shih	Cheng-Hung Kuo	8,450	-	15	-	896	911	1 Jan 2019 – 31 Dec 2019

Note: Service fees for corporate bonds issuance, business tax of dual-status business entities applying the direct deduction method, full time non-supervisory level employee salary, information security consultancy, disbursement fee, etc.

4.2 In the Event that the CPA Firm is Changed and the Audit Fees Paid in the Year When the CPA Firm is Less than that Paid in the Preceding Year, Reduction of the Audit Fees, Percentage and Causes: None

4.3 In the Event that the Audit Fees Reduced by 15% Compared with that was Charged in the Preceding Year, Reduction of Audit Fees, Percentage and Causes: None

5. Information for Change of CPA

None

6. The Company's Chairman, Presidents, and Managers Responsible for Finance or Accounting Who Have Held A Position in the CPA Office or its Affiliates Within the Latest Year

None

7. Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of the Company Shares or More

7.1 Shareholding Variation

Unit: Shares

Title	Name	2019		From Jan 1 2020 to May 1 2020	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Chairman	Douglas Tong Hsu	-	-	-	-
Vice Chairman	Johnny Hsi	-	-	-	-
Vice Chairman	Peter Hsu	-	-	-	-
Director	Asia Cement Corporation	-	-	-	-
	Shaw Y. Wang	-	-	-	-
	Raymond Hsu	-	-	-	-
	Far Eastern Department Stores Ltd.	-	-	-	-
	Richard Yang	-	-	-	-
	Tonia Katherine Hsu	-	-	-	-
	U-Ming Marine Transport Corporation	-	-	-	-
	Kwan-Tao Li	-	-	-	-
	Alice Hsu	-	-	-	-
	Yue Ding Industries Co., Ltd.	3,520,000	-	-	-
	Champion Lee	-	-	-	-
	Bing Shen	-	-	-	-
	Johnsee Lee	-	-	-	-
	Raymond R.M. Tai	-	-	-	-
Manager	K.S. Wu	-	-	-	-
	Y. H. Tseng	-	-	-	-
	Eric Hu	(82)	-	-	-
	Humphrey Cheng	-	-	-	-
	Donald Fan	(35,000)	-	-	-
	B.C. Chang	-	-	-	-
	Judy Lee	-	-	-	-
	Raymond Hsu	-	-	-	-
	Chum Min Ho	-	-	-	-
	Y.C. Yuan	-	-	-	-
	David Wang	-	-	-	-
	Alan Tsai	-	-	-	-
	Emily Wu	-	-	-	-
	Fanny Liao	-	-	-	-
	M.Y. Yeh	-	-	-	-
	M.J. Wu	-	-	-	-
	Mingo A. Chen	-	-	-	-
	Jackson Wu	-	-	-	-
	Allen Sha	-	-	-	-
	Y.L. Chen	-	-	-	-
	Y.S. Yang	-	-	-	-
	Mark Lu	-	-	-	-
	Rebecca Huang	-	-	-	-
	Davis Dai	-	-	-	-
	Liang-Wei Hsu	-	-	-	-
	Jenny Ho	-	-	-	-
	Carol Wang	-	-	-	-
	Yu-Sheng Lin	-	-	-	-
	Li Chi Chen	-	-	-	-
	C.Y. Lin	-	-	-	-
	William Hsu	-	-	-	-
	Ching-Shan Hsieh	-	-	-	-
	Ken Chang	-	-	-	-

Corporate Governance Report

Title	Name	2019		From Jan 1 2020 to May 1 2020	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Manager	Y.T. Chang	-	-	-	-
	David Liu	-	-	-	-
	D.R. Huang	-	-	-	-
	David Shih	-	-	-	-
	Arthur Lee	-	-	-	-
	C.T. Peng	-	-	-	-
	C.T. Chen	-	-	-	-
	C.T. Chang	-	-	-	-
	Eric Huang	-	-	-	-
	J.K. Tsai	-	-	-	-
	M.L. Tsai	-	-	-	-
	Roder Chang	-	-	-	-
	K.B. Louy	-	-	-	-
	Nico Peng	-	-	-	-
	Y.J. Lou	(35,046)	-	-	-
	Ryan Wu	-	-	-	-
	Hans Kuo	-	-	-	-

7.2 Shareholding Transferred (While the Counterparty is a Related Party): Not applicable

7.3 Shareholding Pledged: Not applicable

8. Relationship Between Top Ten Shareholders Defined as Related Parties, Spouse or a Relative within Two Degrees

Book closure date: 1 May 2020

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Asia Cement Corporation	1,272,277,085	23.77%	0	0.00	0	0.00	Oriental Institute of Technology	The same Chairman	-
							Far Eastern Medical Foundation		
							Yuan Ze University		
Representative: Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	-
							Douglas Tong Hsu	The Chairman	
Oriental Institute of Technology	257,651,603	4.81%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Far Eastern Medical Foundation		
							Yuan Ze University		
Representative: Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	-
							Douglas Tong Hsu	The Chairman	

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders being the related party as defined in statement of financial accounting standards No.6		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	193,310,445	3.61%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Oriental Institute of Technology		
							Yuan Ze University		
	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
Douglas Tong Hsu							The Chairman		
Far Eastern Memorial Foundation Representative: Shu-Hsun Chu	183,141,383	3.42%	0	0.00	0	0.00	Asia Cement Corp.	Director of the Foundation is the Chairman of the aforesaid organizations.	-
							Oriental Institute of Technology		
							Yuan Ze University		
	0	0.00%	0	0.00	0	0.00	Far Eastern Medical Foundation	The Chairman	
							Douglas Tong Hsu		
Nan Shan Life Insurance Corporation Representative: Tang Chen	154,572,753	2.89%	0	0.00	0	0.00	None	None	-
	0	0.00%	0	0.00	0	0.00			
Yuan Ze University Representative: Douglas Tong Hsu	146,570,213	2.74%	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman	-
							Oriental Institute of Technology		
							Far Eastern Medical Foundation		
	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
China Life Insurance Corporation Representative: Yu-Ling Kuo	99,126,634	1.85%	0	0.00	0	0.00	None	None	-
	0	0.00%	0	0.00	0	0.00			
Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Asia Cement Corp.	The Chairman	-
							Oriental Institute of Technology		
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	The Director	
Der Ching Investment Co., Ltd. Representative: Peter Hsu	82,820,887	1.55%	0	0.00	0	0.00	Asia Cement Corp.	ACC's investee by equity method	-
	48,269,210	0.90%	637	0.00	0	0.00			
Chunghwa Post Co., Ltd. Representative: Hong-Mo Wu	73,636,000	1.38%	0	0.00	0	0.00	None	None	-
	0	0.00%	0	0.00	0	0.00			

9. Shareholding Proportion of FENC to Investees

Book closure date: 1 May 2020

Investees by equity method	The Company's Holdings		Direct and Indirect Holdings of Directors, and Managers of FENC		Total Holdings	
	Shares (Thousand)	%	Shares (Thousand)	%	Shares (Thousand)	%
Asia Cement Corp.	750,511	22.33	260,962	7.76	1,011,473	30.09
Far Eastern Department Stores Ltd.	241,770	17.06	243,966	17.22	485,736	34.28
Oriental Union Chemical Corp.	81,216	9.17	257,800	29.11	339,016	38.28
Far Eastern International Bank	87,767	2.62	640,707	19.09	728,474	21.71
Everest Textile Co., Ltd.	140	0.03	132,487	25.99	132,627	26.02
Yuan Ding Investment Co., Ltd.	1,822,822	99.40	5,502	0.30	1,828,324	99.70
Far Eastern Resources Development Co., Ltd.	775,836	100.00	-	0.00	775,836	100.00
Yuan Tong Investment Co., Ltd.	739,953	100.00	-	0.00	739,953	100.00
Far Eastern Investment (Holding) Ltd.	4,894	100.00	-	0.00	4,894	100.00
Far Eastern Polychem Industries Ltd.	830,815	73.04	306,644	26.96	1,137,459	100.00
Kai Yuan International Investment Co., Ltd.	361,486	100.00	-	0.00	361,486	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	1,712,218	75.56	145,781	6.43	1,857,999	81.99
Far Eastern Polytex (Holding) Ltd.	168	100.00	-	0.00	168	100.00
Yuan-Ding Co., Ltd.	186,929	37.13	243,474	48.37	430,403	85.50
Far Eastern Construction Co., Ltd.	223,481	65.11	3,113	0.91	226,594	66.02
Ding Yuan International Investment Co., Ltd.	253,977	100.00	-	0.00	253,977	100.00
Oriental Securities Co., Ltd.	140,278	19.65	470,274	65.89	610,552	85.54
PET Far Eastern (H) Ltd.	397	91.95	35	8.05	432	100.00
An Ho Garment Co., Ltd.	75,704	100.00	-	0.00	75,704	100.00
Pacific Liu Tung Investment Co., Ltd.	135,000	16.83	465,068	57.99	600,068	74.82
Fu Kwok Knitting & Garment Co., Ltd.	4,000	100.00	-	0.00	4,000	100.00
FEDP (H) Ltd.	244	50.43	240	49.57	484	100.00
Far Eastern Textile Limited	100	100.00	-	0.00	100	100.00
Ding Ding Hotel Co., Ltd.	769	0.74	103,065	99.06	103,834	99.80

IV. Capital Overview

1. Capital and Shares

1.1 Issued Shares

Unit: NT\$ thousands, thousand shares

Month/ Year	Par value (NT\$/ Share)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increased by assets other than cash	Other
Sep 15	10	6,000,000	60,000,000	5,352,875	53,528,752	Capitalization of share dividends	-	-
Sep 16	10	6,000,000	60,000,000	5,352,875	53,528,752	Note 2	-	-
Sep 17	10	6,000,000	60,000,000	5,352,875	53,528,752	Note 2	-	-
Sep 18	10	6,000,000	60,000,000	5,352,875	53,528,752	Note 2	-	-
Sep 19	10	6,000,000	60,000,000	5,352,875	53,528,752	Note 2	-	-

Note 1: Date and letter number of capital increase approval received from the regulatory authority in 5 years:

09 July 2015 Financial Supervisory Commission Ruling Ref. No.1040025880

Note 2: No capitalization of share dividends in 2016, 2017, 2018 and 2019.

Unit: thousand shares

Type of Stock	Authorized Share Capital							Note
	Outstanding issued shares			Unissued Shares	Shares convertible from corporate bonds	Shares convertible from stock warrants	Total	
	Listed	Non-Listed	Total					
Common Stock	5,352,875	-	5,352,875	487,125	150,000	10,000	6,000,000	-

1.2 Shelf Registration: None

1.3 Composition of Shareholders

Book closure date: 01 May 2020

Types Amounts	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Citizens	Security Trust Funds	Foreign Institutions & Foreign Persons	Total
Number	17	53	307	111,029	24	691	112,121
Number of shares owned	116,619,723	652,054,482	2,667,971,447	912,194,391	38,484,665	965,550,519	5,352,875,227
% holdings	2.18%	12.18%	49.85%	17.04%	0.72%	18.03%	100.00%

Capital Overview

1.4 Distribution Profile of Share Ownership

Book closure date: 01 May 2020

Shareholder Ownership	Number of shareholders	Number of shares owned	%
1 ~ 999	45,639	10,283,352	0.19%
1,000 ~ 5,000	45,520	101,400,613	1.89%
5,001 ~ 10,000	9,893	74,795,237	1.40%
10,001 ~ 15,000	3,609	44,434,898	0.83%
15,001 ~ 20,000	2,015	36,668,574	0.69%
20,001 ~ 30,000	1,720	42,941,430	0.80%
30,001 ~ 40,000	859	30,090,701	0.56%
40,001 ~ 50,000	570	26,236,400	0.49%
50,001 ~ 100,000	1,069	77,357,640	1.45%
100,001 ~ 200,000	496	71,100,719	1.33%
200,001 ~ 400,000	277	77,792,060	1.45%
400,001 ~ 600,000	105	51,659,560	0.97%
600,001 ~ 800,000	55	38,694,342	0.72%
800,001 ~ 1,000,000	33	30,719,483	0.57%
Over 1,000,001	261	4,638,700,218	86.66%
Total	112,121	5,352,875,227	100.00%

1.5 Preferred Shares: None

1.6 Major Shareholders

Book closure date: 01 May 2020

Shareholders	Total shares owned	Ownership %
Asia Cement Corporation	1,272,277,085	23.77%
Oriental Institute of Technology	257,651,603	4.81%
Far Eastern Medical Foundation	193,310,445	3.61%
Far Eastern Memorial Foundation	183,141,383	3.42%
Nan Shan Life Insurance Corporation	154,572,753	2.89%
Yuan Ze University	146,570,213	2.74%
China Life Insurance Corporation	99,126,634	1.85%
Douglas Tong Hsu	91,748,698	1.71%
Der Ching Investment Co., Ltd.	82,820,887	1.55%
Chunghwa Post Co., Ltd.	73,636,000	1.38%

1.7 Net Worth, Earnings, Dividends, and Market Price Per Common Share

Items		Year	2019	2018	From Jan 1 2020 to Mar 31 2020
Market price per share	Highest		34.40	37.40	30.05
	Lowest		27.00	23.85	20.25
	Average		30.54	29.65	27.17
Net worth per share	Before distribution		38.21	38.02	38.12
	After distribution		(Note 3)	36.22	(Note 3)
Earnings per share	Weighted average shares (thousand shares)		5,352,875	5,352,875	5,352,875
	Adjusted earnings per share (Note 1)		2.15	2.41	0.30
Dividends per share (Note 2)	Cash dividend		1.5	1.8	Not applicable
	Stock dividend	From retained earnings	-	-	
		From capital surplus	-	-	
	Accumulated undistributed dividend		-	-	
Return on Investment	Price / Earnings ratio (Note 4)		14.20	12.30	22.64
	Price / Dividend ratio (Note 5)		20.36	16.47	Not applicable
	Cash Dividend yield (Note 6)		4.91	6.07	

Note 1 : The adjusted EPS is calculated based on the number of shares held by associates are deducted as treasury stock.

Note 2 : Distribution of profit generated from the preceding year.

Note 3 : To be resolved by Year 2020 Shareholders' Meeting.

Note 4 : Price/Earnings ratio = Average closing share price of the period/ Earnings per share.

Note 5 : Price/Dividend ratio = Average closing share price of the period / Cash dividend per share.

Note 6 : Cash dividend yield = Cash dividend per share / average closing share price of that year.

1.8 Dividend Policy and its Execution Results

1.8.1 Dividend policy under the Articles of Incorporation: Apart from paying all its income taxes in the case where there are profits for the current year, making up for accumulated losses in past years, and deducting legal reserve and special reserve required by law, the Company may distribute to the shareholders the remainder together with undistributed profits from previous years. The distribution of shareholders' dividend shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed aimed at maintaining the stability of shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, which is not less than 50% of the final surplus of after-tax profit in same year to withhold accumulated losses, legal reserve and special reserve, and the cash dividend is not less than 10% of the shareholders' dividend distributed in the same year.

For example, the cash dividend payout ratios over the past three years are not less than 50% of the final surplus of after-tax profit in same year to withhold accumulated losses, legal reserve and special reserve and either not less than 10% of the shareholders' dividend distributed in the same year, which are in compliance with the Articles of Incorporation.

Unit: NT\$/share

Year	EPS after Income Tax	Cash Dividend from Retained Earnings(A)	Stock Dividend from Capital Surplus (B)	Total Dividend (A+B=C)
2017	1.61	1.2	-	1.2
2018	2.41	1.8	-	1.8
2019	2.15	1.5	-	1.5

Note: The Company paid all in cash dividend in recent 3 years

Capital Overview

1.8.2 Proposed distribution of 2018 profits to be approved at the Shareholders' Meeting: Cash dividend of NT\$ 1.5 per share is proposed to be distributed.

1.9 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2020 Annual General Shareholders' Meeting: Not applicable.

1.10 Employees' Compensation and Directors' Remuneration

1.10.1 Description regarding employees' compensation and Directors' remuneration in the Articles of Incorporation: According to the Company Act and the Article 26 in the Articles of Incorporation, 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of Directors, to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as Directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.

1.10.2 The discrepancy, if there is any, between the total amount of estimated employees' compensation, Directors' remuneration, stock dividends and total amount actually being paid: Treated as the changes at the accounting estimate, and such changes are adjusted in the year that annual general shareholders' meeting resolved.

1.10.3 Proposed employees' compensation and Directors' remuneration:

The 2019 employees' compensation and Directors' remuneration was resolved in the 8th meeting on 24 March 2020 by the 23rd term Board of Directors, and will be submitted to the 2020 shareholders' meeting. The amounts and forms are listed below:

- a. Employees' compensation: NT\$ 371,473,805 in cash
- b. Directors' remuneration: NT\$ 204,277,440 in cash
- c. Regarding the amount of employees' compensation and Directors' remuneration in cash or in shares, the discrepancy, if there is any, between the estimated amount and the amount being actually paid, and the reason for such discrepancy: None
- d. Proposed employees' compensation in shares as percentage of net income and total employees' compensation: Not applicable

1.10.4 The discrepancy, if there is any, between the total amount being actually paid as employees' compensation, remuneration for Directors and Supervisors for 2018 (including number of shares, dollar amount, and share price) and the amount of such compensation and remuneration being recognized should be stated, and the reason for such discrepancy:

- a. Employees' compensation: Resolved amount is NT\$ 414,416,161. The dollar amount actually being paid is NT\$ 414,416,161.
- b. Remuneration for Directors: Resolved amount is NT\$ 225,812,120. The dollar amount actually being paid is NT\$ 120,250,000.

The difference between the resolved amount and the amount actually being paid will be paid in the following years.

1.11 Share Buyback by the Company:

The Company did not buy back share during year 2019 until 01 May 2020.

2. Corporate Bonds

Book closure date: 1 May 2020

Corporate Bond Type		1 st Unsecured Bond 2015	2 nd Unsecured Bond 2015	3 rd Unsecured Bond 2015
Issue Date		25 May 2015	2 Oct 2015	16 Nov 2015
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC
Offering rate		Par	Par	Par
Total amount		NT\$ 8,000,000,000	NT\$ 5,200,000,000	NT\$ 2,800,000,000
Coupon rate		1.39%	1.28%	1.25%
Maturity		5 years Maturity date: 25 May 2020	5 years Maturity date: 2 Oct 2020	5 years Maturity date: 16 Nov 2020
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		-	-	-
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao
CPA		Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang	Jing-Bin Shih Shu-Chieh Huang
Repayment		50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 4,000,000,000	NT\$ 2,600,000,000	NT\$ 2,800,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None

Capital Overview

Corporate Bond Type		1 st Unsecured Bond 2016 (Tranche A)	1 st Unsecured Bond 2016 (Tranche B)	2 nd Unsecured Bond 2016
Issue Date		29 Apr 2016	29 Apr 2016	20 Sep 2016
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC
Offering rate		Par	Par	Par
Total amount		NT\$ 6,000,000,000	NT\$ 2,000,000,000	NT\$ 3,800,000,000
Coupon rate		0.88%	0.00% (IRR: 0.95%)	0.72%
Maturity		5 years Maturity date: 29 Apr 2021	5 years Maturity date: 29 Apr 2021	5 years Maturity date: 20 Sep 2021
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Masterlink Securities Corporation	Masterlink Securities Corporation	KGI Securities Co. LTD.
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo
Repayment		50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. These bonds will be redeemed at 104.8411% of the face value on the maturity date.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 3,000,000,000	NT\$ 2,000,000,000	NT\$ 3,800,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None

Corporate Bond Type		1 st Unsecured Bond 2017	2 nd Unsecured Bond 2017	1 st Unsecured Bond 2018
Issue Date		17 May 2017	8 January 2018	18 May 2018
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC
Offering rate		Par	Par	Par
Total amount		NT\$ 5,000,000,000	NT\$ 3,000,000,000	NT\$ 6,000,000,000
Coupon rate		1.15%	0.95%	0.92%
Maturity		5 years Maturity date: 17 May 2022	5 years Maturity date: 8 January 2023	5 years Maturity date: 18 May 2023
Guarantor		-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Masterlink Securities Corporation	KGI Securities Co. LTD.	Yuantan Securities Co., Ltd.
Legal counsel		N.C. Liao	N. C. Liao	N.C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo
Repayment		50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 5,000,000,000	NT\$ 3,000,000,000	NT\$ 6,000,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		N.A.	N.A.	N.A.
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None

Capital Overview

Corporate Bond Type		2 nd Unsecured Bond 2018	1 st Unsecured Bond 2019	2 nd Unsecured Bond 2019	1 st Unsecured Bond 2020
Issue Date		18 July 2018	29 April 2019	8 August 2019	22 April 2020
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		OTC	OTC	OTC	OTC
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 8,000,000,000	NT\$ 8,000,000,000	NT\$ 6,000,000,000	NT\$ 6,000,000,000
Coupon rate		0.90%	0.93%	0.79%	0.66%
Maturity		5 years Maturity date: 18 July 2023	5 years Maturity date: 29 April 2024	5 years Maturity date: 8 August 2024	5 years Maturity date: 22 April 2025
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd.	Masterlink Securities Corporation	Taishin International Bank Co., Ltd.	Masterlink Securities Corporation
Legal counsel		N. C. Liao	N. C. Liao	N. C. Liao	N. C. Liao
CPA		Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo	Jing-Bin Shih Cheng-Hung Kuo
Repayment		50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 8,000,000,000	NT\$ 8,000,000,000	NT\$ 6,000,000,000	NT\$ 6,000,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		N.A.	N.A.	N.A.	N.A.
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None	None
	Conversion rights	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

3. Preferred Shares

None

4. Issuance of Overseas Depository Receipts

Book closure date: 01 May 2020

Item		Content	
Date of issuance		25 Oct 1999 & 19 Nov 1999	
Place of issuance		Listed in Luxembourg Stock Exchange Traded in Asia, Europe, and US.	
Total amount of issuance		US\$ 202,631,674	
Unit price of issuance		US\$ 14	
Total number of units issued		14,473,691 units	
Source of underlying securities		New shares of capital increase, and original shares owned by Asia Cement Corp. and Far Eastern Department Stores Ltd.	
Amount of securities		Common Stock 144,736,910 shares	
Rights and obligations of subscribers		Same as common stock shareholders	
Trustee		None	
Depository bank		The Bank of New York Mellon	
Custodian bank		Far Eastern International Bank	
Number of outstanding shares		76,136.90 Units	
Bearers of related charges incurred during issuance and holding period		Charges of GDR issuance shall be borne by sellers on a pro rata basis.	
Major terms of Depositary Agreement and Custodian Agreement		Voting rights can be exercised only if the owners hold at least 51% of the depository receipts outstanding vote at the same manner in respect of one or more resolutions to be proposed at the Shareholders' Meeting.	
Unit market price	High	Low	Average
2019	USD8.10	USD7.53	USD7.78
01 May 2020	USD8.10	USD8.10	USD8.10

5. Employee Stock Options

None

6. Employee Restricted Stock Options

None

7. Share Issued for Merger or Acquisition

None

8. Fund Utilization Plans and Status

Uncompleted bond issues, private placement of securities, completed bond issues or private placement of securities in recent 3 years whose return of investment has not emerged: None

Operational Highlights

V. Operational Highlights

1. Business Activities

1.1 Business Scope

Far Eastern New Century and its subsidiaries have diversified businesses ranging from petrochemical, polyester, textile, telecommunication, property development, investments, & others. Please refer to page 1 of "Letter to Shareholders" for more business information.

1.1.1 Sales Breakdown of Main Business Segments

Unit: NT\$ thousands

Business Segment \ Year	2019		2018	
	Amount	% of sales	Amount	% of sales
Petrochemical	58,226,381	20	47,512,303	18
Polyester	86,889,252	30	71,643,348	27
Textile	39,030,249	14	35,905,608	14
Telecommunication	83,865,872	29	86,634,971	33
Property	9,122,603	3	9,030,994	3
Investment & Others	12,361,731	4	11,888,973	5

1.1.2 Current Products and Services Provided by the Company and Subsidiaries

- Pure Terephthalate Acid (PTA)
- Polyester chip, polyester staple fiber, polyester filament, solid-state polymer, drawn textured yarn, high denier industrial yarn, PET bottle preforms, PET bottles, PET sheets, and heat shrinkable PET films
- Cotton yarn, CVC yarn, polyester yarn, OE yarn and functional yarn
- Cotton fabrics, cotton blended fabrics, yarn-dyed fabrics, polyester fabrics, knitted fabrics and industrial fabrics
- Business suits from Hart Schaffner Mark(H.S.M), John Henry; shirts from Manhattan; beddings from Tonia Nicole, Charisma, La Mode; undergarments from FET, Active, Paul Simon, and men's undergarments from Punto Blanco
- Wireless telecommunication services, fixed line communication services, new economy, professional telecommunication integrated services, cloud services and information security services.
- Shopping malls, residential buildings, public infrastructure, civil engineering and construction of roads, bridges, subways and electrical routing
- SavDerm wound care products, NuROs® bone graft substitutes, and Next Fill dental materials

1.1.3 Products and Services Planned to be Developed and Launched by the Company and Subsidiaries

- Functional fibers, fabrics made of specialty materials, waterproof and moisture-permeable films, bio-degradable plastic materials, high gas barrier plastic materials, functional bio-medical wound dressing and environmental friendly heat shrinkable PET films.
- Internet of vehicles, smart road lights, smart parking, smart building, environment/air pollution detection, battery power monitoring, and asset tracking. FriDay, including mobile entertainment, mobile payment, e-commerce, personal AI assistant, and mobile financial service.
- Construct high quality official building for lease and residential products for sale, mass rapid transit (MRT), and expressways.

1.2 Business Environment

1.2.1 Current Industry Situation and Prospects

Production Business

1.2.1.1 Petrochemical Business - Pure Terephthalate Acid (PTA)

In 2019, the global PTA production was 72.36 million tons (Source: Wood Mackenzie and PAL), 3.84 million tons or 6% up from the previous year. In 2019, the global PTA capacity increased 0.94 million tons to 81.29 million tons, an increase of 1% from the previous year. The utilization rate went up to 89%. However, as massive new integrated refineries in China started production over the course of 2019, the capacity of PX, the feedstock of PTA, ballooned amid intensifying conflicts among major trading economies. As of the end of 2019, PTA price fell by nearly 20% from early this year due to a decline in feedstock cost and inadequate demand.

China, India, South Korea, Taiwan and United States are the top five PTA producing countries whose combined production accounts for more than 80% of the global market. In 2019, China's PTA production increased by 3.54 million tons from the prior year, up 9% to 43.98 million tons, making up 61% of the world's

total; India, South Korea, and Taiwan saw an increase below 0.2 million tons in PTA production; the US's production decreased by 0.22 million tons over the year to 2.63 million tons.

The consumptions of two major PTA applications in 2019—polyester fibers and PET were 43.94 million tons and 20.84 million tons respectively, which in combination accounted for 90% of PTA production, up 5% from the previous year.

1.2.1.2 Polyester Business

In 2019, the global polyester production came to 82.82 million tons (Source: Wood Mackenzie) with an annual growth of 5%. The global capacity grew 4% to 102.06 million tons. With the production outpacing the increased capacity, the utilization rate went up to 81%, the highest since 2013. The top five polyester producing countries, in order of production output, are China, India, the United States, South Korea and Taiwan, making up 81% of the global output. China's contribution of 50.23 million tons, a growth of 8% from the previous year, exceeds 60% of the world's total production. India came in second, accounting for roughly 10% of the global output, rising at an annual growth of 3% to 7.46 million tons in 2019. The US, South Korea and Taiwan all saw a slide in output in 2019. Taiwan's production slid down 6% to 2.68 million tons, making up 3% of the global output.

Polyester is mostly used to produce PET and polyester fibers which include filament and staple fibers. In 2019, PET accounted for approximately 30% of the global output, and polyester fibers 70%.

■ PET

In 2019, global PET production amounted to 24.75 million tons (Source: Wood Mackenzie) at a growth of 4%. The utilization rate was up a percentage point at 74%. The world's five leading PET producing countries in order are China, the United States, India, Taiwan and Mexico, making up 61% of the global output.

China's PET production increased 11%—a double-digit growth for two years straight—to 8.57 million tons in 2019, accounting for 35% of the world's total, the highest proportion recorded. The United States saw a drop of 1% in PET production in 2019 from the year before to 2.81 million tons. In terms of utilization rate, the US and India both kept it around 90%; China, Taiwan and Mexico were somewhere around 70%. Taiwan produced 1.06 million tons in 2019, nearly as much as the previous year.

PET are used in a variety of applications, generally divided into food-grade and industrial-grade. Food-grade PET is used to produce bottles and packaging for fresh food, frozen food and microwavable food. Industrial-grade PET is used in various industries chiefly to produce seat belts, air bags, tire cord fabrics, conveyor belts, packaging for electronics, geotextile, medical supplies, and fish nets.

■ Polyester fibers

The global production of polyester fibers grew 5% to 57.89 million tons (Source: Wood Mackenzie) in 2019, among which, filaments make up around 70% and staple fibers around 30%.

In 2019, the global production of polyester filaments increased 6% to 40.30 million tons. The top five producing countries are China, India, South Korea, Indonesia and Taiwan. China's production of polyester filaments in 2019 was up 8%, at a higher growth rate than the global production, at 31.17 million tons, accounting for 77% of the world's total output, which has shown an increasing trend over the years. India's production of polyester filaments rose 6% to 3.68 million tons in 2019, taking up 9% of the global output. South Korea, Indonesia and Taiwan, each produced roughly 2%. In terms of production volume, only Indonesia remained close to the previous year's level, while both Taiwan and South Korea saw a decline in 2019. The global capacity for polyester filaments expanded 4% in 2019; the utilization rate was about 80%.

In 2019, the global production of staple fibers grew 3% to 17.59 million tons. China, as the world's largest producer, produced 10.48 million tons, accounting for 60% of the total. It was followed by India at 9%, South Korea, the United States, Indonesia, and Taiwan each producing somewhere from 3 to 4%. The global capacity for polyester staple fibers expanded 3% in 2019, the utilization rate remaining the same as the previous year at 73%. As from 2015, the capacity expansion for polyester staple fibers started to slow down. The capacity grew 2 to 3% from year to year between 2015 and 2019, only half as fast as the annual growth rate from 2010 through 2014. Even though capacity expansion has been kept in check, the excess takes time to absorb.

The trade war between the United States and China caused the decline in market demand. Swinging oil prices destabilized feedstock costs, and the polyester fiber businesses were thus impacted, especially the producers of mass market products bearing the brunt.

Operational Highlights

1.2.1.4 Textile Business

■ Spun yarn

In 2018/2019 crop year, the world's production of cotton decreased 4% or 1.13 million tons to 25.82 million tons (Source: the U.S. Department of Agriculture), mainly because of a decrease in growing area around the world and a drop in unit yield in the world's top three cotton producing countries—China, India and the United States. In 2018/2019 crop year, China overtook India and became once again the world's largest cotton producing country. According to National Bureau of Statistics of China, China's cotton production decreased 3% from the prior year to 5.89 million tons in 2018/2019 crop year, with 85% of the national total production in Xinjiang. While the Chinese government's "Target Price-based Subsidy" policy provided an effective stimulus to the expansion of cotton plantations, disastrous climate events caused the unit yield to fall and brought the total output down 2%.

In the same crop year, the global cotton consumption amounted to 26.19 million tons, 2% down from the year before. Globally, the six main cotton-consuming countries in order are China, India, Pakistan, Bangladesh, Turkey and Vietnam. While Vietnam's consumption increased by 6%, a decrease was observed in the other five countries. Since the decrease in cotton production was larger than that in consumption, the global cotton inventory dwindled to 17.48 million tons.

In 2019, as the trade war between the United States and China continued, cotton prices were on a wild swing. The high uncertainty in price trends has increased the difficulty in raw material procurement for yarn spinning plants.

■ Industrial yarn

The global demand for polyester industrial yarn went down 1% to 2.09 million tons in 2019 (source: Wood Mackenzie and market survey). With 80% of the global capacity for industrial polyester yarn, China is the world's largest producer. Its massive capacity expansion caused the global utilization rate to drop by 6 percentage points from the year before to 67% in 2019.

Industrial yarn is applied to a wide range of industries, applications including seat belts, air bags, advertising canvas, waterproof fabrics, webbing slings, safety nets, architecture, etc.

■ Knitted fabrics and apparel

China is the world's largest exporter of textiles and apparel. In 2019, its exports of textiles and apparel decreased by 2% from the year before, to \$271.6 billion (Source: China's customs authority), a growth of 1% in textiles and a decline of 4% in apparel. As labor costs in China climbed up on the back of a growing economy, the proportion of apparel in the nation's exports of textiles and apparel decreased continuously over the years, dropping to 56%, a significant reduction from roughly 70% in 2001. The proportion of textiles, conversely, continued to expand mainly because apparel-producing countries, such as Bangladesh, Vietnam and Cambodia have become increasingly dependent on China for raw materials.

Vietnam's textile industry has been growing rapidly thanks to advantages in labor cost and tariff in combination with government support. Its export value of textiles and apparel in 2019 stood at \$37 billion (Source: Vietnam's customs authority and General Statistics Office), up 7% from the year before. Its top three export destinations were the U.S. (\$14.9 billion, up 8%), EU (\$4.3 billion, up 5%) and Japan (\$4.1 billion, up 5%), which in total accounted for 63%.

1.2.1.5 Telecommunication Business

■ Consumer business

According to National Communication Commission (NCC) statistics, total mobile subscribers in Taiwan reached 29.21 million by the end of 2019. According to the report issued by Taiwan Network Information Center (TWNIC), Taiwan's mobile internet usage rate surpassed 80% in 2019. Furthermore, over 95% of the respondents chose mobile phones as the most frequently used internet devices, which drove people's lives towards digital mobility. Also, the applications of IoT, smart home and AI personal assistant have become popular and the industry developments are booming. The reliance of those services on internet is increasing and cross-region mobile internet services are turning into a necessity.

■ Enterprise business

Affected by trends of ICT integration and digital convergence, the market of corporate sector has shifted from traditional telecommunications services to ICT integration, providing customers with applications which integrated telecommunication services, mobile commerce, cloud platform, big data analysis and IoT. We aim

to build one-stop services and solutions that are more diverse, intelligent, flexible and in line with industrial features.

1.2.1.6 Property Business

The global real estate market, with exceptions in cities overshadowed by political instability, experienced an uptick in trading volume and value due to the need of risk diversification. Asset-based investments have become more preferable due to the ongoing US-China trade war, Brexit, Fed interest cuts, adoption of accommodative monetary policies by the world's major central banks, low or negative interest rates, etc. According to Colliers International, in 2019 global real estate investment slipped roughly 2% from the previous year. Global cross-border investment dropped significantly by 20%; while there was a major decline of 54% in the United States, a sizeable growth of 21% was noted in EMEA. Southeast Asia also recorded an increase in real estate investment amid the trade war between the US and China. Major international gateway cities, such as London, New York, Singapore and Tokyo remained top choices for investors; however, since land prices in most regions have risen to high levels, there is little room to go much higher. Property prices in London and Hong Kong both suffered declines due to political uncertainties. Global economic growth in 2019 was not as strong as the year before, but property investments in each region remained stable. Residential and commercial properties in most urban areas still generate stable incomes and maintain a relatively low vacancy rate. Demand for industrial and office space remained robust in Asia Pacific.

Taiwan continued to see a revival in real estate sales throughout the year, as overseas Taiwanese businesses returned to invest, life insurance companies and real estate developers engaged in land reserve investment, and the central bank kept interest rates low. In 2019, the sale of land and commercial real estate in Taiwan amounted to more than NT\$410 billion. Land transactions reached around NT\$276.5 billion, up 55% from the year before, of which 46% was commercial, 38% residential and 16% industrial. In the housing market, transactions took place primarily in metropolitan areas, a large proportion of which were office buildings. The nationwide number of ownership transfers increased 8% over the past year to approximately 300,000 units, 232,000 of which were completed in the six special municipalities.

1.2.1.7 Investment & Others Business

In 2019, the global economy was influenced by the US-China trade disputes, the rise of trade protectionism and the geopolitical turmoil. GDP growth in the four largest economies in the world – the United States, Europe, China, and Japan – decelerated, and the global economic momentum was weak. According to the report provided by the Directorate General of Budget, Accounting and Statistics in February, 2020, Taiwan's economy grew at the rate of 2.71% in 2019 with the CPI growth rate being 0.56%. The report estimates that Taiwan's economic growth rate in 2020 at 2.37% and CPI growth rate as 0.62%. Looking forward to 2020, the global economy would slow down due to the increasing uncertainties such as the development of the COVID-19 pandemic, the actual progress of US-China trade agreement and negotiations, the impact of the price fluctuation of oil and other commodity and other geopolitical conflicts on the global economy. Given the economic changes down the road and Taiwan's moderate growth and inflation, it is expected that Central Bank of R.O.C. (Taiwan) will continue to adopt expansionary monetary policy to facilitate economic growth. In the face of the ever-changing economic climate in the country and around the globe, the Company will assess and review its long-term investment and strengthen management of risks such as interest and exchange rates. More importantly, the Company will make diverse investments, seek joint ventures and explore new fields for investment in order to pursue best performance for the Company and create maximum value for its shareholders.

1.2.2 The Supply Chain Analysis

Originally, the textile industry serves the purpose of providing the necessities of daily life. Today, this industry serves a greater purpose by infusing fashion, technology, and art, to cater to demands beyond the basic clothing needs. In the upstream of the supply chain lies polyester polymers which consume chemicals derived from crude oil. Moving down to the mid-stream, there are spinning, weaving, fabricating, dyeing and finishing production processes. And further down are the apparel, and home furnishings end products. Please refer to pages 80-81 for a summary of the upstream, mid-stream, and downstream linkages of our company's industry.

Operational Highlights

1.2.4 Industry Trends and Competition

1.2.4.1 Petrochemical Business – PTA

In 2020, the global PTA production is expected to grow 4% from the year before to 75.48 million tons (Source: Wood Mackenzie and PAL). With China's new PTA facilities in operation, the global PTA capacity is expected to grow 10% to 89.04 million tons, and the global PTA utilization rate is estimated to drop to 85%.

Crude oil prices plummeted to record lows since 2002 in Q1 2020 because the demand for oil dropped by the coronavirus pandemic and price competition among oil producing countries intensified. PTA prices also fell to the lowest level. As the end market demand has yet to show a clear sign, the Company manages its inventory with caution and leverages advantage in production cost to keep up competitiveness.

1.2.4.2 Polyester Business

■ PET

With a growing global population and an expanding PET applications, the global production of PET is estimated to grow 4% to 25.70 million tons in 2020 (Source: Wood Mackenzie). The global capacity is projected to grow 4% to 34.66 million tons, and the utilization rate is to stay at around 74%. China's total PET capacity is expected to expand by 920,000 tons, accounting for over 60% of the global new capacity. Without any capacity expansion, Taiwan's utilization rate will go up to approximately 80%.

In order to meet the rapidly growing demand in the market, the Company continues to scale up its PET production. It is currently one of the world's top three PET producers, with a total capacity of over 2 million tons and production sites located around the world. It has built a complete PET supply chain in Taiwan and China separately. In 2019, the new PET facility in Vietnam with an annual capacity of 400,000 tons started to commercial run. Besides, to meet the demand of the US domestic market with a local supply, the Company also acquired a PET plant with a capacity of 360,000 tons in West Virginia.

The Company has been committed to the development of eco-friendly PET materials to actualize a circular economy. Its recycled PET plant in Japan has expanded capacity by building the second line. In 2019, Phoenix Technologies International, LLC, an American PET recycling company was acquired by the Company. FENC is the world's second largest producer of recycled PET, with production sites in Taiwan, China, Japan, and the United States. It also plans to solidify its leadership position by building new capacities in Vietnam and the Philippines.

The Company's high-value PET products are used in a wide array of applications on the market. While the world economy was severely impacted by the coronavirus pandemic, there was a rise in demand for food packaging and sanitary & medical applications. The Company continues to draw on its core competencies and provide utmost assistance to society.

■ Polyester fibers

In 2020, the global production of polyester fibers is expected to increase 4%, one percentage point lower than the year before, to 60.15 million tons (Source: Wood Mackenzie). The global utilization rate is estimated to be the same as the year before at 77%. It is projected that the production of polyester filaments will grow by 3% to 41.59 million tons and polyester staple fibers by 6% to 18.56 million tons.

As the world's major producer of polyester staple fibers for non-textile purposes, FENC has a customer base made up of world-class brand owners across a variety of industries ranging from health care, sanitation, automobile and household goods. In addition to polyester, the Company also supplies composite fibers such as nylon, PP, PE and eco-friendly material PLA. It has spared no effort in R&D on functional fibers for medical use and antiviral fibers. The coronavirus pandemic in 2020 has caused a massive surge in demand for medical materials, such as medical facemasks. The Company is Taiwan's sole local supplier of the skin-friendly material for the mask's inner layer and also the world's largest medical grade PE/PP and PE/PET bi-component fibers supplier and will exert itself continuously to meet the global growing demand.

The Company is also one of Taiwan's major providers of polyester filaments. Our products include POY and DTY, covering functional fibers that sustain cool feeling, moisture absorption generating heat, moisture absorption wicking sweat, flame-retardant and UV-Cut effect.

FENC has committed its R&D to finding optimal eco-friendly and green solutions for polyester filaments. Its TOPGREEN®, polyester filament made from recycled PET bottles, has been designated as the material of the sportswear sponsored by Nike in numerous football World Cup games and major international athletic events. The Company has also partnered with Adidas and Parley for the Oceans, an environmental NGO, in a joint project as Adidas' exclusive supplier of ocean-recycled material to turn ocean plastic waste into eco-friendly yarn." Its sales and scope of applications have both been expanding over time, which makes a

great contribution to the cause of ocean waste cleanup. In addition, our nylon 6,6 products (for apparel usage) lead in the Asia Pacific and the Company has also been focusing on the development of eco-friendly nylon fibers, such as FEFC® PFC-Free DWR Nylon 6,6 Filament, which is free of PFCs and maintains durable water repellent and is thus suitable for outdoor sportswear.

The Company's production line for polyester staple fibers in Vietnam plans to start operation this year, and the production facilities for filaments are under construction. In the future, along with the production sites in Taiwan and China, they will enable the Company to leverage production and sales networks across the globe.

1.2.4.3 Textile Business

■ Spun yarn

According to U.S. Department of Agriculture, in the 2019/2020 crop year, the global production of cotton is forecast at 26.50 million tons, up 3% from the previous crop year, with India and the US up 14% and 8% respectively and China down 2%. India is expected to outperform China in the 2019/2020 crop year and become once again the world's largest cotton producer. In the 2019/2020 crop year, the global demand for cotton is estimated to slide down 8% from the previous crop year to 24.08 million tons. As the production increases while the demand declines, cotton inventories will increase 14% to 19.87 million tons, marking the highest level since 2015/2016.

The Company's yarn spinning plants in Taiwan and China focus on the production of differentiating products and keep the stock levels of cotton at a moderate level by closely monitoring changes in the cotton markets and making adjustments in production and sales accordingly and immediately.

■ Industrial yarn

Global demand for polyester industrial yarn is expected to slow down in 2020 to 1.82 million tons (Source: Wood Mackenzie and market survey). As Chinese producers continue to expand their capacities, the global utilization rate will plunge to well below 50%. An excessive oversupply is expected of commodity products.

To avoid price competition, the Company's industrial yarn business mainly produces differentiating products with the focus on the industry of automotive fibers, such as safety-enhancing yarns for safety belts and air bags, tire cord fabrics, and industrial fabrics. In addition, the Company has also invested in the production of nylon 6,6 fibers for industrial uses to secure a stable supply of essential feedstock and thus solidify its competitive advantage. As part of the economic fallout of the coronavirus pandemic, a major decline occurred in global automobile sales in Q1 2020; nevertheless, the Company remains competitive since its customers are primarily world-class brand companies.

■ Knitted fabrics and apparel

The United States was the world's largest apparel importer in 2019, with an import value of \$83.8 billion. China and Vietnam are the top two apparel suppliers for the U.S. market. In 2010, China took up nearly 40% of the total apparel imports, while Vietnam a meager 8%. But by 2019, China dropped to 30% while Vietnam grew to 16%. Vietnam's double growth in a decade indicates its increasing importance to the US apparel market.

In recent years, Vietnam has been an active player in regional economic integration. It is already a member of ASEAN FTA and CPTPP; moreover, both the EU-Vietnam FTA and RCEP are set to enter into force in 2020. These arrangements are obviously favorable for Vietnam in trade and economic development. FENC's newly-expanded dyeing & finishing plant in Vietnam is now in operation. Its new apparel manufacturing sites have also started production one after another. Profits are expected to maximize in line with the synergy of an integrated supply chain.

The coronavirus pandemic devastated consumer confidence, putting a large number of brick-and-mortar retailers temporarily closed their stores. Leading brand customers hold a conservative outlook on market demand. The Company has established with world-class brand clients strategic partnerships on a long-term basis and is confident in maintaining stable operations with well-coordinated production and sales plans.

1.2.4.4 Telecommunication Business

■ Consumer business

While gearing up for the next mobile era, FET has not only collaborated with the telecom-equipment giant, Ericsson, to establish the first 5G Lab in Taiwan, but has also completed several advanced 5G technology testing to drive 5G development. With the acquisition of sufficient 5G spectrum, we will decide ourselves in AR/VR, 4K/8K streaming services, which would work greatly with the complete coverage of our existing network. FET will strive to innovate in the fields of big data, artificial intelligence, and IoT, and lead the 5G revolution in Taiwan.

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The competition in digital service is intense. Through big data analysis, FET understands users' spending behaviors, favorites and life styles, and provides contents and services tailored to personal preferences. Also, FET introduces technologies such as IoT and AI, launches relevant products, and brings the latest digital life experience to consumers. The Company also leverages advantages of having telecommunication as its core business in offering products and services with competitive prices and diversity.

The telecom market in Taiwan continues to be dominated by three large and two small players. As the two small operators unceasingly offer competitive rate plans to acquire customers, competition intensifies.

Digital services market in Taiwan has attracted not only local but also international players to join, for example, Netflix and Shopee. The friDay service leverages the advantage of telecommunication business, improves its own capabilities and carries out integrated marketing to become consumers' best digital partner.

■ Enterprise business

The Market Intelligence & Consulting Institute (MIC) indicates that in 2019, the global ICT industry will focus on 5G, IoT, AI, and block chain developments, which encompass peripheral applications such as edge computing, ASIC, FWA, sensing elements, and smart devices.

In the enterprise user market, Chunghwa Telecom, with its fixed network services and economies of scale, continues to be our primary competitor and industry leader. In addition to continuously improving the 4G network development and investing in the 5G and IoT technology research, the Enterprise and Carrier BU takes on a more aggressive approach in developing intelligence applications and solutions to fulfill the needs of various industries and government departments. Those applications and solutions cover sectors of smart city, smart transportation/Internet of Vehicle, smart medical treatment/healthcare, smart manufacturing and smart retail. We aim to differentiate ourselves from competitors in the enterprise market with strong innovation skills and integration ability plus flexible services.

1.2.4.5 Property Business

In order to accelerate the land development and integrate the Group land resources, FENC utilizes our group's synergies to improve the efficiency of asset utilization and investment performance. For example, our land in Banqiao and Ilan JiaoXi prime areas have been developing a high technology oriented Banqiao Tpark and a leisure oriented Ilan Spa Resort project. In the future, we will speed up the land development plans by construction, lease or sale of buildable land to further unlock the hidden land value and generate profit.

1.2.4.6 Investment & Others Business

Leveraging the Company's resources, we have invested in other businesses, such as cement and retail markets. Investments in these listed companies, which are all top performers in their own right, generate consistent incomes for FENC. Asia Cement Corporation had a significant growth in earnings mainly from its remarkable performance in China. In the retail segment, Far Eastern Department Stores Ltd. intends to advance its dominance in the sector of department stores by engaging intensely in smart retail with the latest technology. Taipei's Xinyi A13 is an intelligent shopping mall that connects consumers to fashion and Chubei New Century Shopping Mall is scheduled to open next year. Its innovative operations are certain to fortify its iconic stature in Taiwan's retail industry. The Company consistently seeks to grow their businesses, captures the best market opportunities and delivers maximal profits for the Company.

1.3 Technology Innovation and R&D Overview

1.3.1 R&D Expense in Recent Years

R&D expenses in 2019 & 2018 were NT\$1,061.969 million and NT\$836.704 million, respectively.

1.3.2 Successful Technology or Products from the Development

1.3.2.1 Production Business(Petrochemical, Polyester & Textile Business)

Eco-Artificial Leather; Eco Light weight luminous wind guard; Eco intrinsic hydrophilic cotton-like fabric; Eco moisture management fabric; Zero solvent zero water coating & lamination process; Reduction water consumption in recycled PET bottle washing line; Recycled PET bottle yarn; Tracer technology for Ocean Plastic Recycled Yarn; Dope-dyed fibers; Textile Chemical Recycling Technology; Bio-based gas barrier PEF carbonated soft drinks bottle and beer bottle; Bio-based gas barrier PEF polyester bottle; Specialty Chemicals from Recycled PET; Acne Dressing

1.3.2.2 Telecommunication Business

friDay Video; friDay Omusic; friDay Shopping; Smart Speaker; Smart Watch; FET Cloud Email Service; NB-IoT Application; Information Security; friDay 57

1.3.2.3 Property Business

Implement the latest construction technology, which will reduce construction time, enhance construction quality, while reducing construction costs.

1.4 Long-term and Near-term Business Plans

1.4.1 Near-term Business Plan

1.4.1.1 Leverage Vertical Integration

FENC is characterized with a fully integrated system of production and sales. Its manufacturing capabilities extend from upstream petrochemicals through midstream polyester to downstream textile businesses. Customer needs are satisfied with a total solution service from R&D to sales. In 2019, a new, market-oriented platform—IDM (Innovation Direct to Market) was set up to accelerate commercialization of R&D achievements with the support of the FENC's consolidated resources and technologies.

1.4.1.2 Scale Up Capacities

The Company aspires to be a global leader in the industry of polyester and fiber materials. Not only has it established a comprehensive supply chain for its polyester business in Taiwan and China, but it has also been building production sites around the world. Vietnam has become the third country where FENC has a vertically-integrated production site. It has also planned to build petrochemical and polyester plants in the United States. The expansion of the recycle plant in Japan is underway. The Company expands production capacities throughout the industry chain by global deployment, which diversifies market risks and meanwhile builds FENC as a world-class leader in the industry.

1.4.1.3 Optimize Product Mix

In addition to scaling up capacities, FENC has been on an active lookout for blue oceans wherein it focuses on the R&D and sales of differentiated products and thereby manages to steer clear of raging waters of price competition. It also maximizes profit margins through sales of high-value products, increasing the self-sufficiency rate and undertaking in-depth processing.

1.4.2 Long-term Business Plan

1.4.2.1 Strengthen Research and Development

It has been nearly two decades since the Company established a research and development center in 2001. Since its inception, many top-of-the-line products have been developed and launched in the global market. Presently, we have R&D facilities in Taiwan, China and the United States. The Company's R&D center consists of four divisions, namely, Polyester Material, Fiber & Textile, New Material as well as Biotech & Energy. Our R&D capabilities also lend themselves to partnerships with global brands. In the future, we will continue to invest in research and development to maintain our competitiveness for the long term.

1.4.2.2 Expand Green Product Lines

Going green is a trend that extends into the future for the polyester industry. FENC wishes to provide customers with holistic green solutions and has invested profusely in the development of eco-friendly products. In 2019, FENC® TOPGREEN® Bio3-PET HTY (a third-generation biomass feedstock High Tenacity Yarn) was introduced to the market in hope of contributing to a successful circular economy, which not only reduces carbon emissions but also alleviates concerns with consumption of edible plants.

1.4.2.3 Achieve Digital Transformation

In an effort of industrial transformation and upgrading, the Company has installed multiple intelligent production systems and processes to build real-time, automated and high-efficiency production sites. It also utilizes big data analyses and cloud computing to construct a digital platform that consolidates the production-sales and management systems in various geographic locations. The Company plans to take a step further by tapping Far EasTone Telecommunications' resources and accelerating the digital transformation with 5G technologies.

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2. Overview of Market, Production, and Sales Market Analysis

2.1 Market Analysis

2.1.1 Sales Regions of the Company's Main Products (Services)

The major sales regions and the percentage sales of the production business (petrochemical, polyester, and textile): Asia (72%), America (18%), Europe (7%), and others (3%).

2.1.2 Domestic Market Share of Major Products (KPI Value)

Items \ Products	Polyester Polymer		Polyester Staple Fiber		Polyester Filament	
	Production	Sales	Production	Sales	Production	Sales
FENC (tons)	788,809	33,274	179,702	184,806	62,777	40,601
Taiwan (tons)	2,980,492	1,353,929	448,925	441,339	769,085	508,082
Market Share(%)	26.5%	2.5%	40.0%	41.9%	8.2%	8.0%

Source: Department of Statistics, Ministry of Economic Affairs & FENC

Note: Polyester polymer manufactured by the Company is mainly for internal downstream usage.

2019 Market share of mobile subscribers by carriers: Chunghwa Telecom at 37.9%, Far EasTone at 25.6%, Taiwan Mobile at 25.1%, Taiwan Star Telecom (VIBO) and Asia Pacific Telecom, combined at 11.4%.

2.1.3 Future Supply/Demand Situation and the Prospects of the Market

2.1.3.1 Petrochemical, Polyester & Textile Business

FENC has been operating in Taiwan for more than 70 years. With the polyester business at the core of its operations, the Company has developed with solid performance in operations into a leader in the polyester industry by building an integrated production network which extends from upstream petrochemicals, through midstream polyester production to downstream textile plants.

As 2020 unfolds, the business world is inundated with multiple challenges, including massive pandemic-induced reductions in market demand, oil price collapse amid the price war, emerging protectionism in international trade and escalating trade tensions between the US and China. However, while faced with all these unfavorable external factors, FENC manages to steer clear of the trade war by leveraging its successful vertical integration of the industry chain, which enables the Company to secure a reliable supply of essential raw materials and operate on a stable system of production and sales that branches out globally from the center of coordination in Taiwan with manufacturing sites in China, Japan, the United States, Vietnam, and Malaysia, etc. In addition, the Company pioneers the development of green products. It has obtained leading market shares in recycled and eco-friendly product lines. It plans to implement capacity expansions in several recycle facilities across different regions. Green products will create competitive advantages for FENC. In today's capricious business climate, FENC presses ahead with transformation and strides forward with innovation and evolution, while adhering to its goal of sustainable operation and commitment to a circular economy. The Company will exert itself to advance the wellbeing of society and infuse the industry with vitality.

2.1.3.2 Telecommunication Business

As the market matures, operators usually place the focus on value-added services and heavy users. Take leading international mobile operator, Vodafone, for example – with market growth slowing, its focus shifts from general consumers to enterprise customers. FET proactively collaborates with enterprise application service providers of various industries to actively promote enterprise ICT integration services, cloud applications and IoT applications. The demand for mobile digital services is growing every day, and the market competition is heating up. International players also take parts in mobile video/music streaming services and e-commerce markets in Taiwan, indicating the robust development in Taiwan's digital service market.

2.1.3.3 Property Business

The outbreak of COVID-19 has left the global economy shrouded in substantial uncertainty. In Taiwan, no major changes have been made to political and economic policies since the presidential and legislative elections in January 2020. According to the Directorate General of Budget, Accounting and Statistics, Taiwan will manage to keep its economic growth above 2%. The government's priorities are to stabilize the economy and financial markets, boost domestic demands and increase infrastructure investments to tackle the economic fallout of the pandemic. A special budget of NT\$222.95 billion has been approved by the Legislative Yuan for Phase II of the Forward-looking Infrastructure Development Program (2019-2020) and duly implemented, which is expected to shore up infrastructure investment and the real estate market. The M1B money supply has been rising over the years. Low-interest preferential loans will remain

available. Compared with volatile global stock and bond markets, real estate is, relatively speaking, quite stable.

The number of vacant homes is on a slow but steady rise. There are about 580,000 in the six special municipalities, and nationwide 50,000 are newly built for sale. The absorption rate has been stable, but it may be hard to sustain due to low fertility rate, an aging population, low affordability of urban housing, increasing availability of welfare housing, acceleration of urban renewal or redevelopment of dilapidated housing. Impacted more severely by the coronavirus outbreak, the commercial real estate sector may become polarized. On the one hand, office buildings at a low vacancy rate may continue to generate fixed incomes of increasing rents for the duration of the lease agreements; on the other hand, retail department stores might see a hike in vacancy rates and have a slim chance of growth. In the short term, land supply cannot compare to last year's; institutional investors tend to be more cautious. Overall, the real estate market is expected to do as well as last year, remaining stable in price and volume. As metro systems continue to sprawl across vast areas in northern Taiwan, residential and commercial properties near the metro system are less susceptible to price volatility. In the future, for any real estate product to be competitive, it must be differentiated from others in value-added aspects, including brand recognizability of design, energy efficiency, intelligent solutions, security and safety, cloud services, data streaming, etc.

2.1.4 Competitive Advantages, Disadvantages, and the Company's Measures to Counteract Negative Factors

A. Competitive advantages

- (1) Accumulation of operational know-hows over seven decades
- (2) Differentiated product lines
- (3) Experienced and innovative R&D capabilities
- (4) Vertical integration and global deployment of production and sales

B. Positive factors

- (1) Expanding range of polyester applications
- (2) Increasing demand of green products
- (3) Growing demand for medical supplies in an aging society
- (4) Benefits derived from FTAs signed by Vietnam

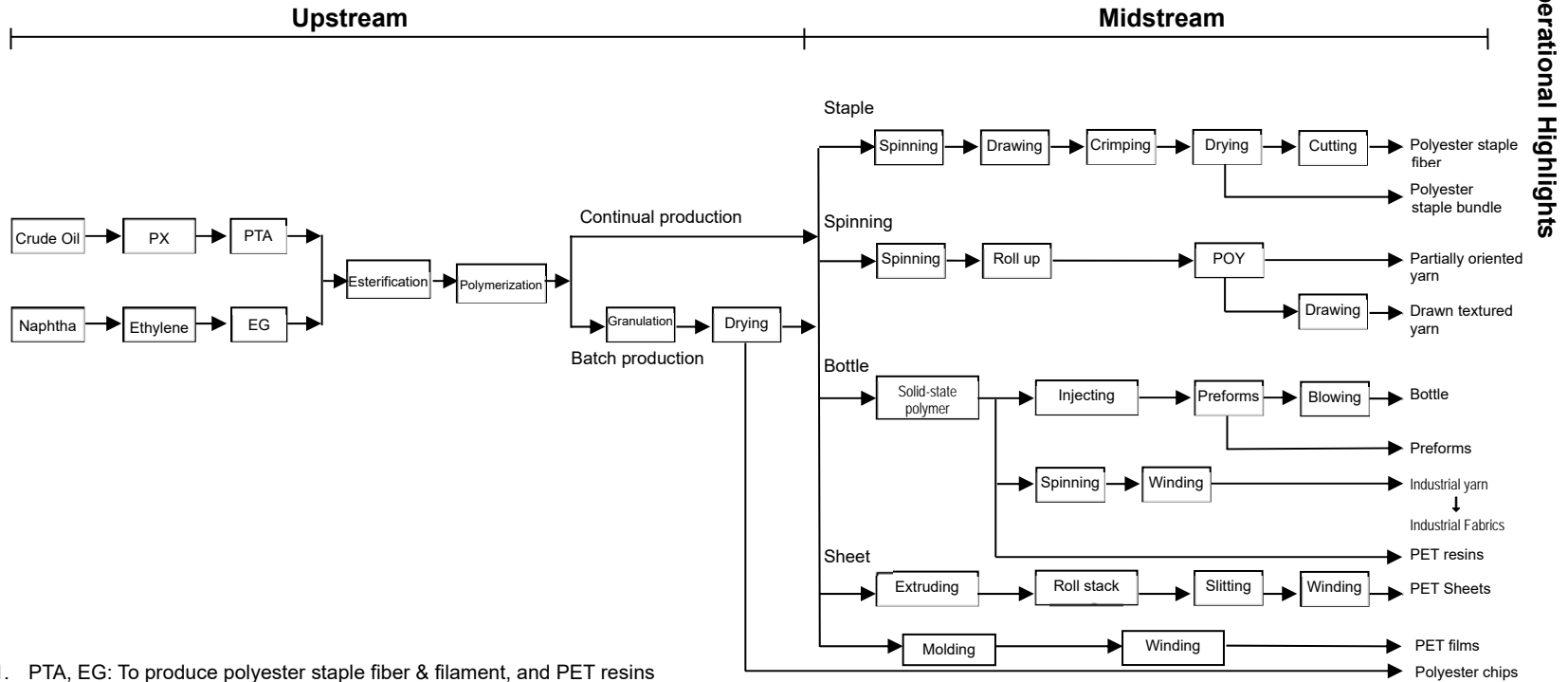
C. Negative factors

- (1) Economic fallout of the coronavirus pandemic
- (2) Consumer confidence weakened by trade war
- (3) Obstacles in Taiwan's participation in regional economic integration
- (4) Volatility of oil prices fueled by geopolitical risks

D. Company's measures to counteract negative factors

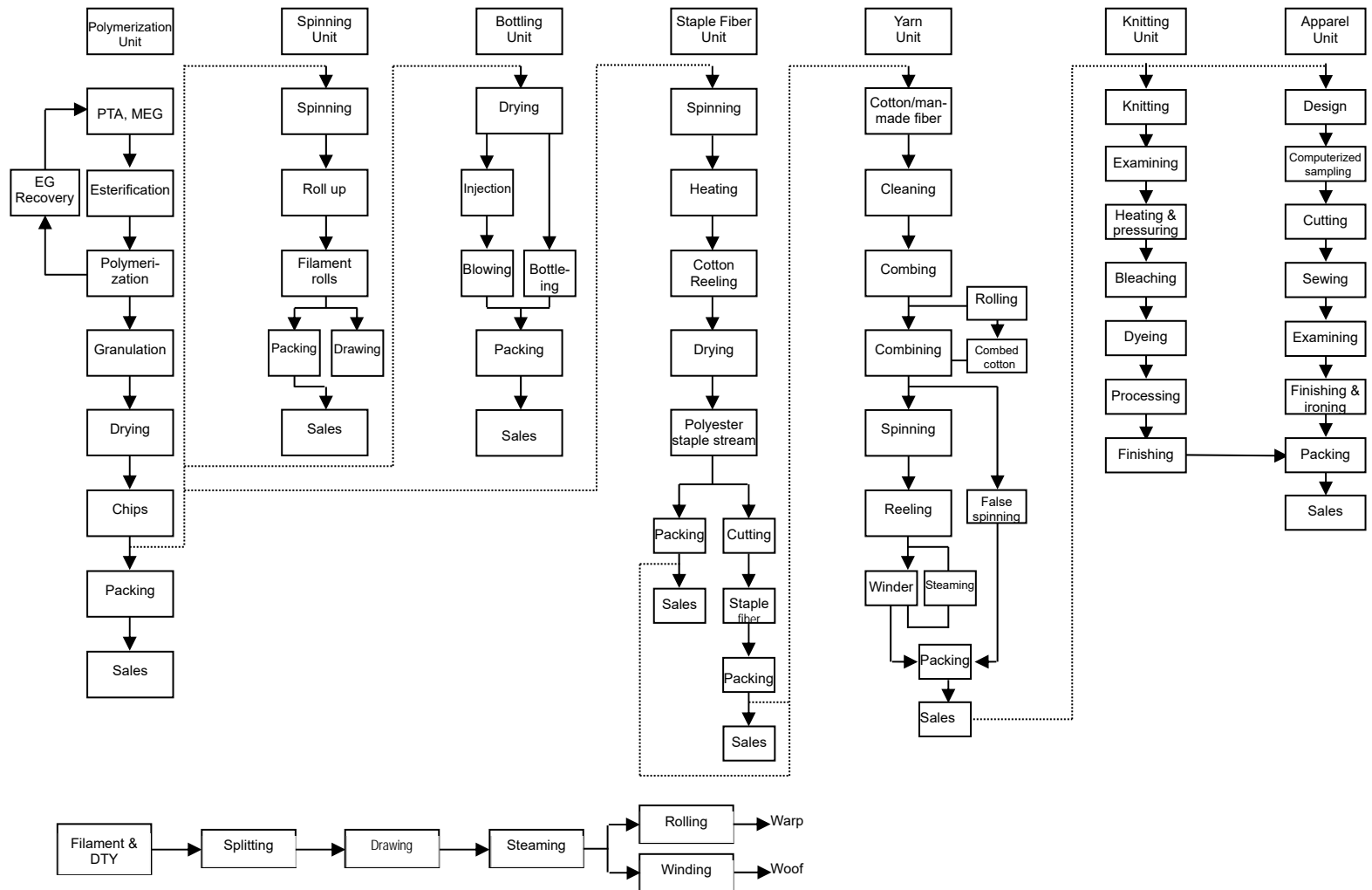
- (1) Focusing on high value-added products
- (2) Expanding the market of green products
- (3) Leveraging the advantages of vertical integration
- (4) Achieving upgrading through digital transformation
- (5) Establishing production sites around the world and developing quality customers

2.2 Applications and Production Process of Major Products



1. PTA, EG: To produce polyester staple fiber & filament, and PET resins
2. Polyester staple fiber: staple fiber yarn, blended yarn, conjugate yarn, non-woven yarn
3. Polyester filament: apparel, garment, upholstery and home furnishing textile
4. Industrial yarn(Industrial fabrics): seat belt, conveyor belt, water-proof coated fabrics
5. Elastic Fiber: stretch apparel and tights
6. PET resins: PET bottle, PET sheet
7. PET bottle: packaging materials or containers of beverages and food
8. Polyester chip: polyester filament, polyester staple fiber
9. PET films: PET heat shrinkable bottle labels
10. Yarn: fabrics for clothing, industrial usage, or home furnishing purpose through weaving or knitting process
11. Fabrics : Finished fabrics for clothing, industrial usage, or home furnishing purpose after dyeing and finishing process
12. Knitted fabrics: apparel, garments, upholstery and home furnishing products
13. Apparel : Underwear, clothing, shirts, fashions, etc.

Downstream



Note: Arrows represent the production sequence, and the dotted arrows represent the inter-unit transferring.

Operational Highlights

2.3 Sources of Major Raw Materials

Item	PTA, EG	Cotton, Polyester Staple Fibers	Fabrics	Finished fabrics	Remarks
Major sources	Internally supplied, Saudi Arabia	The United States, internally supplied	Internally supplied	The United States, internally supplied	Supplies of major raw materials are stable and sufficient.

2.4 Major Suppliers or Customers Who Account for above 10% (inclusive) of Purchases / or Revenues in Recent Two Years

2.4.1 Suppliers Who Account for above 10% (Inclusive) of Purchases in Recent Two Years: None

2.4.2 Customers Who Account for above 10% (Inclusive) of Revenues in Recent Two Years: None

2.5 Volume and Value of the Production in Recent Two Years

Unit: NT\$ thousands

Main Products \ Year			2019			2018		
			Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Petro-chemical	PTA	MT	2,750,000	2,554,731	56,265,014	1,990,000	1,735,867	44,682,266
Polyester	Polyester Chip	MT	2,567,800	1,999,825	59,176,773	1,959,600	1,532,760	52,308,179
	PET Resin(Note)	MT	2,125,550	1,801,725	55,721,556	1,489,967	1,288,232	45,518,584
	PET Bottle Preform	Thousand pieces	2,780,000	2,178,131	2,440,593	2,580,000	1,981,551	2,483,302
	PET Sheet	MT	139,200	92,933	3,690,638	145,200	93,390	4,123,911
	Polyester Staple Fiber	MT	390,600	280,578	11,021,994	451,008	341,256	14,990,637
	PET Film	MT	20,160	16,618	988,617	20,160	17,274	1,069,091
	Partially Oriented Yarn	MT	98,880	87,766	4,422,080	97,260	79,962	4,195,016
	Drawn Textured Yarn	MT	52,440	47,590	3,506,799	52,440	42,794	3,037,457
Textile	Yarn	Bales	373,340	319,727	4,717,075	390,733	350,710	5,579,221
	Knitted Fabrics	MT	43,440	32,828	11,838,407	30,600	23,204	9,533,607
	Industrial Fabrics	MT	21,600	21,166	1,720,162	21,600	18,923	1,834,555
	Industrial Yarn	MT	143,600	123,461	7,082,711	143,600	126,748	7,708,647
	Apparel	Thousand dozens	7,474	6,071	9,135,362	6,981	5,303	8,738,589

Note: Including recycled PET

2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT\$ thousands

Main Products \ Year			2019				2018			
			Domestic sales		Export sales		Domestic sales		Export sales	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Petro-chemical	PTA	MT	1,807,424	41,025,240	706,161	15,788,030	1,466,039	37,949,426	275,734	7,584,224
Polyester	Polyester Chip (Note1)	MT	53,993	1,689,773	22,545	861,387	84,806	3,223,440	29,058	1,118,777
	PET Resin (Note2)	MT	686,515	24,011,429	923,494	32,322,672	394,851	15,311,582	680,297	26,776,464
	PET Bottle Preform	Thousand pieces	1,359,015	1,594,483	653,384	996,923	1,167,034	1,476,142	600,957	920,889
	PET Sheet	MT	57,937	2,433,534	34,731	1,687,436	58,246	2,753,870	35,578	1,719,905
	Polyester Staple Fiber	MT	110,751	5,076,892	176,855	8,763,459	124,468	6,448,915	213,742	11,468,822
	PET Film	MT	7,958	532,525	11,844	965,125	11,636	619,617	11,904	905,735
	Partially Oriented Yarn	MT	37,307	1,732,737	12,263	664,657	30,298	1,599,614	10,147	538,519
	Drawn Textured Yarn	MT	34,524	2,702,326	16,622	1,461,472	33,882	2,511,188	11,478	963,783
Textile	Yarn	Bales	207,952	3,553,240	142,326	1,667,120	216,256	4,085,788	159,140	2,003,114
	Knitted Fabrics	MT	12,322	2,954,833	34,565	9,996,709	10,461	2,425,179	26,084	7,028,722
	Industrial Fabrics	MT	5,632	619,219	14,848	1,707,680	6,053	675,403	14,221	1,693,342
	Industrial Yarn	MT	28,561	1,651,381	60,098	3,902,630	30,899	1,922,817	61,854	4,199,405
	Apparel	Thousand dozens	729	1,833,357	5,594	8,368,230	584	1,393,224	6,659	8,334,946

Note1: Mainly due to internal consumption

Note2: Including recycled PET

3. Information about Employees

Year		2019	2018	Mar 31, 2020
Number of employees		33,833	33,241	32,450
Average age		35	35	35
Average years of service		6.7	6.8	7.0
Breakdown of educational level (Note)	Ph.D	0.2%	0.2%	0.2%
	Master	6.3%	6.0%	6.6%
	Bachelor	40.2%	41.3%	41.3%
	High school and below	53.3%	52.5%	51.9%

Note: Foreign Labors in Taiwan are not included in this statistics.

Operational Highlights

4. Expenses on Environmental Protection

4.1 Loss or Damage Due to Pollution, Disclosure on Current and Future Estimates of Possible Damages and Countermeasures

The Company did not cause material operational loss due to the environmental pollution. Three cases due to the leakage of odor pollutants, inspected by HsinChu County Environmental Protection Bureau, were fined minor penalties. Those include, firstly, as floating meter readings of washing tower in the waste water field (M13 procedure) cannot be interpreted due to its uncleanness, the Company was fined NT\$100,000 and lectured 2 hour environmental session on 6 Mar. 2020 in violation of Paragraph 2, Article 24, Air Pollution Control Act. (Fine Letter: 20-109-030012). The Company then changed the floating meter of washing tower in the waste water field. Secondly, due to fuel boiler malfunction resulting in the leakage of odor pollutants, the Company was fined NT\$300,000 and lectured 2 hour environmental session on 19 Dec. 2019 in violation of Provision 3, Paragraph 1, Article 32, Air Pollution Control Act. (Fine Letter: 20-108-120011). The Company planned to replace the fuel boiler with gas boiler in the future. Finally, due to production equipment malfunction resulting in the leakage of odor pollutants, the Company was fined NT\$300,000 and lectured 2 hour environmental session on 11 Sep. 2019 in violation of Provision 3, Paragraph 1, Article 32, Air Pollution Control Act. (Fine Letter: 20-108-090008). The Company then removed and sealed the cooling pipeline and launched an overall inspection and improvement for the same production process in the plant. The company actively inspects and verifies the greenhouse gas emissions, and regularly assesses the implementation of environmental protection policies on a monthly basis to reduce pollution incidents.

5. Employees

5.1 Current Agreements with Employee and Employee Welfare

5.1.1 Compensation

The Company established a variable payroll system that rewards individual and team performance. The Articles of Incorporations stipulates that a percentage of the Company's net profit shall be dedicated toward employee compensation. The payroll is reviewed regularly in order to retain talents. Business sites in Taiwan participate in the salary survey conducted by consulting firms on a regular basis to stay up to date on the market rate and make proper adjustment.

5.1.2 Insurance

The Company ensures that their employees are covered with labor insurance and healthcare insurance. New recruits and those chose the new scheme, 6% of full salary will be allocated into employee's individual retirement pension account. We also offer special rates for cancer and illness insurances which are optional for all employees.

5.1.3 Employee Welfare Procedures

The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds, and manages various welfare activities for employees. The said activities include, but are not limited to, employee outings and hiking trips. The Company also organizes a volunteer club, a gymnastics club, a yoga club, a badminton club, an aerobic dance club, a table tennis club, a basketball club, all of which are held on regular basis. Additionally, the Company provides free health checkups, child education scholarships, holiday bonuses for birthdays, weddings, funerals, child births, and traditional festival holidays for its employees.

5.1.4 Advanced Training:

Employee training has always been one of the top priorities in the Company's agenda. Since the Company relocated to Taiwan in 1949, it has been providing employees various educational training courses each year. In March 1973, the Company established an occupational training center, in advance of the promulgation of Occupational Training Act implemented by the central government. To enhance overall personnel quality, cultivate professional management talents and satisfy requirements of organizational

operations, the education center was re-organized and expanded into the Human Resources Development Center in February 2008.

The establishment of the Human Resources Development Center (the Center) evidenced the company's emphasis on the cultivation of talents. Since 2011, the Company has been evaluated and granted the silver award of "Talent Quality-management System" (TTQS), a national level evaluation for talent development, from the Workforce Development Agency, Ministry of Labor. In response to the fast expansion of the polyester and textile businesses globally, the Company provides various competence training courses such as supervisor leadership management and staff professional skills, and also actively plans project courses for international talent cultivation, and continuously develops the required professional talents to meet the Company's growth.

Confronted by a turbulent global economy, "lifelong learning" is the key to maintaining the consistent growth and development for both individual and the Company. Besides continuously offering various professional courses, the Company provides long-term training development at all levels in line with the training requirements. The high-level management has to focus on "global business management and strategic planning", whilst the focus for the mid-level managers is "execution" and that for the entry-level supervisors is "teamwork". For employees, the major focus is on "skill". Besides, innovation is the core competency expected by all employees. Given with the training structure, the training programs for each level would share the mutual mindset throughout the company.

Due to the coronavirus outbreak, the Company's online training platform became one of the highlighted method for training during this year, providing a more friendly, more convenient, and more real-time learning channel. All employees can improve their competency by self-learning through online library system, e-book library service, the online English learning platform, and utilizing all kinds of digital courseware and training resources, in order to build as an "innovative learning organization".

Furthermore, in collaboration with Yuan Ze University and leveraging on the school education resources to jointly design and develop up-to-date training courses, the Company has launched Far Eastern Corporate University "Digital Innovation EMBA" and "Engineering Technology Program", which adopted the FENC's industry characteristics to customize training sessions in order to integrate both theory and practice, create good learning culture, and cultivate the competitiveness of manpower.

FENC has established various production sites around the world and gradually became an influential multinational corporation. The Company also actively developed related training programs. The first phase is to select potential key talents, after evaluating English ability, and then arrange the on-line management or language program in the renowned foreign universities, such as MIT, Wharton, Stanford in order to enhance the management skills and English ability. The second phase is to plan for Japanese, Spanish, Arabic and other language classes, advancing for the future development and reserving the international talents.

In 2019, the Company conducted 111 training sessions with 2,027 participants, totally 14,841 hours.

5.1.5 Pension and Retirement Plan:

The pension fund, and all other employee retirement related affairs, is managed in compliance with the Labor Standards Act. "The Supervisory Committee of Employees' Pension Fund" has been established to review and supervise the management of employee pensions. The pension fund is appropriated to the pension fund trust account in custody of Bank of Taiwan to assure the interest of current and retired employees. In addition, pension funds are appropriated monthly to individual pension accounts for those who are qualified or voluntarily choose the new pension fund system in accordance with the "Labor Pension Act".

Operational Highlights

We handle retirement issue according to related laws and regulations. In Taiwan, FENC established Employee Retirement Fund Committee in 1980 and allocate fund for retirement pension. We opened account for employee retirement fund at Central Trust in 1984 and established Supervisory Committee of Employees' Retirement Fund. The Committee which employees exceed half of its members meets quarterly. It supervises whether each company has abided by regulation to handle retirement issue and whether there is enough money in the fund. Tower Watson is in charge of retirement pension actuary and allocation. The Ministry of Labor launched new system for retirement pension in July 2005. FENC consulted all employees on transition of retirement system. For new recruits and those chose the new scheme, 6% of full salary will be allocated into employee's individual retirement pension account. For those opted old scheme, they will receive pension accumulated from years of working in the company at retirement. The retirement scheme covers 100% of permanent employees.

5.1.6 Best Practice Principles of Ethical Corporate Management and Code of Ethics

In order to cultivate an enterprise culture to sustain the development of the Company and ensure all businesses conducted with sincerity and integrity. Guidelines such as "Best Practice Principles of Ethical Corporation Management", "Code of Ethics", and "Procedures for Ethical Management and Guidelines for Conduct" are to ensure that the management of each and every department charges forward under the guiding light of integrity. The Principles shall be abided by directors, managers, employees, mandataries.

The contents of the Best Practice Principles of Professional Corporate Management include prohibition against business conduct without prudence and integrity, definitions and scopes of benefits, compliance with laws and regulations, policy, prevention procedures and rules, commitment and execution, prohibition against infringing intellectual property rights, ethical commercial activities, prohibition against disclosure of confidential information, prohibition against offering and receiving bribery, prohibition against illegal political donations, prohibition against improper charity donations and sponsorship, prohibition against improper gifts, hospitality, or other improper benefits, confidentiality agreement, organization and responsibility, compliance with laws and regulations, prevention of conflicts of interests, accounting and internal control, educational training and performance evaluating system, blow-the-whistle and discipline, disclosure etc.

The contents of Code of Ethics include principle of prudent and ethical management, prevention of conflicts of interests, prohibition of inappropriate personal benefit, preservation of confidentiality, fair transactions and treatments, proper safeguard and use of the Company's assets, compliance with laws and regulations, to blow the whistle, discipline and remedy, disclosure etc.

The contents of Procedures for Ethical Management and Guidelines for Conduct include prohibition against providing or accepting improper benefits, procedures for handling the acceptance of improper benefits, recusal, special unit in charge of confidentiality regime and its responsibilities, prohibition against disclosure of confidential information, non-disclosure agreement, announcement of policy of ethical management to outside parties, statement of ethical management policy to counterparties in commercial dealings, avoidance of commercial dealings with unethical operators, handling of unethical conduct by personnel of this Corporation, actions upon event of unethical conduct by others towards this Corporation, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures etc.

5.1.7 The Agreement Between Labor and Management and Various Procedures Regarding Protection of Employees' Rights:

All regulations and procedures regarding labor and management relationship are implemented in good condition pursuant to related laws.

5.1.8 Working Environment and Employee Safety Protection Procedures:

In order to create a healthy and comfortable work environment and continue to reduce occupational hazards, the Company has formulated occupational safety and health policies as the highest guiding principle in safety and health management at FENC.

Safety at work is of paramount importance to the Company. Legal compliance, continued improvement, all-out participation, risk management and public disclosure are our commitments to safety and health at FENC. We have spared no efforts to strengthen our capabilities in this regard and incorporated safety and health into our corporate culture.

A. With labor and management participated to establish a safety and health working environment:

The key to the successful occupational safety and health management is to fully incorporate each employee well participated. Each of our operational sites has a committee that holds quarterly meetings, develops policies, coordinates efforts and oversees the management of safety and health at work. Additionally, through the operation of the Safety and Health Committee, Management and labor representatives participated in health and safety meeting to address the feasible alternatives to better facilitate a safety and health working environment.

B. Occupational safety and health management:

In order to strengthen the occupational safety and health management and to mitigate the risk of related operation, the Company has obtained Occupational Health and Safety Assessment Series (OHSAS 18001:2007 & ISO 45001) and Taiwan Occupational Safety and Health Management (TOSHMS) certifications among production sites. Each year the third party certification institution reviews and audits the production sites, thus validating the certifications.

C. Work environment sustainability:

In accordance with the procurement policies of Taiwan Occupational Safety and Health Management (TOSHMS), the Company's procurement of machinery, tools, equipment, material and feedstock met the related safety and health criteria on checking, discharging, delivery, storing and installing.

In addition, to better understand our employees' work environment and assess their exposure, the Company's commissions certified work environment monitoring institutes for different production bases to follow the monitoring plans. Based on the monitoring results, the Company has carried out construction improvement and adopted better management or control methods to ensure employees' health and safety at work.

D. Employee health sustainability:

In addition to the professional health and nursing staff stationed at all operational bases, the Company hired medical specialists to provide health guidance and hold a professional consultation across all production sites. The medical specialists also perform special examination on employees whose health may be impaired by specific chemical substances at work and provide analysis and recommendation based on the type and severity of the hazard.

E. Disaster response drills:

In order to respond to emergencies effectively, various drills are conducted annually in response to different types of disasters at all operational sites. The drills can better prepare our employees to handle contingencies and provide opportunities to examine their response and their familiarity with different tools and equipment. Our goal is to prevent or reduce casualties, minimize property damage and environmental impact as well as protect employees in the plant areas and those who living in the neighborhood.

F. Safety and health personnel training:

In order to familiarize everyone with laws and regulations concerning occupational safety and health and the Company's related measures, FENC provides training courses on safety and health periodically. Additionally, in order to have contractors safely work on each production site, the Company conducted differentiated safety and health training regarding difference operational functions.

Operational Highlights

5.2 Loss Occurs Due to Labor Disputes in the Latest Years Till the Publishing Of This Annual Report:

The Company did not cause any loss due to labor disputes. Three cases related to the HR system problems were fined minor penalties during the regular inspection by the authorities, which include, firstly, overtime but excluding technical allowance in the calculation basis in violation of Paragraph 1, Article 24, Labor Law and penalty of NT\$20,000 on 28 Aug. 2019 (Fine Letter: 1080218303). Secondly, overtime during day-offs but excluding technical allowance in calculation basis in violation of Paragraph 2, Article 24, Labor Law and penalty of NT\$20,000 on 28 Aug. 2019 (Fine Letter: 10802183031). Finally, overtime during holidays but excluding technical allowance in calculation basis and penalty of NT\$20,000 on 28 Aug. 2019 (Fine Letter: 10802183032). The Company has been modified the relevant settings for the systematic problems and will regularly review the system in prevent of the similar issues in the future.

6. Important Contracts and Agreements

Type	Company	Counter Party	Duration Period	Major Contents	Covenants
Technology Cooperation	FENC	Institute for Information Industry	2017.04~2022.03	Development of Bio-polyester technology	None
		Industrial Technology Research Institute	2019.06~2020.05	Verification of Chemical Composition for Fiber Material and Development of Analytical Technology via Electron Microscopy	
	DDIM	Far Eastern International Bank	2009.09~Present	FEDirect HGI IC card agreement	No marketing for HGI card holders without prior approval of the parties.
		Citibank Taiwan	2016.05~2021.04	Co-Branded card agreement	Both parties shall not provide their cardholders' information to others for the promotional activities
Long-Term Supply Contract	FENC	SABIC	2011.01~Present	EG supply agreement	Automatically extended by one year when expiration
	OPTC	A to G (total seven companies)	2018.01~Present	PX supply agreement	None
	Far Eastern Industries (Shanghai)	SABIC	2019.01~2023.12	EG supply agreement	
	Yuan Hsin Digital Payment	Kaohsiung Rapid Transit Corp.	2016.07~2037.01	HappyCash for open trading	
	Far EasTone	Ericsson Taiwan	1996.12~Present	Purchase for 4G cell site, mobile phone system and network equipment, software, installation, system construction and technical service	Confidential Clause
		XunWei Tech	2014.3~Present	Frame agreement For 3.5G RAN Acquisition and technical support	
		Apple Asia LLC	2010.01~Present 2010.09~Present	Procurement agreement for iPhone Wireless Service License for Apple's iPad Product	
		Taiwan International Standard Electronics	2014.08~Present	Procurement agreement for telecommunication equipment	
	NCIC	Taiwan International Standard Electronics	2013.01~Present	Procurement agreement for network equipment, software, installation, system implementation and technical services	
Construction Agreement	Far Eastern General Contractor	Central District Project Office, Department of Rapid Transit System, Taipei City Government	2017.06~2020.09	iJG031 Taichung MRT-Wenxin Wuri Beitun Line (G03 station) and the construction of entrance and administration building in co-constructed area	None
		Freeway Bureau, MOTC	2017.12~2021.07	National Freeway No.4 Taichung Circle Line, Fengyuan Tamzi sub-section, C711 Fengshi and C714 Tamzi Interchange construction	

Type	Company	Counter Party	Duration Period	Major Contents	Covenants
Long-Term Borrowing Contract	OPTC	Taiwan Cooperative Bank	2015.01~2020.01	Syndicated loan agreement	
		Mega International Commercial Bank	2017.07~2022.07	Syndicated loan agreement	
	Far Eastern Construction	Hua Nan Bank	2011.03~2031.04	Bank loan agreement	
	FENC	First Commercial Bank	2020.04~2021.10	Bank loan agreement	
		The Bank of Taiwan	2018.08~2022.02 2019.11~2023.05	Bank loan agreement	
		Mizuho bank	2018.06~2021.06	Bank loan agreement	

VI. Financial Information

1. Five-Year Financial Summary

1.1. Condensed Balance Sheets & Statements of Comprehensive Income

1.1.1 Condensed Consolidated Balance Sheets

Unit: NT\$ thousands

Year		Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Mar 31, 2020 (Note 1)
Item							
Current assets		119,040,383	129,188,871	100,053,197	107,539,316	113,653,244	118,335,988
Property, plant and equipment		163,017,162	164,557,019	152,732,987	148,316,398	148,141,804	160,244,479
Intangible assets		55,286,152	57,997,019	60,311,664	56,965,287	50,482,700	97,348,618
Other assets		238,736,002	213,846,511	203,668,432	200,639,157	206,487,374	244,262,562
Total assets		576,079,699	565,589,420	516,766,280	513,460,158	518,765,122	620,191,647
Current liabilities	Before distribution	114,920,194	128,880,103	101,640,620	107,183,432	94,848,512	139,029,435
	After distribution	(Note 2)	138,515,278	108,064,070	111,465,732	100,201,387	(Note 2)
Non-current liabilities		189,838,322	168,979,880	159,586,567	154,084,074	163,519,607	209,100,670
Total liabilities	Before distribution	304,758,516	297,859,983	261,227,187	261,267,506	258,368,119	348,130,105
	After distribution	(Note 2)	307,495,158	267,650,637	265,549,806	263,720,994	(Note 2)
Common stock		53,528,751	53,528,751	53,528,751	53,528,751	53,528,751	53,528,751
Capital surplus	Before distribution						
	After distribution	3,720,355	2,908,631	2,859,569	2,859,588	2,807,683	3,270,539
Retained earnings	Before distribution	150,837,528	149,192,149	141,693,400	137,393,384	136,939,498	152,317,319
	After distribution	(Note 2)	139,556,974	135,269,950	133,111,084	131,586,623	(Note 2)
Other equity		(3,089,283)	(2,069,331)	(3,696,270)	(2,870,205)	4,000,696	(5,048,195)
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	204,522,288	203,535,137	194,360,387	190,886,455	197,251,565	204,043,171
	After distribution	(Note 2)	193,899,962	187,936,937	186,604,155	191,898,690	(Note 2)
Non-controlling interests		66,798,895	64,194,300	61,178,706	61,306,197	63,145,438	68,018,371
Total equity	Before distribution	271,321,183	267,729,437	255,539,093	252,192,652	260,397,003	272,061,542
	After distribution	258,094,262	258,094,262	249,115,643	247,910,352	255,044,128	(Note 2)

Note 1: The financial data of Mar 31, 2020 has been reviewed by the independent auditor.

Note 2: The distribution of 2019 earnings is subject to the approval at the upcoming 2020 Annual General Shareholders' Meeting.

1.1.2 Condensed Consolidated Statements of Comprehensive Income

Unit: NT\$ thousands, except earnings per share

Item \ Year	2019	2018	2017	2016	2015	For the three months ended Mar 31, 2020 (Note 1)
Operating revenues	250,146,590	228,661,933	217,846,948	215,855,921	217,948,202	52,236,311
Gross profit	44,749,930	44,400,112	49,698,205	51,171,122	50,483,282	9,501,829
Operating income	13,762,994	14,783,942	15,434,269	14,536,809	14,513,528	1,731,640
Nonoperating income (expenses)	5,367,261	6,271,188	1,458,022	1,423,301	5,187,145	2,159,356
Income before income tax	19,130,255	21,055,130	16,892,291	15,960,110	19,700,673	3,890,996
Net income	16,435,163	18,391,602	14,201,337	12,702,690	14,686,369	2,883,463
Other comprehensive income, net	(455,369)	905,869	(97,661)	(7,941,876)	(4,630,229)	(2,137,388)
Total comprehensive income	15,979,794	19,297,471	14,103,676	4,760,814	10,056,140	746,075
Net income attributable to owner of the Company	10,732,669	12,028,294	8,066,136	6,307,786	8,034,691	1,503,076
Net income attributable to non-controlling interests	5,702,494	6,363,308	6,135,201	6,394,904	6,651,678	1,380,387
Total comprehensive income attributable to owner of the Company	10,546,569	12,883,387	7,808,712	(1,049,835)	3,712,786	(473,459)
Total comprehensive income attributable to non-controlling interests	5,433,225	6,414,084	6,294,964	5,810,649	6,343,354	1,219,534
EPS (NT\$/share, Note 2)	2.15	2.41	1.61	1.26	1.61	0.30

Note 1: The financial data of Mar 31, 2020 has been reviewed by the independent auditor.

Note 2: The EPS is calculated based on the number of weighted average outstanding shares after deducting treasury stocks holding by subsidiaries and after the adjustment of the capitalizing of the stock dividends

1.1.3 Condensed Balance Sheets (Stand-alone)

Unit: NT\$ thousands

Year		Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Item						
Current assets		31,823,888	31,423,092	23,622,633	27,827,747	32,296,066
Property, plant and equipment		25,325,644	24,507,928	24,216,996	24,509,217	24,340,572
Intangible assets		18,948	17,087	20,427	24,499	20,622
Other assets		271,953,123	261,082,047	238,260,228	233,408,485	238,510,353
Total assets		329,121,603	317,030,154	286,120,284	285,769,948	295,167,613
Current liabilities	Before distribution	24,007,226	23,339,671	15,560,934	19,840,968	20,970,190
	After distribution	(Note)	32,974,846	21,984,384	24,123,268	26,323,065
Non-current liabilities		100,592,089	90,155,346	76,198,963	75,042,525	76,945,858
Total liabilities	Before distribution	124,599,315	113,495,017	91,759,897	94,883,493	97,916,048
	After distribution	(Note)	123,130,192	98,183,347	99,165,793	103,268,923
Common stock		53,528,751	53,528,751	53,528,751	53,528,751	53,528,751
Capital surplus	Before distribution	3,270,355	2,908,631	2,859,569	2,859,588	2,807,683
	After distribution					
Retained earnings	Before distribution	150,837,528	149,192,149	141,693,400	137,393,384	136,939,498
	After distribution	(Note)	139,556,974	135,269,950	133,111,084	131,586,623
Other equity		(3,089,283)	(2,069,331)	(3,696,270)	(2,870,205)	4,000,696
Treasury stocks		(25,063)	(25,063)	(25,063)	(25,063)	(25,063)
Total equity attributable to owners of the Company	Before distribution	204,522,288	203,535,137	194,360,387	190,886,455	197,251,565
	After distribution	(Note)	193,899,962	187,936,937	186,604,155	191,898,690

Note: The distribution of 2019 earnings is subject to the approval at the upcoming 2020 Annual General Shareholders' Meeting.

Financial Information

1.1.4 Condensed Statements of Comprehensive Income (Stand-alone)

Unit: NT\$ thousands, except earnings per share

Item \ Year	2019	2018	2017	2016	2015
Operating revenues	46,477,960	54,063,801	45,216,423	44,749,437	46,849,529
Gross profit	4,953,143	5,197,053	3,706,024	4,113,602	4,276,616
Operating Income (Loss)	137,076	260,263	(1,258,899)	(866,363)	(453,304)
Nonoperating income (expenses)	10,606,950	12,458,314	9,375,660	6,858,197	8,709,062
Income before income tax	10,744,026	12,718,577	8,116,761	5,991,834	8,255,758
Net income	10,732,669	12,028,294	8,066,136	6,307,786	8,034,691
Other comprehensive income, net	(186,100)	855,093	(257,424)	(7,357,621)	(4,321,905)
Total comprehensive income	10,546,569	12,883,387	7,808,712	(1,049,835)	3,712,786
EPS (NT\$/share, Note)	2.15	2.41	1.61	1.26	1.61

Note: The EPS is calculated based on the number of weighted average outstanding shares after deducting treasury stocks holding by subsidiaries and after the adjustment of the capitalizing of the stock dividends

1.2. Names and Opinions of Independent Auditors in Recent Five Years

Year	Name of CPA	Auditing Opinion	
		Consolidated	Stand-alone
2019	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2018	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2017	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2016	Jing-Bin Shih & Cheng-Hung Kuo	Unmodified unqualified opinion	Unmodified unqualified opinion
2015	Jing-Bin Shih & Cheng-Hung Kuo	Modified unqualified opinion	Modified unqualified opinion

2. Financial Ratio Analysis for Recent Five Years

2.1 Financial Ratio Analysis

2.1.1 Financial Ratio Analysis (Consolidated)

Item		Year	2019	2018	2017	2016	2015	March 31 2020
Financial structure	Ratio of liabilities to assets (%)		52.9	52.7	50.6	50.9	49.8	56.1
	Ratio of long-term capital to property, plant and equipment (%)		241.9	226.4	231.7	232.6	243.5	257.8
Liquidity analysis	Current ratio (%)		103.6	100.2	98.4	100.3	119.8	85.1
	Quick ratio (%)		78.3	69.9	68.9	76.5	90.5	65.7
	Interest coverage ratio (times)		6.9	8.8	7.5	7.4	9.0	6.1
Operating ability	Receivables turnover(times)		8.9	8.3	8.6	9.0	8.5	7.9
	Average collection period (days)		41.1	43.9	42.3	40.7	43.0	46.5
	Inventory turnover (times)		6.7	6.1	6.9	7.1	7.2	6.8
	Average sales days (days)		54.4	60.0	52.8	51.7	50.7	54.1
	Payables turnover (times)		11.7	9.8	9.2	10.2	11.5	10.4
	Property, plant and equipment turnover (times)		1.5	1.4	1.4	1.5	1.5	1.3
	Total assets turnover (times)		0.4	0.4	0.4	0.4	0.4	0.3
Profitability analysis	Return on total assets (%)		3.4	3.9	3.3	2.9	3.4	2.4
	Return on equity attributable to owners of the Company (%)		5.3	6.1	4.2	3.3	4.0	2.9
	Ratio to paid-in capital (%)	Operating profit	25.7	27.6	28.8	27.2	27.1	12.9
		Pre-tax income	35.7	39.3	31.6	29.8	36.8	29.1
	Ratio of net income to sales (%)		6.6	8.0	6.5	5.9	6.7	5.5
Cash flow	EPS (NT\$/share) (Note)		2.15	2.41	1.61	1.26	1.61	0.30
	Cash flow ratio (%)		38.2	14.6	29.3	32.3	35.9	17.1
	Cash flow adequacy ratio (%)		78.8	70.5	76.4	77.8	70.0	78.8
Leverage	Cash reinvestment ratio (%)		11.0	2.0	8.3	10.4	8.5	3.0
	Operating leverage		4.1	3.7	3.8	4.2	4.1	6.9
Leverage	Financial leverage		1.3	1.2	1.2	1.2	1.2	1.8
Analysis of variations exceeding 20% of the numbers in previous year for 2018 and 2019: (1) Interest coverage ratio decreased: mainly due to the interest expense increased and the income before income tax decreased in 2019. (2) Cash flow increased (e.g. cash flow ratio & cash reinvestment ratio): mainly due to the 2019 cash flows from operating activities increased.								

Note: The EPS is calculated based on the number of weighted average outstanding shares after deducting treasury stocks holding by subsidiaries and after the adjustment of the capitalizing of the stock dividends

Financial Information

2.1.2 Financial Ratio Analysis (Stand-alone)

Item \ Year		2019	2018	2017	2016	2015
Financial structure	Ratio of liabilities to assets (%)	37.9	35.8	32.1	33.2	33.2
	Ratio of long-term capital to property, plant and equipment (%)	1,204.8	1,198.4	1,177.2	1,085.0	1,126.5
Liquidity analysis	Current ratio (%)	132.6	134.6	151.8	140.3	154.0
	Quick ratio (%)	110.7	105.8	111.5	108.5	123.2
	Interest coverage ratio (times)	11.9	15.0	11.0	7.2	9.1
Operating ability	Receivables turnover(times)	7.5	7.7	6.4	6.3	5.9
	Average collection period (days)	48.4	47.6	56.8	57.8	61.9
	Inventory turnover (times)	7.0	7.6	6.7	6.5	6.6
	Average sales days (days)	52.1	47.8	54.4	56.5	55.1
	Payables turnover (times)	14.6	15.6	13.0	13.6	13.9
	Property, plant and equipment turnover (times)	1.8	2.2	1.9	1.8	1.9
	Total assets turnover (times)	0.1	0.2	0.2	0.2	0.2
Profitability analysis	Return on total assets (%)	3.6	4.3	3.1	2.5	3.0
	Return on shareholders' equity (%)	5.3	6.1	4.2	3.3	4.0
	Ratio to paid-in capital (%)	Operating profit	0.3	0.5	(2.4)	(1.6)
		Pre-tax income	20.1	23.8	15.2	11.2
	Ratio of net income to sales (%)	23.1	22.3	17.8	14.1	17.1
Cash flow	EPS (NT\$/share, Note)	2.15	2.41	1.61	1.26	1.61
	Cash flow ratio (%)	58.7	39.4	41.2	39.7	47.9
	Cash flow adequacy ratio (%)	106.6	98.0	98.1	83.5	72.0
Leverage	Cash reinvestment ratio (%)	1.5	1.0	0.8	1.0	1.3
	Operating leverage	53.2	30.5	—	—	—
	Financial leverage	—	—	—	—	—

Analysis of variations exceeding 20% of the numbers in previous year for 2018 and 2019:

- (1) Interest coverage ratio decreased: mainly due to the 2019 interest expense increased and the income before tax decreased.
- (2) Ratios of profitability analysis decreased (e.g. operating profit to paid-in capital ratio): mainly due to the 2019 operating profit decreased.
- (3) Cash flow increased (e.g. cash flow ratio & cash reinvestment ratio): mainly due to the 2019 cash flows from operating activities increased.
- (4) Ratio on operating leverage increased: mainly due to the 2019 operating profit decreased.

Note: The EPS is calculated based on the number of weighted average outstanding shares after deducting treasury stocks holding by subsidiaries and after the adjustment of the capitalizing of the stock dividends

The formula used for the calculation of numbers in the table:

1. Financial structure

- (1) Liabilities to assets ratio = Total liabilities / Total assets
- (2) Long-term capital to fixed assets ratio = (Total shareholders' equity + Long-term liabilities) / Net fixed assets

2. Liquidity analysis

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities
- (3) Interest coverage ratio = Net income before income tax and interest expenses / Interest expenses

3. Operating ability

- (1) Receivables turnover(including accounts and notes receivable) = Net sales / Average accounts receivable (including accounts and notes receivable)
- (2) Average collection days = 365/ Accounts receivable turnover
- (3) Inventory turnover = Costs of goods sold / Average inventory
- (4) Average sales days = 365 / Inventory turnover
- (5) Payables turnover(including accounts and notes payable) = Costs of goods sold / Average accounts payable (including accounts and notes payable)
- (6) Fixed assets turnover ratio = Net sales / Net fixed assets
- (7) Total assets turnover ratio = Net sales / Total assets

4. Profitability analysis

- (1) Return on total assets =[Net income +Interest expenses×(1-Tax rate)] / Average total assets
- (2) Return on shareholders' equity =Net income / Average shareholders' equity
- (3) Net income to sales ratio = Net income / Net sales
- (4) Earnings per share = (Net income - Preferred stock dividend) / Weighted-average number of outstanding shares

5. Cash flow

- (1) Cash flow ratio = Cash flows from operating activities / Current liabilities
- (2) Cash flow adequacy ratio = Net cash flow from operating activities for the past 5 years / (Capital expenditures + Increase in inventory + Cash dividends) for the past 5 years
- (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross fixed assets + Long-term Investment + Other assets + Working capital)

6. Leverage

- (1) Operating leverage = (Net sales - Variable operating costs and expenses) / Operating income
- (2) Financial leverage = Operating income / (Operating income-Interest expenses)

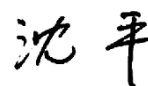
Financial Information

3. The Audit Committee's Review Report

The Audit Committee's Review Report

To the 2020 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2019 which had been audited by Deloitte & Touche, and found them in order.



The Convener of the Audit Committee: Bing Shen

12 May 2020

4. Impact of the Financial Distress Occurred to the Company and Affiliates in Recent Years until the Annual Report Being Published

None

5. Financial Report (Consolidated)

(The full copy can be downloaded at <http://mops.twse.com.tw/>)

2019 Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Shareholders
Far Eastern New Century Corporation

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements for the year ended December 31, 2019 are as follows:

Financial Information

Fair Value Evaluation of Investment Property

As of December 31, 2019, the total of the Group's investment property was NT\$127,633,553 thousand, which represented 22.16% of the consolidated total assets. In 2019, the gain on change in fair value of investment property was NT\$1,882,995 thousand, which represented 9.84% of the consolidated income before income tax. The items mentioned above are considered significant to the consolidated financial statements as a whole. The Group's investment properties are measured using the fair value model. The fair value evaluation involved significant accounting estimation and judgment. As a result, the fair value evaluation of investment property is considered to be a key audit matter.

For the accounting policies, significant accounting judgment, evaluation, and assumptions on the main source of uncertainty related to investment property, refer to Notes 4 (k) and 5 (c) to the consolidated financial statements. For more information about the Group's investment property, refer to Note 17 to the consolidated financial statements.

For the fair value evaluation of investment property, we performed the corresponding audit procedures as follows:

1. We assessed the competencies and independence of the external valuer engaged by the management and discussed with the management the valuer's work scope and process of engagement acceptance; we evaluated the risk of possible impairment of the valuer's independence and determined that the valuer's work scope was free from limiting factors.
2. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data which was used in the valuation process by the valuer.

Evaluation of Impairment Loss on Property, Plant and Equipment and Right-of-use Assets and Intangible Assets (Including Goodwill) and the Incremental Costs of Obtaining a Contract in Telecommunications Department

The Group's telecommunications segment operates in a highly competitive market with rapid change in the sector. Economic trends, market competition, and technological development influence the management's evaluation of and judgment on the expected economic benefits and recoverable amounts of the cash-generating units to which the assets belong, which in turn are used for the evaluation of such assets' impairment. Thus, the evaluation of impairment of property, plant and equipment and right-of-use assets and intangible assets (including goodwill) and the incremental costs of obtaining a contract in the telecommunications department is considered as a key audit matter.

For the estimates and judgments related to property, plant and equipment and right-of-use assets and intangible assets as well as the incremental costs of obtaining a contract, refer to Notes 4 (l and o) and 5 (a and b) to the consolidated financial statements. For other related disclosures, refer to Notes 15, 16, 18 and 19 to the consolidated financial statements.

For the evaluation of impairment loss related to property, plant and equipment and right-of-use assets and intangible assets (including goodwill) as well as the incremental costs of obtaining a contract in the telecommunications department, we performed the corresponding audit procedures as follows:

1. We obtained an understanding of the Group's asset impairment evaluation processes and the design and implementation of the related controls.
2. We obtained the Group's asset impairment evaluation reports for each cash-generating unit.
3. We evaluated the reasonableness of the Group's identification of the assets which were considered impaired and the assumptions and sensitivity analysis used in the asset impairment assessments, including the appropriateness of the classification of the cash-generating units, cash flow forecasts and discount rates used.

Recognition of Revenue Derived from Mobile Telecommunications Service

The mobile telecommunications service revenue is the main revenue source of the Group's telecommunications segment. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Group often launches different combinations of products and services which make the calculation of revenue more complex and directly affects the accuracy and timing of revenue recognition. Therefore, the recognition of mobile telecommunications service revenue is considered as a key audit matter.

For the accounting policies related to mobile telecommunications service revenue, refer to Note 4 (s) to the consolidated financial statements.

For recognition of mobile telecommunications service revenue, our corresponding audit procedures were as follows:

1. We obtained an understanding of the Group's recognition of mobile telecommunications service revenue and the design and implementation of the related controls.
2. We reviewed the contracts of mobile subscribers to confirm the accuracy of the information in the billing system.
3. We performed dialing tests to verify the accuracy and completeness of the traffic data and information obtained from the switch equipment.
4. We tested the accuracy of the billing calculation.
5. We tested the completeness and accuracy of the calculation and billing of monthly fees and airtime fees.
6. We tested the completeness and accuracy of the calculation and billing of value-added service fees.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we checked whether there was any difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates and confirmed the accuracy of the amounts.

In addition, we evaluated manual journal entries posted to revenue accounts, by testing samples of entries with specific risk, and compared details of these journal entries with the relevant underlying documentation to evaluate the reasonableness and accuracy of these selected entries.

Other Matter

We have also audited the parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 on which we have issued unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Financial Information

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2020

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 audit such consolidated financial statements are those generally applied in the Republic of China.

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 35)	\$ 38,924,588	7	\$ 35,342,560	6
Financial assets at fair value through profit or loss - current (Notes 4, 7, 34, 35 and 36)	5,053,716	1	6,075,604	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 34)	80,853	-	75,346	-
Financial assets at amortized cost - current (Notes 9, 10, 34 and 35)	1,792,168	-	2,090,355	-
Financial assets for hedging - current (Notes 34 and 35)	-	-	1,868	-
Contact assets - current (Notes 4 and 26)	6,398,973	1	5,828,641	1
Notes and accounts receivable, net (Notes 4, 11, 26 and 35)	26,932,881	5	29,347,392	5
Other receivables (Note 35)	4,209,711	1	2,507,639	1
Current tax assets (Note 4)	34,616	-	25,338	-
Inventories (Notes 4, 12 and 36)	27,117,492	5	34,072,652	6
Prepayments	1,957,909	-	5,082,995	1
Other financial assets - current (Notes 35 and 36)	3,079,224	-	5,746,927	1
Refundable deposits - current	105,305	-	65,377	-
Other current assets	3,352,947	1	2,926,177	1
Total current assets	119,040,383	21	129,188,871	23
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 34)	2,076,085	-	2,014,802	1
Financial assets at amortized cost - non-current (Notes 9, 10, 34 and 35)	519,921	-	431,290	-
Financial assets for hedging - non-current (Note 34)	-	-	65,356	-
Investments accounted for using the equity method (Notes 4, 14, 35 and 36)	71,266,263	13	66,378,437	12
Contract assets - non-current (Notes 4 and 26)	2,333,037	-	1,535,757	-
Property, plant and equipment (Notes 4, 5, 15 and 36)	163,017,162	28	164,557,019	29
Right-of-use assets (Notes 4, 5, 16 and 35)	18,692,472	3	-	-
Investment properties (Notes 4, 5, 16 and 35)	127,633,553	22	124,816,527	22
Concessions (Notes 4, 19 and 36)	38,069,295	7	41,136,801	7
Goodwill (Notes 4, 5 and 18)	12,290,228	2	11,862,742	2
Other intangible assets (Notes 4, 5 and 19)	4,926,629	1	4,997,476	1
Deferred tax assets (Notes 4 and 28)	3,117,532	1	3,318,140	1
Prepayments for equipment (Note 15)	2,150,572	-	1,406,581	-
Refundable deposits - non-current	1,478,369	-	1,130,010	-
Long-term other receivables (Notes 11 and 35)	100,125	-	524,861	-
Incremental costs of obtaining a contract - non-current (Notes 4 and 26)	3,398,107	1	1,802,163	-
Net defined benefit assets - non-current (Note 23)	487,009	-	52,927	-
Other financial assets - non-current (Notes 35 and 36)	3,882,293	1	2,718,063	1
Long-term prepayments for lease	-	-	7,247,623	1
Other non-current assets	1,600,664	-	403,974	-
Total non-current assets	457,039,316	79	436,400,549	77
TOTAL	\$ 576,079,699	100	\$ 565,589,420	100

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2019		2018	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 35)	\$ 35,429,586	6	\$ 47,833,445	8
Short-term bills payable (Note 20)	8,125,603	1	6,717,712	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 34)	1,861	-	6,848	-
Contract liabilities - current (Notes 4 and 26)	4,535,792	1	4,647,210	1
Notes and accounts payable	17,704,125	3	16,805,506	3
Notes and accounts payable to related parties (Note 35)	336,261	-	365,517	-
Payables to suppliers of machinery and equipment	2,518,210	-	7,534,766	1
Lease liabilities - current (Notes 4, 5, 16 and 35)	3,187,540	1	-	-
Other payables	14,844,133	3	16,752,125	3
Current tax liabilities (Note 4)	1,693,953	-	3,615,154	1
Provisions - current (Notes 4 and 22)	250,396	-	293,364	-
Guarantee deposits received - current (Note 35)	233,022	-	230,984	-
Current portion of long-term liabilities (Notes 20 and 21)	23,071,439	4	20,640,059	4
Other current liabilities	2,988,273	1	3,437,413	1
Total current liabilities	114,920,194	20	128,880,103	23
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Note 34)	31,087	-	-	-
Contract liabilities - non-current (Notes 4 and 26)	210,600	-	208,272	-
Lease liabilities - non-current (Notes 4, 5, 16 and 35)	7,376,771	1	-	-
Bonds payable (Note 21)	83,398,393	15	78,903,315	14
Long-term borrowings (Note 20)	78,289,832	14	68,719,309	12
Provisions - non-current (Notes 4 and 22)	961,398	-	911,333	-
Deferred tax liabilities (Notes 4 and 28)	17,761,929	3	17,552,448	3
Net defined benefit liabilities - non-current (Note 23)	959,416	-	1,868,362	1
Guarantee deposits received- non-current (Note 35)	635,451	-	555,712	-
Deferred credit-gains on related-party transactions (Note 35)	122,526	-	123,081	-
Other non-current liabilities	90,919	-	138,048	-
Total non-current liabilities	189,838,322	33	168,979,880	30
Total liabilities	304,758,516	53	297,859,983	53
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital				
Common stock	53,528,751	9	53,528,751	9
Capital surplus	3,270,355	1	2,908,631	1
Retained earnings				
Legal reserve	17,955,250	3	16,752,421	3
Special reserve	115,505,874	20	114,443,170	20
Unappropriated earnings	17,376,404	3	17,996,558	3
Total retained earnings	150,837,528	26	149,192,149	26
Other equity	(3,089,283)	(1)	(2,069,331)	-
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	204,522,288	35	203,535,137	36
NON-CONTROLLING INTERESTS (Note 25)	66,798,895	12	64,194,300	11
Total equity	271,321,183	47	267,729,437	47
TOTAL	\$ 576,079,699	100	\$ 565,589,420	100

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)				
Net sales	\$ 181,946,076	73	\$ 159,436,994	70
Telecommunications service revenue	47,518,690	19	50,580,903	22
Gain on disposal of investments, net	31,400	-	-	-
Construction revenue	6,868,908	3	6,358,851	3
Other operating revenue	13,781,516	5	12,285,185	5
Total operating revenue	250,146,590	100	228,661,933	100
OPERATING COSTS (Notes 12, 27 and 35)				
Cost of goods sold	168,419,192	67	146,690,946	64
Cost of telecommunications services	24,651,774	10	26,148,722	12
Loss on disposal of investments, net	-	-	16,319	-
Construction costs	6,608,826	3	6,135,849	3
Other operating costs	5,716,868	2	5,269,985	2
Total operating costs	205,396,660	82	184,261,821	81
GROSS PROFIT	44,749,930	18	44,400,112	19
REALIZED CONSTRUCTION INCOME	555	-	556	-
OPERATING EXPENSES (Notes 27 and 35)				
Selling and marketing	18,810,722	8	16,793,326	7
General and administrative	10,809,934	4	11,778,207	5
Research and development	1,061,969	-	836,704	1
Expected credit loss	304,866	-	208,489	-
Total operating expenses	30,987,491	12	29,616,726	13
OPERATING INCOME	13,762,994	6	14,783,942	6
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates (Note 14)	6,464,485	2	6,224,158	3
Interest income	354,718	-	301,957	-
Other income - other	1,235,713	-	1,428,288	-
(Loss) gain on disposal of investment properties (Note 17)	(262)	-	12,619	-
Gain on modification of lease	1,101	-	-	-
Exchange gain, net	127,790	-	566,309	-
Gain (loss) on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	386,597	-	(247,749)	-
Gain on change in fair value of investment properties (Note 17)	1,882,995	1	646,390	-
Interest expense (Notes 27 and 35)	(3,220,315)	(1)	(2,689,232)	(1)
Other expenses	(879,055)	-	(959,360)	-
(Loss) gain on disposal of property, plant and equipment (Note 15)	(816,751)	-	1,547,167	1
Loss on disposal of concessions (Note 19)	(1,467)	-	-	-
Gain (loss) on disposal of intangible assets (Note 19)	1,465	-	(4,774)	-
Net loss on derecognition of financial assets at amortized cost (Note 9)	(2,800)	-	-	-
Impairment loss (Notes 14, 15 and 18)	(166,953)	-	(554,585)	-
Total non-operating income and expenses	5,367,261	2	6,271,188	3

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 19,130,255	8	\$ 21,055,130	9
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(2,695,092)</u>	<u>(1)</u>	<u>(2,663,528)</u>	<u>(1)</u>
NET INCOME	<u>16,435,163</u>	<u>7</u>	<u>18,391,602</u>	<u>8</u>
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	831,265	-	328,504	-
Gain on property revaluation (Note 15)	337,927	-	-	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	70,739	-	34,423	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	1,855,646	1	1,049,676	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(169,991)</u>	<u>-</u>	<u>71,214</u>	<u>-</u>
	<u>2,925,586</u>	<u>1</u>	<u>1,483,817</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(2,536,536)	(1)	(625,668)	-
(Loss) gain on hedging instruments	(96,443)	-	29,812	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>(747,976)</u>	<u>-</u>	<u>17,908</u>	<u>-</u>
	<u>(3,380,955)</u>	<u>(1)</u>	<u>(577,948)</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>(455,369)</u>	<u>-</u>	<u>905,869</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 15,979,794</u>	<u>7</u>	<u>\$ 19,297,471</u>	<u>8</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 10,732,669	5	\$ 12,028,294	5
Non-controlling interests	<u>5,702,494</u>	<u>2</u>	<u>6,363,308</u>	<u>3</u>
	<u>\$ 16,435,163</u>	<u>7</u>	<u>\$ 18,391,602</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 10,546,569	5	\$ 12,883,387	5
Non-controlling interests	<u>5,433,225</u>	<u>2</u>	<u>6,414,084</u>	<u>3</u>
	<u>\$ 15,979,794</u>	<u>7</u>	<u>\$ 19,297,471</u>	<u>8</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)				
Basic	<u>\$ 2.15</u>		<u>\$ 2.41</u>	
Diluted	<u>\$ 2.14</u>		<u>\$ 2.40</u>	

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

(Concluded)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars; Except Dividends Per Share)

	Equity Attributable to					
	Common Stock (Note 25)	Capital Surplus (Notes 4 and 25)	Legal Reserve (Note 25)	Special Reserve (Note 25)	Unappropriated Earnings (Note 25)	Exchange Differences on Translating Foreign Operations (Notes 4 and 25)
BALANCE AT JANUARY 1, 2018	\$ 53,528,751	\$ 2,859,569	\$ 15,945,807	\$ 112,928,355	\$ 12,819,238	\$ (3,077,371)
Effect of retrospective application and retrospective restatement	-	-	-	-	3,067,233	-
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)
Appropriation of the 2017 earnings						
Legal reserve	-	-	806,614	-	(806,614)	-
Special reserve	-	-	-	1,520,493	(1,520,493)	-
Cash dividends - NT\$1.2 per share	-	-	-	-	(6,423,450)	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-
Net income for the year ended December 31, 2018	-	-	-	-	12,028,294	-
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	418,985	(512,530)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	12,447,279	(512,530)
Change in associates accounted for using the equity method	-	48,127	-	-	(2,541)	-
Partial acquisition (disposal) of interests in subsidiaries	-	-	-	-	(17,440)	-
Change in ownership interest of subsidiaries	-	-	-	-	(12,954)	-
Increase in non-controlling interests	-	-	-	-	-	-
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	935	-	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,559,378)	-
Cash capital reduction by subsidiaries	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(5,678)	5,678	-
BALANCE AT DECEMBER 31, 2018	53,528,751	2,908,631	16,752,421	114,443,170	17,996,558	(3,589,901)
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)	-
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)
Appropriation of the 2018 earnings						
Legal reserve	-	-	1,202,829	-	(1,202,829)	-
Special reserve	-	-	-	1,088,579	(1,088,579)	-
Cash dividends - NT\$1.8 per share	-	-	-	-	(9,635,175)	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-
Net income for the year ended December 31, 2019	-	-	-	-	10,732,669	-
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	823,075	(2,955,805)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,555,744	(2,955,805)
Change in associates accounted for using the equity method	-	14,084	-	6	45,095	-
Disposal of investments accounted for using the equity method	-	(212)	-	-	528	-
Disposal of subsidiaries	-	-	-	-	-	-
Change in ownership interest of subsidiaries	-	346,449	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	10,533	-
Reversal of special reserve	-	-	-	(25,881)	25,881	-
Acquisition of subsidiaries	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2019	\$ 53,528,751	\$ 3,270,355	\$ 17,955,250	\$ 115,505,874	\$ 17,376,404	\$ (6,545,706)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars; Except Dividends Per Share)

Owners of the Company		Other Equity						
Unrealized Gain (Loss) on Available-for-sale Financial Assets (Note 25)	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 25)	Cash Flow Hedges (Notes 4 and 25)	Gain on Hedging Instruments (Notes 4 and 25)	Unrealized Revaluation Increments (Notes 4 and 25)	Treasury Shares (Note 29)	Total Equity Attributable to Owners of the Company	Non-controlling Interests (Note 25)	Total Equity
\$ (1,357,319)	\$ -	\$ 35,642	\$ -	\$ 702,778	\$ (25,063)	\$ 194,360,387	\$ 61,178,706	\$ 255,539,093
<u>1,357,319</u>	<u>(1,725,866)</u>	<u>(35,642)</u>	<u>35,642</u>	<u>-</u>	<u>-</u>	<u>2,698,686</u>	<u>3,926,063</u>	<u>6,624,749</u>
-	(1,725,866)	-	35,642	702,778	(25,063)	197,059,073	65,104,769	262,163,842
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(6,423,450)	-	(6,423,450)
-	-	-	-	-	-	-	(7,760,337)	(7,760,337)
-	-	-	-	-	-	12,028,294	6,363,308	18,391,602
-	<u>938,400</u>	-	<u>10,238</u>	-	-	<u>855,093</u>	<u>50,776</u>	<u>905,869</u>
-	<u>938,400</u>	-	<u>10,238</u>	-	-	<u>12,883,387</u>	<u>6,414,084</u>	<u>19,297,471</u>
-	-	-	-	-	-	45,586	33	45,619
-	-	-	-	-	-	(17,440)	(153,820)	(171,260)
-	-	-	-	-	-	(12,954)	12,556	(398)
-	-	-	-	-	-	-	577,375	577,375
-	-	-	-	-	-	935	-	935
-	1,559,378	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(360)	(360)
-	-	-	-	-	-	-	-	-
-	771,912	-	45,880	702,778	(25,063)	203,535,137	64,194,300	267,729,437
-	-	-	-	-	-	(331,352)	(94,653)	(426,005)
-	771,912	-	45,880	702,778	(25,063)	203,203,785	64,099,647	267,303,432
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(9,635,175)	-	(9,635,175)
-	-	-	-	-	-	-	(7,758,030)	(7,758,030)
-	-	-	-	-	-	10,732,669	5,702,494	16,435,163
-	<u>1,678,830</u>	-	<u>(34,180)</u>	<u>301,980</u>	-	<u>(186,100)</u>	<u>(269,269)</u>	<u>(455,369)</u>
-	<u>1,678,830</u>	-	<u>(34,180)</u>	<u>301,980</u>	-	<u>10,546,569</u>	<u>5,433,225</u>	<u>15,979,794</u>
-	-	-	-	-	-	59,185	409	59,594
-	(244)	-	-	-	-	72	-	72
-	-	-	-	-	-	-	(11,276)	(11,276)
-	-	-	-	-	-	346,449	3,088,551	3,435,000
-	-	-	-	-	-	-	1,783,277	1,783,277
-	-	-	-	-	-	1,403	-	1,403
-	(10,533)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	163,092	163,092
<u>\$ -</u>	<u>\$ 2,439,965</u>	<u>\$ -</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ (25,063)</u>	<u>\$ 204,522,288</u>	<u>\$ 66,798,895</u>	<u>\$271,321,183</u>

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 19,130,255	\$ 21,055,130
Adjustments for:		
Expected credit loss	304,866	208,489
Depreciation	21,689,323	16,283,336
Amortization	4,372,487	4,820,588
Interest expense	3,220,315	2,689,232
Net loss on disposal of financial assets at amortized cost	2,800	-
Interest income	(354,718)	(301,957)
Dividend income	(70,241)	(44,694)
Share of the profit of associates	(6,464,485)	(6,224,158)
Loss (gain) on disposal of property, plant and equipment	816,751	(1,547,167)
Loss (gain) on disposal of investment properties	262	(12,619)
(Gain) loss on disposal of intangible assets	(1,465)	4,774
Loss on disposal of concessions	1,467	-
Gain on disposal of investments	(39,053)	-
Impairment loss	166,953	554,585
(Reversal) write-down of inventories	(57,622)	634,862
Realized gain on the transactions with associates	(555)	(556)
Gain on change in fair value of investment properties	(1,882,995)	(646,390)
Gain on modifications of lease	(1,101)	-
Loss on disposal of subsidiaries	773	-
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	1,021,888	(1,619,878)
Financial instruments for hedging	1,868	(168)
Contract assets	(1,367,612)	528,662
Notes and accounts receivable	2,347,777	(4,128,134)
Other receivables	(127,491)	(53,510)
Inventories	6,889,155	(8,338,426)
Prepayments	2,538,599	(1,646,548)
Other current assets	(407,029)	(1,238,302)
Incremental cost of obtaining a contract	(1,595,944)	(235,973)
Financial liabilities at fair value through profit or loss	(4,987)	(6,139)
Contract liabilities	(158,586)	(146,239)
Notes and accounts payable	638,431	(2,377,897)
Notes and accounts payable to related parties	(29,256)	25,799
Other payables	(2,630,602)	2,287,719
Provisions	7,097	8,611
Other current liabilities	(416,220)	930,803
Net defined benefit assets and liabilities	(511,763)	(408,121)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Cash generated from operations	\$ 47,029,342	\$ 21,055,714
Interest received	362,404	271,495
Dividends received	4,204,534	2,993,151
Interest paid	(3,281,446)	(2,585,514)
Income tax paid	<u>(4,365,548)</u>	<u>(2,934,173)</u>
Net cash generated from operating activities	<u>43,949,286</u>	<u>18,800,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayments for investments	(100,000)	-
Decrease (increase) in financial assets at amortized cost	189,356	(477,492)
Acquisition of financial assets at fair value through other comprehensive income	(5,207)	(536,697)
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	-	61,500
Acquisition of investments accounted for using the equity method	(1,855,556)	(277,332)
Proceeds from the disposal of investments accounted for using the equity method	162,010	-
Acquisition of property, plant, equipment and prepayments for equipment	(24,629,959)	(24,539,384)
Proceeds from the disposal of property, plant and equipment	106,912	3,085,355
Increase in refundable deposits	(386,900)	(303,104)
(Increase) decrease in other receivables	(2,591,284)	2,770,350
Acquisition of intangible assets	(897,241)	(2,117,155)
Proceeds on the disposal of intangible assets	9,282	72
Acquisition of investment properties	(12,441)	(17,204)
Proceeds from the disposal of investment properties	1,440,000	199,227
Increase in prepayments for leases	-	(713,405)
Acquisition of right-of-use assets	(927,705)	-
Increase in concessions	(107,419)	(113,684)
Proceeds from disposal of concessions	375	-
Decrease (increase) in other financial assets	1,477,887	(1,084,657)
Net cash outflow on acquisition of subsidiaries	(436,659)	-
Net cash outflow on disposal of subsidiaries	(39,803)	-
(Increase) decrease in other non-current assets	<u>(1,089,954)</u>	<u>103,905</u>
Net cash used in investing activities	<u>(29,694,306)</u>	<u>(23,959,705)</u>

(Continued)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	\$ (12,403,859)	\$ 16,888,858
Increase (decrease) in short-term bills payables	1,409,000	(926,000)
Proceeds from issue of bonds	25,100,000	25,000,000
Repayments of bonds payables	(17,800,000)	(13,500,000)
Proceeds from long-term borrowings	300,343,176	202,493,083
Repayments of long-term borrowings	(291,083,741)	(200,696,643)
Repayment of the principal portion of lease liability	(3,852,159)	-
Increase (decrease) in guarantee deposits received	80,600	(11,469)
Increase (decrease) in other non-current liabilities	131	(15,604)
Cash dividends paid	(9,633,772)	(6,422,726)
Cash capital increase by subsidiaries	5,218,277	577,375
Cash capital reduction by subsidiaries	-	(360)
Partial acquisition of interests in subsidiaries from non-controlling interests	-	(171,658)
Dividends paid to non-controlling interests	<u>(7,758,030)</u>	<u>(7,760,337)</u>
Net cash (used in) generated from financing activities	<u>(10,380,377)</u>	<u>15,454,519</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(292,575)</u>	<u>(417,150)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,582,028	9,878,337
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>35,342,560</u>	<u>25,464,223</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 38,924,588</u>	<u>\$ 35,342,560</u>

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials 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. The three joint venturers contributed equal amounts of investment in the joint venture. On December 21, 2018, Corpus Christi Polymers LLC acquired M&G Chemicals’ PTA and PET plants and other assets in Texas, USA, and the acquisition was approved by the US Federal Trade Commission. The projected main operations for Corpus Christi Polymers LLC is going to be petrochemical materials and chemical fiber productions. From December 21, 2018, the Group shared and assumed the assets, liabilities, revenue and expenses of the joint operation by recognizing its equity.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 24, 2020.

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

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

Except for the following, 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 did not have 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 the lessee and the 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 elected 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 elected 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 accounted for those leases for which the lease term ended on or before December 31, 2019 as short-term leases.
- c) The Group excluded 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 were 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 was 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 did 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 initial application of IFRIC 23 did not have significant impact on the Group.

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 initial application of IAS 19 did not have significant impact on the Group.

- 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 IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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 retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the above application of aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers have no significant impacts on the Group's financial position and financial performance and disclosed the relevant impact when the assessment 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 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
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting 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

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

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties that are measured at fair value, and net defined benefit assets (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. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., 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 the Company 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition.

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

e. Business combinations

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Group's foreign operations (including subsidiaries in other countries that use currency different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

g. Inventories

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

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

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

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

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

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

i. Joint operations

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Group recognizes the following items in relation to its interest in a joint operation:

- 1) Its assets, including its share of any assets held jointly;
- 2) Its liabilities, including its share of any liabilities incurred jointly;
- 3) Its revenue from the sale of its share of the output arising from the joint operation;
- 4) Its share of the revenue from the sale of the output of the joint operation; and
- 5) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Group sells or contributes assets to its joint operation, it recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Group purchases assets from its joint operation, it does not recognize its share of the gain or loss until it resells those assets to a third party.

j. Property, plant and equipment

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

Properties, plant and equipment in the course of construction are carried 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 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.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Investment properties

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

Freehold investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

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

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

l. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

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

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

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

m. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognizes an intangible asset at fair value upon initial recognition. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

n. Assets related to contract costs

When a sales contract is obtained, commission and subsidies paid to dealers under sale agreements are recognized as assets (incremental costs of obtaining a contract) to the extent that the costs are expected to be recovered and are amortized in a manner which is consistent with the recognition of telecommunication service revenue. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of such assets, which the Group otherwise would have recognized, is expected to be one year or less.

o. Impairment of tangible, intangible assets other than goodwill and assets related to contract costs

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

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years (subtracted amortization and depreciation). A reversal of an impairment loss is recognized in profit or loss.

p. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, account receivables at amortized cost and other financial assets, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for account receivables, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. For the financial instruments and contract assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability.

Fair value is determined in the manner described in Note 34.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including forward exchange contracts, foreign exchange swap contracts, interest rate swaps contracts, foreign exchange options and combined foreign exchange options.

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

q. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges or cash flow hedges.

1) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

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

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

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

r. Provisions

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

1) Decommissioning, restoration and similar liabilities

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

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

2) Onerous contracts

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

3) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

s. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

For contract where the period between the date the Group transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from sale of goods

Revenue from sale of goods comes from sales of petrochemical, chemical fiber, textile goods, mobile telecommunication devices and related accessories. Sales of goods are recognized as revenue when the goods are shipped or delivered because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently. For internet sales of general goods, revenue is recognized when the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

A bundle sale contract consists of the rendering of air time services and sales of goods. The rendering of services and sales of goods are accounted for as distinct performance obligations. The Group allocates the transaction price to each performance obligation identified in a bundle sale contract on a relative stand-alone selling price basis.

Under the Group's Customer Loyalty Programme, the Group offers award credits when customers purchase goods. The award credits provide a material right to customers. Transaction price allocated to the award credits is recognized as a contract liability when collected and will be recognized as revenue when the award credits are redeemed or have expired.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

For the contracts to sell properties in the course of ordinary activities, fixed transaction price is received in instalment and recognized as a contract liability. The transaction price, after adjusting for the effect of the significant financing component, is recognized as revenue when the construction is completed and the property is transferred to the buyer.

2) Revenue from rendering of services

Revenue from rendering of services comes from telecommunication services, value-added services and enterprise project services.

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

Other telecommunication revenue is recognized as follows: (a) monthly fees are recognized as income when services are rendered at the amount allocated from the transaction price of the related contracts on a relative stand-alone selling price basis, and (b) prepaid and recharge services are recognized as income based upon actual usage by customers.

As the Group provides telecommunication value-added services, the customer simultaneously receives and consumes the benefits provided by the Group's performance. Consequently, related revenue is recognized when services are rendered. The effort of technical personnel is required to perform enterprise project services, and therefore, the Group measures progress on the basis of costs incurred relative to the total expected costs. The Group recognizes revenue over time based on the progress of the project. Payments for enterprise project services are made at several time points specified in the service contract. A contract asset is recognized over the period in which the enterprise project services are performed and is reclassified to accounts receivable when each milestone payment is due.

3) Construction contract revenue

The Group recognizes revenue over time as it is constructed in progress. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to account receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date, then the Group recognizes a contract liability for the difference. Certain payment retained by the customer as specified in the contract is intended to ensure that the Group adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance.

4) Service concession revenue

The terms of operation of freeway electric toll collection system concession arrangement require the Group to construct and operate freeway electric toll collection system public infrastructure. The Group recognizes construction revenue and contract assets over time with reference to the stand-alone selling price of the construction services. The contract assets are transferred to intangible assets - concession when the construction is complete. During the operation phase, the Group recognizes revenue when the public uses the freeway electric toll collection system and obtains benefit.

t. Leasing

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 lessee

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 its 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.

Contingent rentals are recognized as income in the period in which the contingency is removed and the income is earned.

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 the contingency is removed and expenses are incurred.

u. Borrowing costs

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

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

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

v. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

w. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan amendment or curtailment occurs and when the settlement occurs. Rereasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

x. Taxation

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

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in subsidiaries.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Impairment of property, plant and equipment and right-of-assets and intangible assets other than goodwill

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

b. Impairment of goodwill

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

c. Fair value measurements and valuation processes of investment properties

Where Level 1 inputs are not available, the Group or engaged valuers determine appropriate inputs by referring to the analyses of the financial position and the operation results of investees, recent transaction prices, prices of the same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, market prices or rates, and specific features of derivatives, existing lease contracts and rentals of similar properties in the vicinity of the Group's investment properties. If there are changes of the actual inputs in the future which differ from expectation, the fair value might vary accordingly. The Group updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 17.

d. Useful lives of Property, Plant and Equipment

The Group reviews the estimated useful lives of property, plant and equipment at each balance sheet date. During the current period, management determined that the useful lives of certain items of equipment should be extended, due to stable product quality and equipment performance. Furthermore, it is not necessary to have a significant replacement for the major production equipment.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is an (decrease) increased consolidated depreciation expense for the year ended December 31, 2018, and for the next 3 years, by the following amounts:

Year ended 2018	\$ (207,049)
Year ended 2019	(137,170)
Year ended 2020	72,467
Year ended 2021	72,467

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash		
Cash on hand and petty cash	\$ 34,263	\$ 32,854
Demand and checking accounts	<u>33,004,579</u>	<u>24,460,700</u>
	<u>33,038,842</u>	<u>24,493,554</u>
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	2,062,519	3,504,987
Commercial paper and corporate bonds purchased under resale agreements	<u>3,741,139</u>	<u>7,188,264</u>
	<u>5,803,658</u>	<u>10,693,251</u>
Management discretionary accounts		
Demand accounts	<u>82,088</u>	<u>155,755</u>
	<u>\$ 38,924,588</u>	<u>\$ 35,342,560</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 \$82,088 thousand and \$155,755 thousand as of December 31, 2019 and 2018, respectively.

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

	December 31	
	2019	2018
Time deposits	0.10%-2.90%	0.40%-3.90%
Commercial paper and corporate bonds purchased under resale agreements	0.48%-2.15%	0.33%-2.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds - beneficial certificates	\$ 4,653,960	\$ 5,854,330
Listed shares	388,277	219,164
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	<u>11,479</u>	<u>2,110</u>
	<u>\$ 5,053,716</u>	<u>\$ 6,075,604</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	<u>\$ 1,861</u>	<u>\$ 6,848</u>

a. Forward exchange contracts

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

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

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.1.6-2020.4.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.1.31-2020.2.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.1.8-2020.3.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.1.31-2020.2.26	USD12,000/RMB84,204
Sell	USD/JPY	2020.1.28-2020.2.26	USD6,000/JPY649,146
Buy	USD/NTD	2020.1.7-2020.1.16	USD2,300/NTD70,199
Sell	USD/RMB	2020.1.14-2020.2.24	USD17,000/JPY119,713
Sell	SGD/MYR	2020.1.30-2020.3.26	SGD500/MYR1,534
<u>December 31, 2018</u>			
Sell	USD/NTD	2019.1.7-2019.2.20	USD27,680/NTD850,613
Sell	EUR/USD	2019.2.25-2019.2.26	EUR3,000/USD3,441
Buy	USD/JPY	2019.1.4-2019.2.20	USD13,000/JPY1,459,230
Buy	USD/RMB	2019.2.26-2019.3.27	USD5,000/RMB34,429
Buy	USD/NTD	2019.1.2-2019.2.1	USD6,350/NTD194,798
Sell	USD/JPY	2019.1.28-2019.3.26	USD4,200/JPY469,371
Sell	SGD/MYR	2019.1.28-2019.2.26	SGD400/MYR1,213

b. Option contracts

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

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

c. Combined foreign exchange options

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

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2019	2018
<u>Financial assets at FVTOCI</u>		
Domestic listed shares	\$ 403,142	\$ 381,431
Domestic unlisted shares	937,065	916,725
Real estate investment trust mutual funds - beneficial certificates	307,500	301,500
Oversea shares	<u>509,231</u>	<u>490,492</u>
	<u>\$ 2,156,938</u>	<u>\$ 2,090,148</u>
Current	\$ 80,853	\$ 75,346
Non-current	<u>2,076,085</u>	<u>2,014,802</u>
	<u>\$ 2,156,938</u>	<u>\$ 2,090,148</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

	December 31	
	2019	2018
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	<u>\$ 1,792,168</u>	<u>\$ 2,090,355</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 19,921	\$ 28,490
Subordinated corporate bonds of Taiwan Life Insurance Co., Ltd.		
(b)	-	402,800
Subordinated corporate bonds of Cathay Life Insurance Co., Ltd.		
(c)	<u>500,000</u>	<u>-</u>
	<u>\$ 519,921</u>	<u>\$ 431,290</u>

- The interest rates for time deposits with original maturities of more than 3 months were from 0.60% to 3.20% and 0.22% to 3.10% as of December 31, 2019 and 2018.
- 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 year ended December 31, 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.
- 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%.
- Refer to Note 36 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.

	At Amortized Cost
<u>December 31, 2019</u>	
Gross carrying amount	\$ 500,000
Less: Allowance for impairment loss	<u>-</u>
Amortized cost	<u>\$ 500,000</u>

(Continued)

	At Amortized Cost
<u>December 31, 2018</u>	
Gross carrying amount	\$ 402,800
Less: Allowance for impairment loss	<u>-</u>
Amortized cost	<u>\$ 402,800</u> (Concluded)

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

	<u>December 31</u>	
	2019	2018
<u>Notes and accounts receivable</u>		
At amortized cost		
Notes and accounts receivable	\$ 28,116,742	\$ 30,458,896
Less: Allowance for doubtful accounts	(1,181,254)	(1,110,203)
Less: Unrealized interest income	<u>(2,607)</u>	<u>(1,301)</u>
	<u>\$ 26,932,881</u>	<u>\$ 29,347,392</u>

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

	<u>December 31</u>	
	2019	2018
Gross amounts of accounts receivable	\$ 130,025	\$ 92,104
Unrealized interest income	<u>(7,873)</u>	<u>(5,210)</u>
	<u>\$ 122,152</u>	<u>\$ 86,894</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.

December 31, 2019

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 25,502,590	\$ 2,016,012	\$ 195,807	\$ 399,726	\$ 28,114,135
Loss allowance (Lifetime ECL)	<u>(541,671)</u>	<u>(277,410)</u>	<u>(48,978)</u>	<u>(313,195)</u>	<u>(1,181,254)</u>
Amortized cost	<u>\$ 24,960,919</u>	<u>\$ 1,738,602</u>	<u>\$ 146,829</u>	<u>\$ 86,531</u>	<u>\$ 26,932,881</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	\$ 374,157	\$ 30,457,595
Loss allowance (Lifetime ECL)	<u>(551,846)</u>	<u>(207,962)</u>	<u>(29,761)</u>	<u>(320,635)</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>

The above aging schedule was based on the invoice date.

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

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Balance at January 1	\$ 1,110,203	\$ 1,425,253
Acquisitions through business combinations	5,205	-
Add: Bad debt recovered	158,117	250,027
Add: Impairment losses recognized on receivables	304,866	72,564
Less: Amounts written off	(394,536)	(637,534)
Foreign exchange gains and losses	<u>(2,601)</u>	<u>(107)</u>
Balance at December 31	<u>\$ 1,181,254</u>	<u>\$ 1,110,203</u>

Sale of Overdue Accounts Receivable

Under agreements on sales of accounts receivable signed for the years ended December 31, 2019 and 2018, the Group sold the overdue accounts receivable that had been written off to asset management companies. Thus, as of December 31, 2019 and 2018, the Group was not under the risk of uncollectible receivables.

Related information as of December 31, 2019 and 2018 is as follows:

Counterparty	Amount of Accounts Receivable Sold	Proceeds from the Sale of Accounts Receivable
<u>For the year ended December 31, 2019</u>		
Good Management Consultant Co., Ltd	<u>\$ 1,199,682</u>	<u>\$ 86,190</u>
<u>For the year ended December 31, 2018</u>		
Good Management Consultant Co., Ltd	<u>\$ 1,523,228</u>	<u>\$ 111,419</u>

12. INVENTORIES

	December 31	
	2019	2018
Merchandise inventories	\$ 4,584,520	\$ 6,263,724
Finished goods	6,136,283	9,144,979
Work in progress	3,313,982	3,404,405
Raw materials	6,935,598	9,588,576
Supplies	1,308,865	1,160,457
Available-for-sale - buildings and land	989,163	1,300,227
Available-for-construction - land	208,384	208,384
Construction in progress	<u>3,640,697</u>	<u>3,001,900</u>
	<u>\$ 27,117,492</u>	<u>\$ 34,072,652</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was \$168,419,192 thousand and \$146,690,946 thousand, respectively.

The cost of goods sold included reversal of write-downs (inventory write-downs) \$57,622 thousand and \$(634,862) thousand for the years ended December 2019 and 2018, respectively. 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 December 31	
				2019	2018
Far Eastern New Century Corporation	1	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29
	2	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70
	3	Far Eastern Resources Development Co., Ltd	Real estate leasing and development service	100.00	100.00
	4	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00
	5	Far Eastern Polychem Industries Ltd. (FEPI)	Investment and chemical fiber sales	100.00	100.00
	6	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76
	7	Far Eastern Investment (Holding) Ltd.	Investment and chemical fiber sales	100.00	100.00
	8	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00
	9	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	10	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00
	11	Yuan Ding Co., Ltd. (Note 2)	Real estate leasing and hotel	49.99	49.99
	12	Far Eastern Construction Co., Ltd.	Real estate construction and sale	65.11	65.11
	13	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00

(Continued)

Investor	No.	Investee	Nature of Activities	Proportion of Ownership	
				December 31	
				2019	2018
	14	An Ho Garment Co., Ltd.	Garment production and investment	100.00	100.00
	15	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00
	16	Fu Kwok Knitting & Garment Co., Ltd.	Garment production	100.00	100.00
	17	Far Eastern Textile Ltd.	Textile production	100.00	100.00
	18	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33
	19	Yuan Hsin Digital Payment Co., Ltd.	Digital payment	65.01	65.01
	20	Malaysia Garment Manufactures Pte. Ltd.	Clothing production and Investment	50.92	50.92
	21	FE Oriental Investment Holding (Singapore) Pte. Ltd. (Note 15)	Investment	-	-
Yuan Ding Investment Co., Ltd.	22	Oriental Textile (Holding) Ltd. (OTTI)	Investment and textile sales	100.00	100.00
	23	Far Eastern Apparel (Holding) Ltd. (FEAH)	Investment and textile sales	100.00	100.00
	24	Far Eastern Fibertech Ltd.	Nylon production	100.00	100.00
	25	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00
	26	Oriental Resources Development Co., Ltd. (Note 5 and Note 13)	Production and wholesale of medical supplies	100.00	100.00
	27	Oriental Green Materials Limited (Note 13)	Waste recycling and re-processing	100.00	-
	28	Yuan Faun Co., Ltd.	Consulting	100.00	100.00
Far Eastern Investment (Holding) Ltd. (FEIH)	29	FETG Investment Antilles N.V.	Investment	100.00	100.00
	30	PET Far Eastern (M) Sdn. Bhd.	Bottle production	100.00	100.00
	31	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	32	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00
	33	Far Eastern Polytex (Vietnam) Ltd.	Chemical fiber and textile production	100.00	100.00
	34	Far Eastern New Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	35	Magna View Sdn. Bhd.	Investment	100.00	100.00
	36	APG Polytech USA Holdings, Inc. (Note 4)	Investment	100.00	100.00
Far Eastern Polychem Industries Ltd. (FEPI)	37	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00
	38	Far Eastern Industries (Yangzhou) Ltd.	Production and sales of polyester products	100.00	100.00
	39	Far Eastern Ishizuka Green Pet Corporation (FIGP)	Recycled PET production and sales	90.00	90.00
Far Eastern Construction Co., Ltd.	40	Far Eastern General Contractor Inc.	Construction	99.95	99.95
Far Eastern Apparel (Holding) Ltd. (FEAH)	41	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Garment production	100.00	100.00
	42	Far Eastern Innovation Apparel (Suzhou) Co., Ltd. (Note 7)	Garment production	100.00	100.00
FETG Investment Antilles N.V.	43	Waldorf Services B.V. (Note 9)	Investment	-	100.00
Yuan Faun Co., Ltd.	44	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19
Yuan Tong Investment Co., Ltd.	45	Sino Belgium (Holding) Ltd.	Investment	90.88	90.88
Far Eastern Electronic Toll Collection Co., Ltd.	46	FETC International Co., Ltd.	Human services and equipment procurement and product sales agency services	100.00	100.00
Far Eastern Apparel (Suzhou) Co., Ltd.	47	Suzhou An Ho Apparel Ltd.	Garment production	100.00	100.00
PET Far Eastern (Holding) Ltd. (PETH)	48	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35
Oriental Textile (Holding) Ltd. (OTTI)	49	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00
	50	Oriental Industries (Suzhou) Ltd.	Production and sales of polyester resins and industrial fabrics	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	51	Far Eastern Industries (Suzhou) Ltd.	Production and sales of polyester products	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	52	Wuhan Far Eastern New Material Ltd.	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00
	53	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00
	54	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00
	55	Far Eastern New Century (China) Investment Co., Ltd.	Investment	100.00	100.00
Far Eastern New Century (China) Investment Co., Ltd.	56	Shanghai Yuan Zi Information Technology Co., Ltd.	Internet Software development services	100.00	100.00
	57	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
Sino Belgium (Holding) Ltd.	58	Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	100.00	100.00
	59	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	60	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00
Yuan Ding Co., Ltd.	61	Ding Ding Hotel Co., Ltd.	Hotel	99.26	99.26
	62	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00
	63	Far Eastern Technical Consultants Co., Ltd.	Real estate development business consulting and management	100.00	100.00
	64	FET Consulting Engineers Co., Ltd.	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00
	65	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00
FET Consulting Engineers Co., Ltd.	66	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00
YDT Technology International Co., Ltd.	67	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00
YDC (Virgin Islands) Ltd.	68	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00
DDIM (Virgin Islands) Ltd.	69	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	70	PT Malaysia Garment Bintan (PTMG)	Clothing production	99.00	99.00
APG Polytech USA Holdings, Inc.	71	APG Polytech, LLC (Note 4)	Chemical fiber production	100.00	100.00
	72	Phoenix Technologies International, LLC (Note 16)	Recycled PET production	90.00	-
Far EasTone Telecommunications Co., Ltd.	73	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00
	74	ARCOA Communication Co., Ltd.	Sale of communications products and office equipment	61.63	61.63
	75	KGEX.com Co., Ltd.	Type II telecommunications services	99.99	99.99
	76	Yuan Cing Co., Ltd.	Call center services	100.00	100.00
	77	Far Eastern Info Service Holding Ltd. (FEIS)	Investment	100.00	100.00
	78	O-music Co., Ltd. (Note 12)	Electronic information providing services	50.00	50.00
	79	Q-Ware Communication Corporation (Note 6)	Type II telecommunications services	-	-
	80	Yuanshi Digital Technology Co., Ltd.	Electronic information providing services	93.62	93.62
	81	Yuan Bao (Note 17)	Data processing services and electronic information services	100.00	-

(Continued)

Investor	No.	Investee	Nature of Activities	Proportion of Ownership	
				December 31	
				2019	2018
ARCOA Communication Co., Ltd.	82	DataExpress Infotech Co., Ltd.(Note 18)	Sale of communications products	70.00	70.00
New Century InfoComm Tech Co., Ltd.	83	New Diligent Co., Ltd.	Investment	100.00	100.00
	84	Information Security Service Digital United Inc.	Security and monitoring service via Internet	100.00	100.00
	85	Digital United (Cayman) Ltd.	Investment	100.00	100.00
	86	Prime EcoPower (Note 8)	Energy technology services	100.00	100.00
	87	Nextlink Technology Co., Ltd. (Note 11)	Electronic information services	70.00	-
Digital United (Cayman) Ltd.	88	Digital United Information Technology (Shanghai) Ltd.	Design and research of computer system	100.00	100.00
New Diligent Co., Ltd.	89	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00
	90	Far East New Diligent Company Ltd.	Investment	100.00	100.00
	91	New Diligent Hong Kong Co., Ltd.	Investment	100.00	100.00
Far Eastern New Diligent Company Ltd.	92	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00
	93	Far Eastern New Century Information Technology (Beijing) Limited (Note 3)	Electronic information providing services	-	-
DataExpress Infotech Co., Ltd.	94	Linkwell Tech. Co., Ltd. (Note 18)	Sale of communications products	100.00	100.00
	95	Home Master Technology Ltd.	Sale of communications products	100.00	100.00
Nextlink Technology Co., Ltd.	96	Microfusion Technology Co., Ltd (Note 11)	Electronic information service	100.00	-
	97	Nextlink (HK) Technology Co., Ltd. (Note 11)	Electronic information service	100.00	-
Microfusion Technology Co., Ltd.	98	Microfusion Technology (HK) Co., Ltd (Note 11 and Note 14)	Electronic information service	-	-
Nextlink (HK) Technology Co., Ltd.	99	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 Company Ltd. was not over 50%, the president of Yuan Ding Company Ltd. was appointed by the Group. Thus, Yuan Ding Company Ltd. is included in the consolidated financial statements.

Note 3: The subsidiary was dissolved on February 9, 2018 which approved by local government.

Note 4: 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 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: On July 16, 2018, the Group established Far Eastern Innovation Apparel (Suzhou) Co., Ltd., for US\$35,000 thousand.

Note 8: From the board of directors resolution on August 1, 2018, the Group established Prime EcoPower Co., Ltd.

- 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: 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.
- Note 13: 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 14: The subsidiary was dissolved on November 8, 2019 with the approval by the local government.
- Note 15: On December 4, 2019, the Group established a 100% holding subsidiary, FE Oriental Investment Holding (Singapore) Pte., Ltd. However, there was no actual investment outflow until December 31, 2019.
- Note 16: 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 17: The new subsidiary was established on November 19, 2019 for NT\$60,000 thousand.
- Note 18: In order to coordinate the corporate organizational strategies, reduce management costs and improve operating effectiveness, both companies agreed to proceed with the merger of DataExpress and Linkwell. The merger is based on the resolution of the board of directors and the meeting of shareholders of DataExpress Infotech Co., Ltd on February 17, 2020, and the consent of the shareholders of Linkwell. As a consequence, DataExpress and Linkwell merged into DataExpress Infotech Co., Ltd.

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2019	2018	2019	2018
Far EasTone	<u>\$ 5,463,118</u>	<u>\$ 5,832,657</u>	<u>\$ 43,893,802</u>	<u>\$ 45,962,913</u>
			December 31	
			2019	2018
Current assets			\$ 27,257,217	\$ 23,940,125
Non-current assets			106,905,719	102,876,384
Current liabilities			(22,132,215)	(25,621,259)
Non-current liabilities			<u>(41,424,301)</u>	<u>(27,159,067)</u>
Equity			<u>\$ 70,606,420</u>	<u>\$ 74,036,183</u>
Equity attributable to:				
Owners of the Group			\$ 26,712,618	\$ 28,073,270
Non-controlling interests of Far EasTone			43,051,337	45,244,228
Non-controlling interests of Far EasTone's subsidiaries			<u>842,465</u>	<u>718,685</u>
			<u>\$ 70,606,420</u>	<u>\$ 74,036,183</u>
			For the Year Ended December 31	
			2019	2018
Revenue			<u>\$ 83,865,872</u>	<u>\$ 86,634,971</u>
Net income for the year			\$ 8,807,743	\$ 9,424,776
Other comprehensive income for the year			<u>(14,847)</u>	<u>79,024</u>
Total comprehensive income for the year			<u>\$ 8,792,896</u>	<u>\$ 9,503,800</u>
Net income attributable to:				
Owners of the Group			\$ 3,344,625	\$ 3,592,119
Non-controlling interests of Far EasTone			5,390,359	5,789,232
Non-controlling interests of Far EasTone's subsidiaries			<u>72,759</u>	<u>43,425</u>
			<u>\$ 8,807,743</u>	<u>\$ 9,424,776</u>
Total comprehensive income attributable to:				
Owners of the Group			\$ 3,339,114	\$ 3,622,195
Non-controlling interests of Far EasTone			5,381,475	5,837,702
Non-controlling interests of Far EasTone's subsidiaries			<u>72,307</u>	<u>43,903</u>
			<u>\$ 8,792,896</u>	<u>\$ 9,503,800</u>

(Continued)

	For the Year Ended December 31	
	2019	2018
Net cash inflow from:		
Operating activities	\$ 21,473,776	\$ 23,063,487
Investing activities	(7,994,834)	(6,145,848)
Financing activities	(9,849,164)	(21,015,491)
Effect of exchange rate changes	<u>(3,306)</u>	<u>(1,107)</u>
Net cash outflow	<u>\$ 3,626,472</u>	<u>\$ (4,098,959)</u>
Dividends paid to non-controlling interests of:		
Far EasTone	<u>\$ 7,542,998</u>	<u>\$ 7,542,998</u>
Far EasTone's subsidiaries	<u>\$ 70,024</u>	<u>\$ 46,235</u>
		(Concluded)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31			
	2019		2018	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Material associate				
Listed company				
Asia Cement Corporation	<u>\$ 24,627,983</u>	26	<u>\$ 21,971,779</u>	26
Associates that are not individually material				
Listed companies				
Far Eastern Department Stores Co., Ltd.	8,229,421	25	7,320,405	24
Far Eastern International Bank	6,942,480	16	6,412,042	16
Oriental Union Chemical Corporation	5,647,218	31	6,095,187	31
Everest Textile Corporation	<u>1,104,322</u>	26	<u>1,185,430</u>	26
	<u>21,923,441</u>		<u>21,013,064</u>	
Unlisted companies				
Oriental Securities Corporation	4,868,187	47	4,758,461	47
Pacific Liu Tong Investment Co., Ltd.	4,317,863	40	4,382,615	40
Yu Yuan Investment Co., Ltd.	3,128,822	44	2,216,081	44
Da Ju Fiber Co., Ltd.	2,259,130	42	2,031,256	42
Liquid Air Far East Co., Ltd.	2,135,073	35	1,987,918	35
Far Eastern Union Petrochemical (Yangzhou) Corporation	2,038,169	50	2,475,596	50
Far Eastern International Leasing Corporation	1,869,536	34	1,855,912	34
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,169,018	50	1,151,560	50
Yu Ding Industry Co., Ltd.	891,164	31	796,837	31
Freudenberg Far Eastern Spunweb Co., Ltd.	503,208	30	446,257	30
Kowloon Cement Corporation	449,658	49	438,159	49
Yuan Ding Leasing Corporation	394,072	46	388,298	46
Drive Catalyst SPC-SP Tranche One	242,551	50	246,082	50
Drive Catalyst SPC-SP Tranche Three	238,348	50	-	-

(Continued)

	December 31			
	2019		2018	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
FEDS Asia Pacific Development Ltd.	\$ 132,517	5	\$ 131,964	5
Yue Ming Trading Corporation	75,347	47	72,130	47
Opas Fund Segregated Portfolio Company	1,656	34	1,659	34
Drive Catalyst SPC	520	34	526	34
Com 2B	-	20	12,283	20
	<u>24,714,839</u>		<u>23,393,594</u>	
	<u>\$ 71,266,263</u>		<u>\$ 66,378,437</u>	

(Concluded)

a. Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2019	2018
Asia Cement Corporation	Cement production	Taiwan	26.14%	25.69%

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

Name of Associate	December 31	
	2019	2018
Asia Cement Corporation	<u>\$ 42,323,806</u>	<u>\$ 29,322,527</u>

Summarized financial information in respect of the Group's material associate is set out below.

The summarized financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Asia Cement Corporation

	December 31	
	2019	2018
Current assets	\$ 89,242,066	\$ 80,358,506
Non-current assets	208,282,515	198,829,492
Current liabilities	(74,338,007)	(62,804,294)
Non-current liabilities	<u>(53,491,467)</u>	<u>(57,335,358)</u>
Equity	169,695,107	159,048,346
Non-controlling interests	<u>(23,381,680)</u>	<u>(21,156,120)</u>
	<u>\$ 146,313,427</u>	<u>\$ 137,892,226</u>

(Continued)

	December 31	
	2019	2018
Proportion of the Group's ownership	26.14%	25.69%
Equity attributable to the Group	\$ 38,246,330	\$ 35,424,513
Cross shareholdings	<u>(13,618,347)</u>	<u>(13,452,734)</u>
Carrying amount	<u>\$ 24,627,983</u>	<u>\$ 21,971,779</u> (Concluded)

	For the Year Ended December 31	
	2019	2018
Operating revenue	<u>\$ 89,347,637</u>	<u>\$ 82,741,004</u>
Net income for the year	\$ 22,243,953	\$ 14,889,197
Other comprehensive income	<u>(371,235)</u>	<u>1,436,173</u>
Total comprehensive income for the year	<u>\$ 21,872,718</u>	<u>\$ 16,325,370</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,409,991</u>	<u>\$ 1,036,436</u>

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2019	2018
The Group's share of:		
Net income for the year	\$ 2,442,594	\$ 4,030,253
Other comprehensive income	<u>1,015,233</u>	<u>972,075</u>
Total comprehensive income for the year	<u>\$ 3,457,827</u>	<u>\$ 5,002,328</u>

Investments in Far Eastern International Bank (FEIB) was accounted for using the equity method because the Group has significant influence over FEIB even though the Group owned 16.37% of each investee's voting shares.

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

On June 29, 2018, the shareholders of Alliance Digital Technology Co., Ltd. approved to dissolve Alliance Digital Technology Co., Ltd. on December 31, 2018. As of March 24, 2020, 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 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.

15. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

		December 31							
		2019		2018					
<u>Carrying amount</u>									
Property, plant and equipment		\$ 163,017,162		\$ 164,557,019					
Prepayments for equipment		<u>2,150,572</u>		<u>1,406,581</u>					
		<u>\$ 165,167,734</u>		<u>\$ 165,963,600</u>					
<u>Cost</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Telecommunications Equipment</u>	<u>Computer Equipment</u>	<u>Leasehold Improvements</u>	<u>Operating and Miscellaneous Equipment</u>	<u>Construction-in-progress and Prepayments for Equipment</u>	<u>Total</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)	-	(68,982)	(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	50,647	286,719	414,344	15,616	34,811	101,588	349,630	19,348,805	20,602,160
Disposals	-	(109,198)	(3,246,913)	(2,680,139)	(1,024,276)	(271,105)	(595,429)	(40,533)	(7,967,593)
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	(293,864)	2,299,898	9,325,114	3,703,360	1,382,210	1,762,511	(115,831)	(19,204,710)	(1,141,132)
Effect of exchange rate differences	(15,396)	(429,471)	(1,867,038)	-	(31,608)	(1,903)	(181,476)	(693,222)	(3,220,114)
Balance at December 31, 2019	<u>\$ 20,061,400</u>	<u>\$ 37,512,980</u>	<u>\$ 148,743,860</u>	<u>\$ 81,464,024</u>	<u>\$ 15,371,587</u>	<u>\$ 6,231,251</u>	<u>\$ 21,378,723</u>	<u>\$ 34,151,473</u>	<u>\$ 364,915,298</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	-	82,502	3,161,067	1,942,023	1,023,018	244,596	590,724	-	7,043,930
Impairment loss	-	(20,554)	(140,773)	-	-	-	-	-	(161,327)
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	-	(987,314)	(5,394,494)	(8,323,529)	(912,140)	(348,427)	(1,415,724)	-	(17,381,628)
Reclassification	-	25,477	(32,720)	1,680	(3,028)	(732,654)	751,750	-	10,505
Effect of exchange rate differences	-	111,067	911,389	-	2,172	831	88,118	-	1,113,577
Balance at December 31, 2019	<u>\$ (95,894)</u>	<u>\$ (16,869,686)</u>	<u>\$ (88,498,294)</u>	<u>\$ (59,940,554)</u>	<u>\$ (13,278,224)</u>	<u>\$ (4,880,766)</u>	<u>\$ (16,184,146)</u>	<u>\$ -</u>	<u>\$ (199,747,564)</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	136,847	81,157	605,568	67,171	22,120	18,158	331,198	28,599,205	29,861,424
Disposals	(21,619)	(682,774)	(4,910,308)	(8,906,155)	(642,584)	(127,442)	(1,005,915)	(21,572)	(16,318,369)
Reclassification	63,951	3,061,407	28,067,657	4,275,197	722,629	141,528	1,708,287	(37,808,057)	232,599
Effect of exchange rate difference	13,799	(87,913)	(712,018)	-	4,210	-	(43,100)	310,218	(514,804)
Balance at December 31, 2018	\$ 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
<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	-	293,671	4,265,813	8,512,689	642,222	110,307	955,479	-	14,780,181
Impairment loss	-	(87,563)	(480,313)	-	-	-	(794)	-	(568,670)
Depreciation expense	-	(883,104)	(4,071,705)	(8,431,397)	(1,181,387)	(305,674)	(1,410,069)	-	(16,283,336)
Reclassification	-	(89,198)	(157,609)	176,436	(176,613)	(23,971)	(5,107)	193,405	(82,657)
Effect of exchange rate differences	-	46,279	420,743	-	(184)	-	25,039	-	491,877
Balance at December 31, 2018	<u>\$ (95,894)</u>	<u>\$ (16,063,508)</u>	<u>\$ (86,311,873)</u>	<u>\$ (53,749,336)</u>	<u>\$ (13,389,707)</u>	<u>\$ (4,083,176)</u>	<u>\$ (16,304,363)</u>	<u>\$ -</u>	<u>\$ (189,997,857)</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 of 2019 and 2018. As a result, the recoverable amount was less than the carrying amount. As of 2019 and 2018, the Group recognized the impairment loss amounting to \$161,327 thousand and \$568,670 thousand, respectively. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

The Group reclassified its owner-occupied land in Neili, Taoyuan to investment property 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 in 2019. Therefore, the Group recognized gains on property revaluation amounted to \$337,927 thousand for the year ended December 31, 2019.

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

Buildings	3-60 years
Telecommunications equipment	2-26 years
Computer equipment	1-10 years
Machinery and equipment	1-20 years
Leasehold improvements and operating and miscellaneous equipment	1-31 years

As of December 31, 2019 and 2018, farmland was reclassified to property, plant and equipment amounting to \$238,430 thousand for both dates and to investment properties amounting to \$39,489 thousand and \$39,041 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing that the farmland belongs to the Group or have pledged the land to the Group.

16. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Land	\$ 8,192,579
Buildings	9,733,637
Machinery	19,413
Operating and other equipment	<u>746,843</u>
	<u>\$ 18,692,472</u>
	For the Year Ended December 31, 2019
Additions to right-of-use assets	<u>\$ 4,594,346</u>
Depreciation charge for right-of-use assets	
Land	\$ 263,985
Buildings	3,812,166
Machinery	4,785
Operating and other equipment	<u>226,759</u>
	<u>\$ 4,307,695</u>

b. Lease liabilities - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Current	<u>\$ 3,187,540</u>
Non-current	<u>\$ 7,376,771</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 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 Year Ended December 31, 2019
Interest expense from lease liabilities	<u>\$ 112,742</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 7.6 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 0.5 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 Year Ended December 31, 2019
Expenses relating to short-term leases	<u>\$ 294,703</u>
Expenses relating to low-value asset leases	<u>\$ 2,012</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 2,692</u>
Total cash outflow for leases	<u>\$ (4,309,290)</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
Not later than 1 year	\$ 3,672,756
Later than 1 year and not later than 5 years	6,880,865
Later than 5 years	<u>989,918</u>
	<u><u>\$ 11,543,539</u></u>

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

	For the Year Ended December 31, 2019
Minimum lease payments	<u><u>\$ 4,117,979</u></u>

17. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at December 31, 2019	<u><u>\$ 127,633,553</u></u>
Balance at December 31, 2018	<u><u>\$ 124,816,527</u></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 December 31, 2019 was as follows:

	December 31, 2019
Year 1	\$ 913,168
Year 2	903,137
Year 3	776,796
Year 4	686,526
Year 5	659,977
Year 6 onwards	<u>1,338,147</u>
	<u><u>\$ 5,277,751</u></u>

The future minimum lease payments of non-cancellable operating lease commitments as of December 31, 2018 was as follows:

	December 31, 2018
Not later than 1 year	\$ 749,750
Later than 1 year and not later than 5 years	2,694,677
Later than 5 years	<u>1,323,681</u>
	<u>\$ 4,768,108</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	12,441
Disposals	(262)
Reclassification	1,231,073
Recognized in profit (gain arising from the change in fair value of investment property)	1,590,264
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(16,490)</u>
Balance at December 31, 2019	<u>\$ 127,633,553</u>

	Completed Investment Properties
Balance at January 1, 2018	\$ 124,148,885
Additions	17,204
Disposals	(6,608)
Reclassification	187,204
Recognized in profit (gain arising from the change in fair value of investment property)	472,047
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(2,205)</u>
Balance at December 31, 2018	<u>\$ 124,816,527</u>

The main investment properties are as follows:

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

The construction of a building (Mega City) located in the Banqiao district, Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the first half year of 2015 and recognized as inventories (available-for-sale - buildings and land). For the year ended December 31, 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 \$530,358 thousand, and a gain on the transfers from inventories to investment properties amounting to \$292,731 thousand (recognized as gain on change in fair value of investment properties), was recognized. For the year ended December 31, 2018, were reclassified of \$316,919 thousand, and a gain on the transfers from inventories to investment properties amounting to \$174,343 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 \$71,288 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 \$1.5 thousand per ping (i.e. 1 ping = 3.3 square meters).

The fair values of investment properties were as follows:

	December 31	
	2019	2018
Independent valuation	<u>\$ 127,633,553</u>	<u>\$ 124,816,527</u>

The fair value of the investment properties as of December 31, 2019 and 2018 were based on the valuations carried out at January 31, 2020 and January 18, 2019, respectively, by independent qualified professional valuers, Mr. Chia-ho Tsai, Ms. Chun-Chun Hu, Mr. Chang-Da Yang, and Mr. Gen-Yuan Li from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

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

	December 31	
	2019	2018
Expected future cash inflows	\$ 61,343,277	\$ 60,062,070
Expected future cash outflows	<u>(2,306,872)</u>	<u>(2,255,305)</u>
Expected future cash inflows, net	<u>\$ 59,036,405</u>	<u>\$ 57,806,765</u>
Discount rate intervals	1.845%-2.40%	1.845%-2.40%

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 years ended December 31, 2019 and 2018 were \$1,125,044 thousand and \$1,014,585 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:

	December 31	
	2019	2018
Estimated total sale price	<u>\$ 23,371,495</u>	<u>\$ 20,971,566</u>
Rate of return	15%	15%
Overall capital interest rate intervals	2.72%-4.66%	2.41%-4.66%

The estimated amount which has been disclosed in the total sale price above is the sum of the amount from partial investment properties. 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 is calculated by extrapolating the fair value from its estimation of the sale price of partial investment properties.

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 Year Ended December 31	
	2019	2018
<u>Cost</u>		
Balance at January 1	\$ 11,862,742	\$ 11,865,515
Acquisitions through business combinations (Note 30)	430,117	-
Recognized impairment loss	-	(2,773)
Effect of exchange rate differences	<u>(2,631)</u>	<u>-</u>
Balance at December 31	<u>\$ 12,290,228</u>	<u>\$ 11,862,742</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 New Century InfoComm Tech Co., Ltd.

FENC subsidiaries, Far EasTone and New Century InfoComm Tech Co., Ltd. were divided into four (in 2019) and three (in 2018) identifiable cash-generating units that enhance its operating effectiveness and integrate its telecommunications resources: The mobile telecommunications service business, telecommunications equipment business, integrated network business, and cloud service business in 2019; the mobile telecommunications service business, telecommunications equipment business, integrated network business in 2018.

As of December 31, 2019, the carrying amount of the property, plant and equipment, right-of-use assets, and intangible assets and the incremental costs of obtaining a contract used by the Group was \$98,502,604 thousand; as of December 31, 2018, the carrying amount of the property, plant and equipment, right-of-use assets, and intangible assets used by the Group was \$96,767,901 thousand. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast on the following discount rates as of December 31, 2019 and 2018: Mobile telecommunications service business - 6.87% and 5.63%, respectively; telecommunications equipment business - 6.73% and 7.23%, respectively; integrated network business - 7.76% and 5.83%, respectively. As of December 31, 2019, the discount rate of the cloud service business was 27.25%. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the projected advancement of the Group's own business. The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

- a. Expected future growth rate of the telecommunications industry
 - 1) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, taking into account the market trend.
 - 2) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenue of previous years, taking into account the demands and changes of the market.
 - 3) Business of selling cellular phone units: The anticipated sales of cellular phones is based on the historical sales revenue and quantities of previous years, taking into account the market trend.
 - 4) Integrated network business (INB): The anticipated market growth of INB is measured based on the actual effective customer base and service revenue of previous years, taking into account the market trend.
 - 5) Cloud service business (CSB): The anticipated market growth of CSB is measured based on the actual effective customer base and service revenue of previous years, taking into account the market trend.
- b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue:

The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenue, while the possible impact of revenue, cost and expense is taken into account individually.

The Group's management believes that any reasonable changes in the principal assumptions would not result in the carrying amounts exceeding the recoverable amounts. For the year ended December 31, 2019, there was no indication of impairment loss after comparing the recoverable amounts with the carrying amounts of the Group's operating assets and goodwill in accordance with the principal assumptions; for the year ended December 31, 2018, an impairment loss of \$2,773 thousand was recognized in other gains and losses for the mobile telecommunications service business.

19. CONCESSIONS AND OTHER INTANGIBLE ASSETS

		December 31		
		2019	2018	
<u>Carrying amounts</u>				
Concessions		<u>\$ 38,069,295</u>	<u>\$ 41,136,801</u>	
Other intangible assets				
Computer software		3,357,779	3,595,018	
Others		<u>1,568,850</u>	<u>1,402,458</u>	
		<u>4,926,629</u>	<u>4,997,476</u>	
		<u>\$42,995,924</u>	<u>\$ 46,134,277</u>	
	Concessions	Computer Software	Others	Total
Balance at January 1, 2019	\$ 41,136,801	\$ 3,595,018	\$ 1,402,458	\$ 46,134,277
Additions	107,419	804,562	92,679	1,004,660
Amortization	(3,193,083)	(1,061,936)	(117,468)	(4,372,487)
Disposals	(1,842)	(7,817)	-	(9,659)
Acquisitions through business combinations	-	2,519	113,800	116,319
Derecognition from disposal of subsidiaries	-	(87)	-	(87)
Reclassifications	200,000	27,484	108,027	155,511
Effect of exchange rate differences	-	(1,964)	(30,646)	(32,610)
Balance at December 31, 2019	<u>\$ 38,069,295</u>	<u>\$ 3,357,779</u>	<u>\$ 1,568,850</u>	<u>\$ 42,995,924</u>
Balance at January 1, 2018	\$ 44,561,464	\$ 3,421,047	\$ 463,638	\$ 48,446,149
Additions	113,684	1,107,058	1,010,097	2,230,839
Amortization	(3,533,048)	(982,936)	(91,121)	(4,607,105)
Disposals	(3,322)	(1,524)	-	(4,846)
Reclassifications	(1,977)	50,981	2,057	51,061
Effect of exchange rate differences	-	392	17,787	18,179
Balance at December 31, 2018	<u>\$ 41,136,801</u>	<u>\$ 3,595,018</u>	<u>\$ 1,402,458</u>	<u>\$ 46,134,277</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

	December 31	
	2019	2018
Bank credit loans	\$ 34,724,450	\$ 43,681,023
Secured and pledged bank loans	705,136	484,248
Loans from related parties	<u>-</u>	<u>3,668,174</u>
	<u>\$ 35,429,586</u>	<u>\$ 47,833,445</u>

- 1) The range of interest rates for bank loans were from 0.60% to 4.57% and from 0.73% to 4.40% as of December 31, 2019 and 2018, respectively.
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of December 31, 2018.

b. Short-term bills payable

	December 31	
	2019	2018
Commercial paper	\$ 8,130,000	\$ 6,721,000
Less: Unamortized discount on commercial paper	<u>4,397</u>	<u>3,288</u>
	<u>\$ 8,125,603</u>	<u>\$ 6,717,712</u>

The short-term bills payable outstanding were issued at interest rates ranging from 0.70% to 1.60% and 0.818% to 1.538% as of December 31, 2019 and 2018, respectively.

c. Long-term borrowings

	December 31	
	2019	2018
Bank loans	\$ 68,003,780	\$ 64,121,631
Long-term commercial paper	12,800,000	7,450,000
Less: Unamortized discount on commercial paper	<u>36,171</u>	<u>5,989</u>
	<u>12,763,829</u>	<u>7,444,011</u>
	80,767,609	71,565,642
Less: Current portion	<u>2,477,777</u>	<u>2,846,333</u>
	<u>\$ 78,289,832</u>	<u>\$ 68,719,309</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, Euros, RMB and U.S. dollars. Therefore, some of the loans are revolving credit loans, which can be resolved 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:

	December 31	
	2019	2018
Maturity	September 2020- April 2031	January 2019- April 2031
Bank interest rate intervals	0.42%-3.00%	0.60%-4.51%

On March 22, 2011, a FENC's subsidiary, FECC, entered into a credit agreement with Hua Nan Bank and update the credit agreement into \$5,600,000 thousand on January 3, 2017. FECC pledged its land and construction pertaining to the Xin Ben project (Ban Qiao - New Section No. 8) and amounting to \$8,880,000 thousand as first mortgage to the creditor banks. Other agreement terms were divided into three lines: Line A, Line B, and Line D. Line A is 20 years after use of the credit. Its borrowing interest rate is based on Hua Nan Bank's periodic savings interest rate plus 0.4% then divided by 0.946%, and no revolving credit but batch credit available within 5 years; no repayment in the first 5 years; quarterly repayments of \$30,000 thousand quarterly from the sixth year and final repayment on maturity. Line B is 5 years after approval of the credit. Its borrowing interest rate is based on reference interest rate (The Taipei Inter-bank 90 days' Offered Rate TAIBOR) plus 0.69544% (negotiated by each loan), and revolving credit within the period; no longer than 6 months; lump sum repayment on maturity. Line D is 7 years after signing the contract. Its borrowing interest rate is based on reference interest rate plus 0.804%, and no revolving credit but partial draw down available before March 30, 2021; credit will be paid every 6 months from March 30, 2021 after each drawdown date. The first 8 installments should repay 5% of the loan, and the last installment should repay 60% of loan.

On July 19, 2017, a FENC's subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), received a five-year syndicated loan in a total amount of \$16,800,000 thousand from multiple banks and Mega International Commercial Bank as the leading bank. During the contract period, OPTC needs to maintain its liability ratio within a certain range, which is calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjust 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, and the first period of decreasing date is 48 months 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 three different loans with different terms and lines of credit (A, B and C), was obtained to meet FETC's capital needs for operating and maintain the infrastructure for the electronic toll collection project ("ETC project"). Its amount, date, and are expected to move aside as the repayment period:

Project	Credit	Fixed dial Date	Expected Repayment Period
Syndicated loan borrowings			
A	\$ 2,906,000	2012.05.10	2014.11-2019.02
B	3,294,000	2012.05.10	2019.08-2025.11
C	220,000	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. 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 December 31, 2019 and 2018, the amount of operating assets with pledged rights was \$3,850,000 thousand and \$3,756,000 thousand (refer to Note 36). ETC had already repaid the credit line A \$600,000 thousand in advance in December 2018. In addition, ETC had repaid the credit line A \$31,693 thousand on February 10, 2019, and canceled the credit line A amount of \$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

	December 31	
	2019	2018
Nonconvertible domestic bonds	\$ 104,100,000	\$ 96,800,000
Discount of nonconvertible domestic bonds	(107,945)	(102,959)
	103,992,055	96,697,041
Less: Current portion	20,593,662	17,793,726
	<u>\$ 83,398,393</u>	<u>\$ 78,903,315</u>

Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	December 31		Repayment
				2019	2018	
				Outstanding Balance	Outstanding Balance	
<u>Company</u>						
Unsecured bonds						
103-1	2014.08.21-2019.08.21	1.47	\$ 3,200,000	\$ -	\$ 1,600,000	(Note 1)
103-2	2014.12.04-2019.12.04	1.47	2,200,000	-	1,100,000	(Note 1)
103-3	2015.02.06-2020.02.06	1.38	2,600,000	1,300,000	2,600,000	(Note 1)
104-1	2015.05.25-2020.05.25	1.39	8,000,000	4,000,000	8,000,000	(Note 1)
104-2	2015.10.02-2020.10.02	1.28	5,200,000	2,600,000	5,200,000	(Note 1)
104-3	2015.11.16-2020.11.16	1.25	2,800,000	2,800,000	2,800,000	(Note 2)
105-1-A	2016.04.29-2021.04.29	0.88	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	(Note 4)
105-2	2016.09.20-2021.09.20	0.72	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	(Note 1)
106-2	2018.01.08-2023.01.08	0.95	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	(Note 1)
107-2	2018.07.18-2023.07.18	0.90	8,000,000	8,000,000	8,000,000	(Note 1)
108-1	2019.04.29-2024.04.29	0.93	8,000,000	8,000,000	-	(Note 2)
108-2	2019.08.08-2024.08.08	0.79	6,000,000	6,000,000	-	(Note 2)
Subsidiary Yuan						
<u>Ding Investment</u>						
Unsecured bonds						
103-1	2014.05.26-2019.05.26	1.35	3,000,000	-	1,500,000	(Note 1)
104-1	2015.07.10-2020.07.10	1.43	3,000,000	1,500,000	3,000,000	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	1,000,000	2,000,000	(Note 1)
105-1	2016.05.30-2021.05.30	0.90	3,800,000	3,800,000	3,800,000	(Note 1)
106-1	2017.06.30-2022.06.30	1.15	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	(Note 2)
108-1	2019.10.03-2024.10.03	0.77	3,000,000	3,000,000	-	(Note 2)
Subsidiary Far						
<u>EasTone</u>						
Unsecured bonds						
102-4	2013.06.27-2020.06.27	1.33	\$ 5,000,000	\$ 2,500,000	\$ 2,500,000	(Note 3)
102-6-C	2013.12.24-2019.12.24	1.58	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	(Note 2)
106-1	2017.04.26-2022.04.26	1.17	4,500,000	4,500,000	4,500,000	(Note 2)
106-2	2017.09.04-2023.09.04	1.17	2,000,000	2,000,000	2,000,000	(Note 2)
106-3-A	2017.12.20-2022.06.20	0.95	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	(Note 2)
107-1-A	2018.05.07-2023.05.07	0.85	1,500,000	1,500,000	1,500,000	(Note 2)
107-1-B	2018.05.07-2025.05.07	1.01	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 3)
108-1-B	2019.06.25-2026.06.25	0.81	1,800,000	1,800,000	-	(Note 3)
108-2-A	2019.12.20-2026.12.20	0.80	2,600,000	2,600,000	-	(Note 5)
108-2-B	2019.12.20-2029.12.20	0.85	500,000	500,000	-	(Note 6)
Total outstanding balance				<u>\$ 104,100,000</u>	<u>\$ 96,800,000</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.

Note 5: These bonds are repayable at 50% of the total amount at the end of the sixth year and the other 50% at the end of the seventh year of bond issuance. The interest is calculated by the simple interest method and is payable annually.

Note 6: These bonds are repayable at 50% of the total amount at the end of the ninth year and the other 50% at the end of the tenth year of bond issuance. The interest is calculated by the simple interest method and is payable annually.

22. PROVISIONS

	December 31	
	2019	2018
Dismantling obligation	\$ 1,094,702	\$ 1,036,544
Warranties	88,320	101,757
Onerous contract	<u>28,772</u>	<u>66,396</u>
	<u>\$ 1,211,794</u>	<u>\$ 1,204,697</u>
Current	\$ 250,396	\$ 293,364
Non-current	<u>961,398</u>	<u>911,333</u>
	<u>\$ 1,211,794</u>	<u>\$ 1,204,697</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2019	\$ 1,036,544	\$ 101,757	\$ 66,396	\$ 1,204,697
Additions	70,716	22,752	28,772	122,240
Reductions	<u>(12,558)</u>	<u>(36,189)</u>	<u>(66,396)</u>	<u>(115,143)</u>
Balance at December 31, 2019	<u>\$ 1,094,702</u>	<u>\$ 88,320</u>	<u>\$ 28,772</u>	<u>\$ 1,211,794</u>
Balance at January 1, 2018	\$ 1,022,012	\$ 147,464	\$ 26,610	\$ 1,196,086
Additions	80,293	40,006	43,959	164,258
Reductions	<u>(65,761)</u>	<u>(85,713)</u>	<u>(4,173)</u>	<u>(155,647)</u>
Balance at December 31, 2018	<u>\$ 1,036,544</u>	<u>\$ 101,757</u>	<u>\$ 66,396</u>	<u>\$ 1,204,697</u>

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly wages and salaries. The subsidiaries which registered in mainland China made contributions at certain percentage of wages and salaries under local government's regulations.

The pension costs recognized in total comprehensive income under the defined contribution plan amounted to \$789,394 thousand and \$806,934 thousand for the years ended December 31, 2019 and 2018, respectively.

b. Defined benefit plans

The defined benefit plan adopted by the Company and its subsidiaries established in Republic of China in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2019	2018
Present value of defined benefit obligation	\$ 8,147,505	\$ 8,267,331
Fair value of plan assets	<u>(7,664,569)</u>	<u>(6,441,367)</u>
Deficit	482,936	1,825,964
Recognized in net defined benefit assets	<u>487,009</u>	<u>52,927</u>
Net defined benefit liabilities (Note)	<u>\$ 969,945</u>	<u>\$ 1,878,891</u>

Note: Far EasTone conducted a tender offer to acquire the common stock of New Century InfoComm Tech Co., Ltd. (NCIC) in a premium price; therefore, the net defined benefit liabilities of \$10,529 thousand as of December 31, 2019 and 2018 have been written off in the consolidated financial statements.

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2019	<u>\$ 8,267,331</u>	<u>\$ (6,441,367)</u>	<u>\$ 1,825,964</u>
Service cost			
Current service cost	69,758	-	69,758
Past service cost and loss on settlements	(150,682)	6,581	(144,101)
Interest expense (income)	<u>96,847</u>	<u>(72,475)</u>	<u>24,372</u>
Recognized in profit or loss (Note)	<u>15,923</u>	<u>(65,894)</u>	<u>(49,971)</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (1,223,193)	\$ (1,223,193)
Actuarial (gain) loss - changes in demographic assumptions	3,087	-	3,087
Actuarial (gain) loss - changes in financial assumptions	190,862	-	190,862
Actuarial (gain) loss - experience adjustments	197,979	-	197,979
Others	-	-	-
Recognized in other comprehensive income	<u>391,928</u>	<u>(1,223,193)</u>	<u>(831,265)</u>
Contributions from the employer	-	(372,113)	(372,113)
Benefits paid	(525,739)	437,998	(87,741)
Discharge	<u>(1,938)</u>	<u>-</u>	<u>(1,938)</u>
Balance at December 31, 2019	<u>\$ 8,147,505</u>	<u>\$ (7,664,569)</u>	<u>\$ 482,936</u>
Balance at January 1, 2018	<u>\$ 8,483,553</u>	<u>\$ (5,920,964)</u>	<u>\$ 2,562,589</u>
Service cost			
Current service cost	89,624	-	89,624
Past service cost and loss on settlements	7,930	-	7,930
Interest expense (income)	<u>108,169</u>	<u>(76,570)</u>	<u>31,599</u>
Recognized in profit or loss (Note)	<u>205,723</u>	<u>(76,570)</u>	<u>129,153</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(446,438)	(446,438)
Actuarial (gain) loss - changes in demographic assumptions	15,390	-	15,390
Actuarial (gain) loss - changes in financial assumptions	56,177	-	56,177
Actuarial (gain) loss - experience adjustments	48,717	-	48,717
Others	-	(2,350)	(2,350)
Recognized in other comprehensive income	<u>120,284</u>	<u>(448,788)</u>	<u>(328,504)</u>
Contributions from the employer	-	(482,030)	(482,030)
Benefits paid	(535,816)	486,985	(48,831)
Discharge	(3,810)	-	(3,810)
Others	<u>(2,603)</u>	<u>-</u>	<u>(2,603)</u>
Balance at December 31, 2018	<u>\$ 8,267,331</u>	<u>\$ (6,441,367)</u>	<u>\$ 1,825,964</u> (Concluded)

Note: The Group transferred defined benefit costs of \$177 thousand and \$489 thousand to related parties in 2019 and 2018, respectively.

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate from the above. This pension fund is invested in domestic listed companies' shares and time deposits. It is exposed to the risks of changes in market price and interest rates.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	0.63%-1.25%	0.75%-1.375%
Expected rate(s) of salary increase	1.50%-4.00%	1.50%-4.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.50% increase	<u>\$ (221,496)</u>	<u>\$ (321,077)</u>
0.50% decrease	<u>\$ 234,432</u>	<u>\$ 338,620</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 230,461</u>	<u>\$ 334,304</u>
0.50% decrease	<u>\$ (219,923)</u>	<u>\$ (320,114)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
The expected contributions to the plan for the next year	<u>\$ 432,975</u>	<u>\$ 466,720</u>
The average duration of the defined benefit obligation	4.5-14.9 years	5-15.1 years

24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities from subsidiaries, Far Eastern Construction Co., Ltd. and Far Eastern General Contractor Inc., 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:

December 31, 2019			
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 379,462	\$ 103,084	\$ 482,546
Inventories - construction and real estate	2,200,142	2,638,102	4,838,244
Contract assets - current	1,375,769	836,998	2,212,767
Other financial assets - current	11,805	1,026,932	1,038,737
Refundable deposits - current	43,502	8,012	51,514
<u>Liabilities</u>			
Notes and accounts payable	1,725,739	25,573	1,751,312
Notes and accounts payable to related parties	124,633	-	124,633
Contract liabilities - current	318,679	774,157	1,092,836
Provisions - current	7,395	62,752	70,147
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	125,293	889,276	1,014,569
Provisions - current	1,319	122,306	123,625

25. EQUITY

a. Share capital

1) Common stock

	December 31	
	2019	2018
Numbers of authorized shares (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>
Amount of authorized shares	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>
Amount of issued and fully paid shares	<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 December 31, 2019 and 2018, there are 6 thousand units and 8 thousand units outstanding, which were equal to 60 thousand and 82 thousand common stock of the Company.

b. Capital surplus

	December 31	
	2019	2018
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>		
Arising from changes in percentage of ownership interests in subsidiaries	495,232	148,783
Treasury share transactions	15,469	14,066
<u>May not be used for any purpose</u>		
Changes in equity-method associates' capital surplus	<u>104,722</u>	<u>90,850</u>
	<u>\$ 3,270,355</u>	<u>\$ 2,908,631</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 (limited to a certain percentage of the Company's capital surplus and to once a year).
- 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 using the 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 before and after amendment, 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 and Earnings		Dividend Per Share	
	For the Years Ended		(NT\$)	
	December 31		For the Years Ended	
	2018	2017	2018	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

The appropriation of earnings for 2019 were proposed by the Company's board of directors on March 24, 2020. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 1,073,267	
Special reserve	1,839,196	
Reversals of special reserve	(2,710)	
Cash dividends	8,029,313	\$1.5

The appropriation of earnings for 2019 are subject to resolution in the shareholders' meeting to be held on June 30, 2020.

d. Special reserve

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

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1 and December 31	<u>\$ 21,552,496</u>	<u>\$ 21,552,496</u>

On the initial application of fair value model to investment properties, the Company 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 Year Ended December 31	
	2019	2018
Beginning balance	\$ 89,713,160	\$ 88,196,319
Appropriation in respect of:		
Application of the fair value method to investment properties	1,089,437	1,523,136
Reversals on elimination of the original mandatorily appropriated special reserve		
Disposal of investment properties	-	(5,678)
Disposal of associates	<u>(25,881)</u>	<u>(617)</u>
Ending balance	<u>\$ 90,776,716</u>	<u>\$ 89,713,160</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	(2,134,469)	-	-	-	(2,134,469)
Unrealized gain (loss) on financial assets at FVTOCI	-	43,707	-	-	43,707
Gain (loss) on hedging instruments	-	-	(33,459)	-	(33,459)
Gain on property revaluation	-	-	-	302,152	302,152
Share of the other comprehensive gain (loss) of associates	-	(244)	-	-	(244)
Associate disposed the investment in equity instruments designated as at FVTOCI	-	(10,533)	-	-	(10,533)
Disposal of associates accounted for using the equity method	<u>(821,336)</u>	<u>1,635,123</u>	<u>(721)</u>	<u>(172)</u>	<u>812,894</u>
Balance at September 30, 2019	<u>\$ (6,545,706)</u>	<u>\$ 2,439,965</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ (3,089,283)</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	Gains (Loss) on Hedging Instruments	Gains on Property Revaluation	Total
Balance at January 1, 2018	\$ (3,077,371)	\$ (1,357,319)	\$ -	\$ 35,642	\$ -	\$ 702,778	\$ (3,696,270)
Effect of retrospective application of IFRS9	-	1,357,319	(1,725,866)	(35,642)	35,642	-	(368,547)
Balance at January 1, 2018 per IFRS9	(3,077,371)	-	(1,725,866)	-	35,642	702,778	(4,064,817)
Exchange differences on translating foreign operations	(528,561)	-	-	-	-	-	(528,561)
Unrealized gain (loss) on financial assets at FVTOCI	-	-	29,542	-	-	-	29,542
Gains on hedging instruments	-	-	-	-	10,273	-	10,273
Share of the other comprehensive income (loss) of associates	16,031	-	908,858	-	(35)	-	924,854
Associate disposed the investment in equity instruments designated as at FVTOCI	-	-	1,559,378	-	-	-	1,559,378
Balance at December 31, 2018	<u>\$ (3,589,901)</u>	<u>\$ -</u>	<u>\$ 771,912</u>	<u>\$ -</u>	<u>\$ 45,880</u>	<u>\$ 702,778</u>	<u>\$ (2,069,331)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Beginning balance	\$ 64,194,300	\$ 61,178,706
Effects of retrospective application of IFRS9	<u>(94,653)</u>	<u>3,926,063</u>
Beginning balance per IFRS9	64,099,647	65,104,769
Attributable to non-controlling interests:		
Net income	5,702,494	6,363,308
Cash dividends distributed by subsidiaries	(7,758,030)	(7,760,337)
Exchange differences on translating foreign operations	(402,067)	(97,107)
Unrealized gain on financial assets at FVTOCI	26,733	4,881
Gain on hedging instruments	(62,984)	19,539
Remeasurement on defined benefit plans	5,624	25,895
Share of other comprehensive income of associates accounted for using the equity method	163,425	97,568
Changes in capital surplus of associates accounted for using the equity method	23	515
Changes in unappropriated earnings of associates accounted for using the equity method	386	(482)
Acquisition of partial interests of subsidiaries	-	(153,820)
Disposal of a subsidiary	(11,276)	-
Effect on changes in percentage of ownership in subsidiaries	3,088,551	12,556
Non-controlling interests arising from subsidiaries' issuance of new share capital for cash	1,783,277	577,375
Remittance of cash due to the liquidation of subsidiaries	-	(360)
Acquisition of a subsidiary	<u>163,092</u>	<u>-</u>
Ending balance	<u>\$ 66,798,895</u>	<u>\$ 64,194,300</u>

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 23,265</u>
<u>December 31, 2018</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 21,745</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 amount 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

	<u>For the Year Ended December 31</u>	
	2019	2018
Revenue from contracts with customers		
Revenue from sale of goods	\$ 181,946,076	\$ 159,436,994
Telecommunications service revenue	47,518,690	50,580,903
Construction revenue	6,868,908	6,358,851
Other operating revenue	<u>13,781,516</u>	<u>12,285,185</u>
	250,115,190	228,661,933
Other operating revenue		
Gain on disposal of investments, net	<u>31,400</u>	<u>-</u>
	<u>\$ 250,146,590</u>	<u>\$ 228,661,933</u>

a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

b. Contact balances

	December 31	
	2019	2018
Contract assets		
Bundle sale of goods	\$ 6,655,168	\$ 5,433,852
Real estate construction	1,876,768	1,760,390
Retentions receivable	335,999	306,081
Less: Allowance for impairment loss	<u>(135,925)</u>	<u>(135,925)</u>
	<u>\$ 8,732,010</u>	<u>\$ 7,364,398</u>
Current	\$ 6,398,973	\$ 5,828,641
Non-current	<u>2,333,037</u>	<u>1,535,757</u>
	<u>\$ 8,732,010</u>	<u>\$ 7,364,398</u>
Contract liabilities		
Sale of goods and services	\$ 3,653,556	\$ 3,821,027
Sale of real estate	4,652	19,886
Real estate construction	74,874	114,423
Retentions payable	<u>1,013,310</u>	<u>900,146</u>
	<u>\$ 4,746,392</u>	<u>\$ 4,855,482</u>
Current	\$ 4,535,792	\$ 4,647,210
Non-current	<u>210,600</u>	<u>208,272</u>
	<u>\$ 4,746,392</u>	<u>\$ 4,855,482</u>

For notes and accounts receivable, refer to Note 11.

The changes in the balance of contract assets and contract liabilities primarily resulted from the timing difference between the Group's performance of obligations and the respective customer's payment; other significant changes are as follows:

	For the Year Ended December 31	
	2019	2018
Contract assets		
Transfers of beginning balance to accounts receivable	<u>\$ (4,075,086)</u>	<u>\$ (4,244,476)</u>

The Group provides for lifetime expected credit provision for the contract assets. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the accounts receivable for the same types of contracts. Therefore, the Group concluded that the expected loss rates for accounts receivable can be applied to the contract assets.

	For the Year Ended December 31	
	2019	2018
Expected credit loss rate	0.10%-3.09%	0.79%-3.00%
Gross carrying amount	\$ 6,655,168	\$ 5,433,852
Allowance for impairment loss (Lifetime ECLs)	<u>(135,925)</u>	<u>(135,925)</u>
	<u>\$ 6,519,243</u>	<u>\$ 5,297,927</u>

The movements of the loss allowance of contract assets are as follows:

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 135,925	\$ -
Add: Net remeasurement of loss allowance	<u>-</u>	<u>135,925</u>
Balance at December 31	<u>\$ 135,925</u>	<u>\$ 135,925</u>

c. Assets related to contract costs

	December 31	
	2019	2018
Non-current		
Incremental costs of obtaining a contract	<u>\$ 3,398,107</u>	<u>\$ 1,802,163</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 year ended December 31, 2019 and 2018 are \$2,469,923 thousand and \$1,886,908 thousand, respectively.

d. Disaggregation of revenue

Refer to Note 41 for information about disaggregation of revenue.

e. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows.

	December 31	
	2019	2018
Telecommunication service contracts		
Fulfillment in 2019	\$ -	\$ 18,076,289
Fulfillment in 2020	15,875,588	8,073,934
Fulfillment in 2021 and beyond	<u>10,956,575</u>	<u>1,244,679</u>
	<u>\$ 26,832,163</u>	<u>\$ 27,394,902</u>

The disclosure does not include revenue from contracts of which the timing of revenue recognition is not affected by price allocation.

27. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	For the Year Ended December 31	
	2019	2018
Capitalized interests on properties	\$ 151,389	\$ 390,943
Capitalization rates	0.36%-4.51%	0.96%-4.75%

b. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	\$ 17,381,628	\$ 16,283,336
Intangible assets	4,372,487	4,607,105
Right-of-use assets	4,307,695	-
Long-term prepayments for lease	<u>-</u>	<u>213,483</u>
	<u>\$ 26,061,810</u>	<u>\$ 21,103,924</u>
An analysis of depreciation by function		
Operating costs	\$ 19,185,281	\$ 14,597,123
Operating expenses	2,463,246	1,644,241
Other expense	<u>40,796</u>	<u>41,972</u>
	<u>\$ 21,689,323</u>	<u>\$ 16,283,336</u>
An analysis of amortization by function		
Operating costs	\$ 3,461,517	\$ 3,837,987
Operating expenses	<u>910,970</u>	<u>982,601</u>
	<u>\$ 4,372,487</u>	<u>\$ 4,820,588</u>

c. Employee benefits expense

	For the Year Ended December 31	
	2019	2018
Post-employment benefits		
Defined contribution plans	\$ 789,394	\$ 806,934
Defined benefit plans	(50,148)	128,664
Other employee benefits	<u>22,126,200</u>	<u>21,551,119</u>
Total employee benefits expense	<u>\$ 22,865,446</u>	<u>\$ 22,486,717</u>
Analysis of employee benefit expense by function		
Operating costs	\$ 11,871,893	\$ 10,973,437
Operating expenses	<u>10,993,553</u>	<u>11,513,280</u>
	<u>\$ 22,865,446</u>	<u>\$ 22,486,717</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 years ended December 31, 2019 and 2018, which were approved by the Company's board of directors on March 24, 2019 and March 22, 2018, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	3.28%	3.10%
Remuneration of directors	1.80%	1.69%

Amount

	For the Year Ended December 31	
	2019	2018
Employees' compensation	\$ 371,474	\$ 414,416
Remuneration of directors	204,277	225,812

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.

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 years 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 2020 and 2019 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 expense recognized in profit or loss

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	\$ 2,515,381	\$ 3,104,944
Income tax on unappropriated earnings	1,439	126
Adjustments for prior years	<u>(70,475)</u>	<u>(261,141)</u>
	<u>2,446,345</u>	<u>2,843,929</u>
Deferred tax		
In respect of the current year	248,747	(313,031)
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>-</u>	<u>132,630</u>
	<u>248,747</u>	<u>(180,401)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,695,092</u>	<u>\$ 2,663,528</u>

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

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	<u>\$ 19,130,255</u>	<u>\$ 21,055,130</u>
Income tax expense calculated at the statutory rate	\$ 3,826,051	\$ 4,211,026
Adjustment items effect of income tax	(1,310,670)	(1,106,082)
Adjustments for prior years' tax	(70,475)	(261,141)
Income tax on unappropriated earnings	<u>1,439</u>	<u>126</u>
Current tax	2,446,345	2,843,929
Deferred tax	<u>248,747</u>	<u>(180,401)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,695,092</u>	<u>\$ 2,663,528</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 was 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 Year Ended December 31	
	2019	2018
<u>Deferred tax</u>		
Effect of change in tax rate	\$ -	\$ 22,473
In respect of the current period		
Fair value changes of financial assets at FVTOCI	(299)	-
Gains on property revaluation	(35,775)	-
Remeasurement of defined benefit plans	<u>(133,197)</u>	<u>48,471</u>
	<u>\$ (371,474)</u>	<u>\$ 71,214</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Increase Due to Acquisition	Closing Balance
<u>Deferred tax assets</u>					
Investment credits	\$ 18,671	\$ -	\$ -	\$ -	\$ 18,671
Allowance for doubtful accounts	369,678	(96,814)	-	-	272,864
Inventory write-downs	115,147	(14,440)	-	-	100,707
Loss carryforwards	1,776,644	(122,193)	-	-	1,654,451
Defined benefit obligation	245,616	37,394	(133,917)	-	149,093
Impairment loss	457,495	71,348	-	-	528,843
Others	334,889	47,251	(446)	11,209	392,903
	<u>\$ 3,318,140</u>	<u>\$ (77,454)</u>	<u>\$ (134,363)</u>	<u>\$ 11,209</u>	<u>\$ 3,117,532</u>
<u>Deferred tax liabilities</u>					
Share of profit of associates	\$ 1,414,672	\$ 84,961	\$ -	\$ -	\$ 1,499,633
Amortization of goodwill	2,056,606	-	-	-	2,056,606
Provision of land value incremental tax	13,313,212	(35,456)	34,501	-	13,312,257
Investment properties	711,603	(37,288)	1,274	-	675,589
Others	56,355	159,076	(147)	2,560	217,844
	<u>\$ 17,552,448</u>	<u>\$ 171,293</u>	<u>\$ 35,628</u>	<u>\$ 2,560</u>	<u>\$ 17,761,929</u>

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Decrease Due to Disposal	Closing Balance
<u>Deferred tax assets</u>					
Investment credits	\$ 18,671	\$ 3,383	\$ -	\$ -	\$ 22,054
Allowance for doubtful accounts	340,632	29,046	-	-	369,678
Inventory write-downs	93,191	21,956	-	-	115,147
Loss carryforwards	934,593	260,691	-	-	1,195,284
Defined benefit obligation	230,181	(55,779)	71,214	-	245,616
Impairment loss	180,047	7,701	-	-	187,748
Others	407,644	(774,969)	-	-	1,182,613
	<u>\$ 2,204,959</u>	<u>\$ (1,041,967)</u>	<u>\$ 71,214</u>	<u>\$ -</u>	<u>\$ 3,318,140</u>
<u>Deferred tax liabilities</u>					
Share of profit of associates	\$ 604,179	\$ 810,493	\$ -	\$ -	\$ 1,414,672
Amortization of goodwill	1,613,645	442,961	-	-	2,056,606
Provision of land value incremental tax	14,037,084	(540,284)	-	(183,588)	13,313,212
Investment properties	570,953	140,650	-	-	711,603
Others	48,609	7,746	-	-	56,355
	<u>\$ 16,874,470</u>	<u>\$ 861,566</u>	<u>\$ -</u>	<u>\$ (183,588)</u>	<u>\$ 17,552,448</u>

- d. Deductible temporary differences, unused loss carryforwards and unused investment credit for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2019	2018
Loss carryforwards	<u>\$ 16,183,146</u>	<u>\$ 21,757,375</u>
Expiry year	2020-2029	2019-2028
Investment credits		
Acquisition of initial share offering	<u>\$ 104,142</u>	<u>\$ 105,158</u>
Deductible temporary differences	<u>\$ 7,477,800</u>	<u>\$ 7,150,835</u>

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2019 comprised:

Unused Amount	Expiry Year
<u>\$ 23,783,759</u>	2020-2029

- f. Information about unused investment credits

As of December 31, 2019, investment tax credits comprised:

Yuan Tong Investment Co., Ltd.

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Acquisition of initial share offering	<u>\$ 38,453</u>	2020

Yuan Ding Co., Ltd.

Laws and Statutes	Tax Credit Source	Remaining Creditable Amount	Expiry Year
Enforcement rule of act for promotion of private participation in infrastructure project	Acquisition of initial share offering	<u>\$ 84,360</u>	2020

g. 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) Corporation	2017
Fu Kwok Knitting & Garment Co., Ltd.	2017
Yuan Tong Investment Co., Ltd.	2017
Kai Yuan International Investment Co., Ltd.	2018
Ding Yuan International Investment Co., Ltd.	2016
An Ho Garment Co., Ltd.	2017
Far Eastern Textile Ltd.	2018
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	2017
Yuan Ding Co., Ltd.	2016
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.	2017
Ding Ding Hotel Co., Ltd.	2017
Far Eastern Electronic Toll Collection Co., Ltd.	2016
Yuan Hsin Digital Payment 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.	2017
Yuan Cing Co., Ltd.	2018
New Diligent Co., Ltd.	2017
KGEx.com Co., Ltd.	2017
Home Master Technology Ltd.	2017
Yuanshi Digital Technology Co., Ltd.	2017
New Century InfoComm Tech Corporation	2017
Nextlink Technology Co., Ltd.	2017
Microfusion Technology Co., Ltd.	2017

KG Telcom (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.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2019	2018
Basic earnings per share	<u>\$ 2.15</u>	<u>\$ 2.41</u>
Diluted earnings per share	<u>\$ 2.14</u>	<u>\$ 2.40</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 Year

	For the Year Ended December 31	
	2019	2018
Net income for the period attributable to owners of the Company	<u>\$ 10,732,669</u>	<u>\$ 12,028,294</u>

Weighted Average Number of Common Stock Outstanding

Unit: In Thousand Shares

	For the Year Ended December 31	
	2019	2018
Weighted average number of common stock used in the computation of basic earnings per share	4,998,304	4,998,235
Effect of potentially dilutive common stock:		
Employees' compensation	<u>15,887</u>	<u>17,627</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,014,191</u>	<u>5,015,862</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 years ended December 31, 2019 and 2018, the Company's basic EPS were \$2.01 and \$2.25, respectively.

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>\$ 1,176,325</u>	<u>\$ 569,303</u>
Net income	<u>\$ (515)</u>	<u>\$ (121,845)</u>

Had the business combination been in effect at the beginning of the reporting period, the Group's operating revenue for the year ended December 31, 2019 would have been \$250,756,377 thousand, respectively, and the Group's net income for the year ended December 31, 2019 would have been \$16,380,803 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 year ended December 31, 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 year ended December 31, 2018

On March 2, 2018, the Group paid \$171,260 thousand to acquire additional shares of Oriental Resources Development Co., Ltd. from an 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 September 2018, the Group subscribed for additional new shares and acquired the remaining non-controlling interest 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
Communi-
cations
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. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

34. FINANCIAL INSTRUMENTS

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

1) The financial assets and financial liabilities which have significant difference from their fair values

December 31				
2019		2018		
Carrying Amount	Fair Value	Carrying Amount	Fair Value	
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Bonds payable	<u>\$ 103,992,055</u>	<u>\$ 104,463,768</u>	<u>\$ 96,697,041</u>	<u>\$ 97,154,197</u>

2) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 104,463,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,463,768</u>

December 31, 2018

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

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

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 2,893,430	\$ -	\$ -	\$ 2,893,430
Oversea mutual funds - benefit certificates	-	1,760,530	-	1,760,530
Domestic listed shares	388,277	-	-	388,277
Forward exchange contracts	-	-	11,479	11,479
	<u>\$ 3,281,707</u>	<u>\$ 1,760,530</u>	<u>\$ 11,479</u>	<u>\$ 5,053,716</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 403,142	\$ -	\$ -	\$ 403,142
Unlisted shares	-	-	937,065	937,065
Real estate investment trust mutual funds - beneficial certificates	307,500	-	-	307,500
Oversea unlisted shares	-	-	509,231	509,231
	<u>\$ 710,642</u>	<u>\$ -</u>	<u>\$ 1,446,296</u>	<u>\$ 2,156,938</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,861</u>	<u>\$ 1,861</u>
Financial liabilities for hedging				
Cash flow hedges - interest rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,087</u>	<u>\$ 31,087</u>

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 2,968,716	\$ -	\$ -	\$ 2,968,716
Overseas mutual funds - benefit certificates	-	2,885,614	-	2,885,614
Domestic listed shares	219,164	-	-	219,164
Forward exchange contracts	-	-	2,110	2,110
	<u>\$ 3,187,880</u>	<u>\$ 2,885,614</u>	<u>\$ 2,110</u>	<u>\$ 6,075,604</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 381,431	\$ -	\$ -	\$ 381,431
Unlisted shares	-	-	916,725	916,725
Real estate investment trust mutual funds - beneficial certificates	301,500	-	-	301,500
Overseas unlisted shares	-	-	490,492	490,492
	<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	-	-	65,356	65,356
	<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>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2019 and 2018.

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

For the year ended December 31, 2019

	Financial Assets at Fair Value Through Profit or Loss	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	23,606	-	26,644	50,250
Recognized in other comprehensive income	-	45,105	(96,443)	(51,338)
Settlements and effect of exchange rate differences	(9,250)	(6,026)	(28,512)	(43,788)
Balance at December 31, 2019	<u>\$ 9,618</u>	<u>\$ 1,446,296</u>	<u>\$ (31,087)</u>	<u>\$ 1,424,827</u>

For the year ended December 31, 2018

	Financial Assets at Fair Value Through Profit or Loss	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	-	1,151,681	-	1,151,681
Balance at January 1, 2018 after adjustment	13,229	1,151,681	37,244	1,202,154
Additions	-	229,770	-	229,770
Recognized in profit or loss	(154,417)	-	5,406	(149,011)
Recognized in other comprehensive income	-	83,786	29,812	113,598
Return on the capital reduction	-	(61,500)	-	(61,500)
Settlements and effect of exchange rate differences	136,450	3,480	(5,238)	134,692
Balance at December 31, 2018	<u>\$ (4,738)</u>	<u>\$ 1,407,217</u>	<u>\$ 67,224</u>	<u>\$ 1,469,703</u>

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

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

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

Financial Instruments	Valuation Techniques and Inputs
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 adopts market ratios of companies with similar profitability at the end of the reporting period, while taking the liquidity premium into consideration.</p>
Future contracts	<p>Futures contract pricing model</p> <p>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.</p>

(Continued)

Financial Instruments	Valuation Techniques and Inputs
Forward exchange contracts, option contracts, combined exchange options, cross-currency swap contracts, foreign exchange contracts, and interest rate swap contracts	Discounted cash flow. 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.
	(Concluded)

c. Categories of financial instruments

	December 31	
	2019	2018
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 5,053,716	\$ 6,075,604
Financial assets for hedging	-	67,224
Financial assets at amortized cost (Note 1)	81,024,585	79,904,474
Financial assets at FVTOCI	2,156,938	2,090,148
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	1,861	6,848
Derivative financial liabilities for hedging	31,087	-
Amortized cost (Note 2)	265,797,849	266,263,137

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, financial assets at amortized - cost, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), long-term receivables from related parties, 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 those to related parties), other payables (including those to related parties), payables to suppliers of machinery and equipment, provisions, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

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

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

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

1) Market risk

The Group's activities exposed itself primarily to the financial risks of changes in exchange rates (refer to (a) below), interest rates (refer to (b) below) and other price (refer to (c) below).

a) Foreign currency risk

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

The carrying amounts of the Group's significant foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were detailed in Note 39.

Sensitivity analysis

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

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

	December 31	
	2019	2018
5% change in profit or loss		
USD	<u>\$ (220,689)</u>	<u>\$ (276,110)</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 Group adjusts the hedged portion taking into consideration the market trends and hedging costs.

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	\$ -	\$ -	\$ -

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:

	December 31	
	2019	2018
Fair value interest rate risk		
Financial assets	\$ 16,107,962	\$ 18,532,265
Financial liabilities	204,549,298	178,174,390
Cash flow interest rate risk		
Financial assets	12,675,075	12,713,223
Financial liabilities	34,360,953	40,971,276

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 for the years ended December 31, 2019 and 2018 would have decreased/increased by NT\$40,169 thousand and NT\$46,216 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$31,688 thousand and \$31,783 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 for the years ended December 31, 2019 and 2018 would have decreased/increased by \$510,098 thousand and \$444,325 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by \$85,902 thousand and \$102,428 thousand, respectively.

Hedge accounting

For the year ended December 31, 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.

December 31, 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%~4.90%	Financial liabilities for hedging	\$ -	\$ 31,087	\$ -

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	\$ -	\$ (31,087)	\$ -

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%				

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

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).

For the year ended December 31, 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	Due to Hedged Future Cash Flow No Longer Expected to Occur
Cash flow hedge					
Interest expense from long-term debt	\$ (96,443)	\$ -	\$ -	\$ 26,644 Increase in interest expense	\$ -

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	\$ -

c) Other price risks

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

Sensitivity analysis

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

If equity prices had been 5% lower, the fair value of financial assets at FVTPL and fair value of financial assets at FVTOCI as of December 31, 2019 and 2018 would have decreased by NT\$359,959 thousand and NT\$408,182 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 counter-parties 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 counter-parties 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 financial liabilities - current, i.e., with maturities of less than one year) are as follows:

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2019</u>				
Long-term borrowings	\$ 45,212,654	\$ 27,299,971	\$ 5,777,207	\$ 78,289,832
Bonds payable	<u>13,200,000</u>	<u>22,200,000</u>	<u>48,100,000</u>	<u>83,500,000</u>
	<u>\$ 58,412,654</u>	<u>\$ 49,499,971</u>	<u>\$ 53,877,207</u>	<u>\$ 161,789,832</u>

December 31, 2018

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>

Additional information about the maturity analysis for lease liabilities

	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
Lease liabilities	<u>\$ 6,686,931</u>	<u>\$ 700,748</u>	<u>\$ 108,607</u>	<u>\$ 83,995</u>	<u>\$ 210,173</u>

35. TRANSACTIONS WITH RELATED PARTIES

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2019 and 2018 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

36. 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, administrative tax remedies, and government projects.

	December 31	
	2019	2018
Financial assets at FVTPL - current	\$ -	\$ 26,237
Other financial assets - current	1,809,900	1,742,702
Inventories - available-for-construction	200,654	200,654
Inventories - construction in progress	492,503	492,503
Financial assets at amortized cost - non-current	500,000	400,000
Property, plant and equipment, net	28,287,683	29,505,689
Investment properties	35,802,323	35,503,299
Investments accounted for using the equity method	3,183,595	2,901,592
Concessions - costs	3,850,000	3,756,000
Other financial assets - non-current	<u>3,553,636</u>	<u>2,631,972</u>
	<u>\$ 77,680,294</u>	<u>\$ 77,160,648</u>

As of December 31, 2019 and 2018, FENC and some of its subsidiaries had provided 47,522 thousand shares and 61,622 thousand shares, respectively, of the common stock of Far EasTone Telecommunications Co., Ltd. and 10,000 thousand shares, of common stock of Yuan Ding Co., Ltd. as of both dates as collateral for short-term borrowings, short-term bills payable and long-term borrowings.

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- The Group issued but unused letters of credit aggregated at approximately \$399,158 thousand and \$442,493 thousand as of December 31, 2019 and 2018, respectively.
- The Group (except for Far EasTone Telecommunications Co., Ltd. and its subsidiaries) had unpaid construction contracts and property, plant, and equipment amounting to \$7,941,293 thousand and \$3,738,851 thousand, as of December 31, 2019 and 2018, respectively.

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

	December 31	
	2019	2018
Acquisition of property, plant and equipment and intangible asset under contracts	<u>\$ 4,241,999</u>	<u>\$ 3,634,677</u>
Acquisition of inventories under contract	<u>\$ 3,895,806</u>	<u>\$ 5,359,431</u>

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

**September 30,
2019**

Lease commitments	<u>\$ 258,789</u>
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- d. The letters of bank guarantees issued for importing from manufacturers all amounted to \$100,000 thousand as of both December 31, 2019 and 2018.
- e. There were undelivered cotton contracts which were unable to be cancelled amounting to \$138,054 thousand and \$248,124 thousand as of December 31, 2019 and 2018, respectively.
- f. Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$46,350,772 thousand and \$45,448,684 thousand as of December 31, 2019 and 2018, respectively.
- g. A subsidiary of FENC, 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 \$3,859,807 thousand and \$3,839,110 thousand as of December 31, 2019 and 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 March 24, 2020, 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.

38. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

- a. On March 24, 2020, the board of directors of FENC resolved to issue domestic unsecured corporate bonds. The bonds may be issued separately with issue period not longer than 10 years based on market conditions, and the total amount will not exceed \$18,000,000 thousand with a par value of \$1,000 thousand; bonds are issued in integral multiples of \$1,000 thousand.
- b. On January 16, 2020, a subsidiary of FENC, Far EasTone (FET), bid for wireless communications licenses and acquired the licenses, 80MHz of 3.5GHz spectrum and 400MHz of 28GHz spectrum, for the amount of \$41,012,000 thousand under the first stage Quantity Bid. The deposit for the bidding price which amounted to \$1,000,000 thousand was included in other noncurrent assets. In addition, on February 21, 2020, FET acquired wireless communications licenses, 3340-3420 Hz of 5GHz spectrum and 28500-28900MHz of 28GHz spectrum, for the amount of \$2,030,000 thousand under the second stage Location Bid. Total transaction amount of the first Quantity Bid and the second Location Bid is NT\$43,042,000 thousand.
- c. To fulfill the needs for repayment of loans and borrowings and strengthen financial structure, on March 10, 2020, the board of directors of FET resolved to issue corporate bonds 5-year bonds A for \$1,500,000 thousand; 7-year bonds B for \$2,500,000 thousand; and 10-year bonds C for \$1,000,000. The par value of each bond is \$10,000 thousand.

39. 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:

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 310,266	29.98 (USD:NTD)	\$ 9,031,955
USD	80,108	6.964 (USD:RMB)	2,401,638
USD	22,805	7.800 (USD:HKD)	683,694
USD	4,225	4.237 (USD:MYR)	126,666
			<u>\$ 12,243,953</u>
<u>Financial liabilities</u>			
Monetary items			
USD	189,322	29.98 (USD:NTD)	\$ 5,675,874
USD	18,742	6.964 (USD:RMB)	561,885
USD	50,191	7.800 (USD:HKD)	1,504,726
USD	2,925	4.237 (USD:MYR)	87,692
			<u>\$ 7,830,177</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>

Financial liabilities

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>

For the years ended December 31, 2019 and 2018, (realized and unrealized) net foreign exchange gains (losses) were \$127,790 thousand and \$566,309 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of functional currencies of the Group entities.

40. 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 34
 - 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.

41. SEGMENT INFORMATION

Industry Information

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

Segment operating income is the profit generated by each operating segment, which excludes interest revenue, revaluation gain on investment properties, gain or loss on disposal of property, plant and equipment, 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. Segments revenue and results

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

	Segment Revenue		Segment Profit	
	For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018
Petrochemical business			\$ (443,938)	\$ 167,443
Revenue generated from external customers	\$ 28,661,265	\$ 23,866,733		
Intersegment revenue	<u>29,565,116</u>	<u>23,645,570</u>		
	<u>58,226,381</u>	<u>47,512,303</u>		
Chemical fiber business			2,753,372	2,777,801
Revenue generated from external customers	84,760,647	68,277,154		
Intersegment revenue	<u>2,128,605</u>	<u>3,366,194</u>		
	<u>86,889,252</u>	<u>71,643,348</u>		
Textile business			907,027	550,231
Revenue generated from external customers	38,991,995	35,854,894		
Intersegment revenue	<u>38,254</u>	<u>50,714</u>		
	<u>39,030,249</u>	<u>35,905,608</u>		
Telecommunication services business			11,925,478	12,373,173
Revenue generated from external customers	83,689,429	86,368,245		
Intersegment revenue	<u>176,443</u>	<u>266,726</u>		
	<u>83,865,872</u>	<u>86,634,971</u>		
Real estate development			806,439	786,123
Revenue generated from external customers	8,355,138	8,281,468		
Intersegment revenue	<u>767,465</u>	<u>749,526</u>		
	<u>9,122,603</u>	<u>9,030,994</u>		
Investment and other			4,469,834	4,117,378
Revenue generated from external customers	12,012,125	11,515,817		
Intersegment revenue	<u>349,606</u>	<u>373,156</u>		
	<u>12,361,731</u>	<u>11,888,973</u>		
Adjustment and elimination	<u>(32,814,772)</u>	<u>(27,685,412)</u>	<u>(120,492)</u>	<u>280,645</u>
	<u>\$ 256,681,316</u>	<u>\$ 234,930,785</u>	<u>20,297,720</u>	<u>21,052,794</u>
Interest revenue			354,718	301,957
Exchange loss			127,790	566,309
Interest expense			(3,220,315)	(2,689,232)
Other revenue and income (other expenses and losses)			<u>1,570,342</u>	<u>1,823,302</u>
Profit before tax			<u>\$ 19,130,255</u>	<u>\$ 21,055,130</u>

Note: For the years ended December 31, 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 \$6,464,485 thousand and \$6,224,158 thousand, respectively, and dividend income from associates, which amounted to \$70,241 thousand and \$44,694 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.

c. Geographical information

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

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2019	2018	2019	2018
Taiwan	\$ 165,573,790	\$ 157,237,635	\$ 298,471,882	\$ 291,260,762
China	37,879,526	43,177,977	36,073,652	37,204,104
Overseas	<u>46,693,274</u>	<u>28,246,321</u>	<u>39,566,185</u>	<u>31,301,797</u>
	<u>\$ 250,146,590</u>	<u>\$ 228,661,933</u>	<u>\$ 374,111,719</u>	<u>\$ 359,766,663</u>

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

d. Information about major customers

No single customers contributed 10% or more to the Group's revenue for both 2019 and 2018.

TABLE 1**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2019

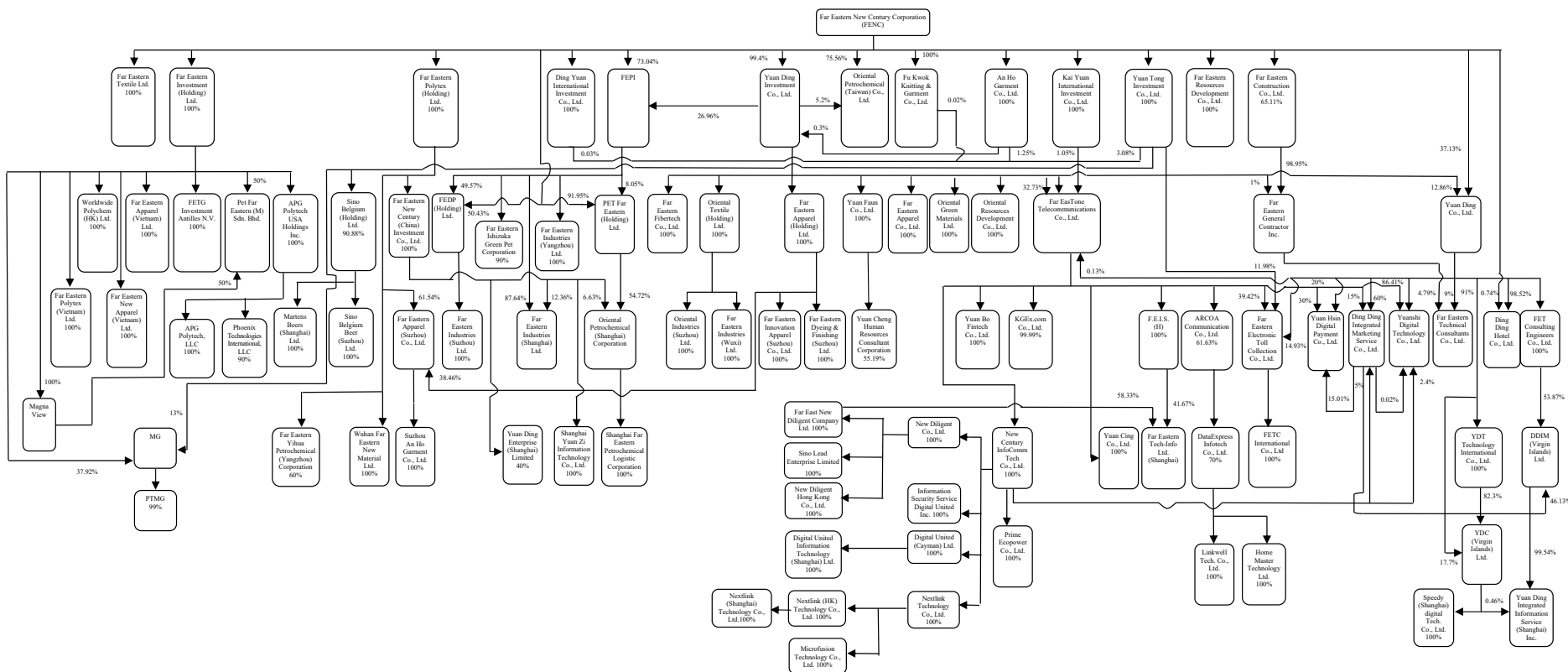


TABLE 2**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAMES AND CATEGORIES
DECEMBER 31, 2019**

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
Arpeggio International Resources Corporation	Associates
Drive Catalyst_207 SPC-SP Tranche One	Associates
Drive Catalyst_207 SPC-SP Tranche Three	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)

(Continued)

Related Party Name	Related Party Categories
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)
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)
President Chain Store Corporation	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)
Uni-President Enterprises Corporation	Other related party (Supervisor 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)

(Continued)

Related Party Name	Related Party Categories
Yuan Ze University	Other related party (the same chairman)
Oriental Institute of Technology	Other related party (the same chairman)
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 Year Ended December 31	
	2019	2018
Operating revenue		
Associates	\$ 1,985,695	\$ 2,262,741
Other related parties	<u>894,344</u>	<u>778,333</u>
	<u>\$ 2,880,039</u>	<u>\$ 3,041,074</u>
Operating costs		
Associates	\$ 1,210,932	\$ 2,307,473
Other related parties	<u>834,043</u>	<u>869,919</u>
	<u>\$ 2,044,975</u>	<u>\$ 3,177,392</u>
Operating expenses		
Associates	\$ 43,498	\$ 44,140
Other related parties	<u>776,960</u>	<u>820,528</u>
	<u>\$ 820,458</u>	<u>\$ 864,668</u>

The Group has purchased the construction contracts, software equipment, machinery equipment and securities from other related parties that amounted to \$197,815 thousand and \$489,096 thousand for the year ended December 31, 2019 and 2018. 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 year ended December 31, 2019, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “B”, “C”, “D” amounted to \$311,084 thousand. For the year ended December 31, 2018, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “A”, “C”, “D” amounted to \$2,089,025 thousand. For the year ended December 31, 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 year ended December 31, 2019, the Group recognized gain on financial assets at FVTPL amounted to \$59,218 thousand.

In October 2019, the Group invested in Catalyst_207 SPC-SP Tranche Three amounting to 244,600 thousand. In December 2019, the Group invested in Catalyst_207 SPC-SP Tranche One amounting to 246,440 thousand.

For the year ended December 31, 2019, the Group sold other equipments and securities to other related parties at book value for \$175,534 thousand, and recognized gain on disposal amounted to \$343 thousand, for the year ended December 31, 2018, the Group sold other equipments and securities to other related parties at book value for and \$107,539 thousand, and recognized gain on disposal amounted to \$34 thousand, and it has recognized gain on financial assets at FVTPL.

Lease arrangements - Group is lessee

	For the Year Ended December 31, 2019
Acquisitions of right-of-use assets	
Associates	<u>\$ 16,805</u>
	December 31, 2019
Lease liabilities	
Associates	\$ 764,327
Other related parties	
Yuan Bo Asset Management Corporation	1,072,258
Other	<u>30,821</u>
	<u>\$ 1,867,406</u>

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

	For the Year Ended December 31	
	2019	2018
Interest expense		
Associates	\$ 10,229	\$ -
Other related parties		
Yuan Bo Asset Management Corporation	14,501	-
Other	<u>303</u>	<u>-</u>
	<u>\$ 25,033</u>	<u>\$ -</u>
Lease expense		
Associates	\$ 4,946	\$ 75,271
Other related parties	<u>2,295</u>	<u>186,431</u>
	<u>\$ 7,241</u>	<u>\$ 261,702</u>

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

(Continued)

Lease arrangement - Group is lessor

	December 31	
	2019	2018
Operating lease receivable		
Associates	\$ 114,385	\$ 126,346
Other related parties	<u>72,907</u>	<u>42,271</u>
	<u>\$ 187,292</u>	<u>\$ 168,617</u>
Future lease receivable		
Associates	\$ 1,611,712	\$ 1,877,769
Other related parties	<u>1,634,761</u>	<u>1,887,701</u>
	<u>\$ 3,246,473</u>	<u>\$ 3,765,470</u>
	For the Year Ended December 31	
	2019	2018
Lease revenue		
Associates	\$ 334,558	\$ 323,264
Other related parties	<u>249,941</u>	<u>257,184</u>
	<u>\$ 584,499</u>	<u>\$ 580,448</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 the way of payment between the Group and related party are equivalent to the general lease transaction.

Compensation of key management personnel:

	For the Year Ended December 31	
	2019	2018
Short-term benefits	\$ 493,520	\$ 479,227
Post-employment benefits	<u>1,665</u>	<u>2,174</u>
	<u>\$ 495,185</u>	<u>\$ 481,401</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****(In Thousands of New Taiwan Dollars)**

	December 31	
	2019	2018
Notes and accounts receivable		
Associates	\$ 427,211	\$ 519,778
Other related parties	<u>375,503</u>	<u>546,376</u>
	<u>\$ 802,714</u>	<u>\$ 1,066,154</u>
Notes and accounts payable - related parties (Note 1)		
Associates	\$ 113,722	\$ 89,875
Other related parties	<u>226,218</u>	<u>282,238</u>
	<u>\$ 339,940</u>	<u>\$ 372,113</u>
Progress billings (Note 2)		
Associates	\$ 1,610,277	\$ 1,024,261
Other related parties	<u>479,031</u>	<u>172,509</u>
	<u>\$ 2,089,308</u>	<u>\$ 1,196,770</u>
Guarantee deposits received		
Associates	\$ 53,760	\$ 50,304
Other related parties	<u>69,420</u>	<u>65,726</u>
	<u>\$ 123,180</u>	<u>\$ 116,030</u>
Deferred credit - gains on related parties transactions		
Associates		
Oriental Securities Corporation	\$ 110,594	\$ 111,149
Others	2,810	2,810
Other related parties	<u>9,122</u>	<u>9,122</u>
	<u>\$ 122,526</u>	<u>\$ 123,081</u>

Note 1: Including retentions payable of \$3,679 thousand and \$6,596 thousand, which was recognized as contract liabilities on December 31, 2019 and 2018, respectively.

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

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

	December 31	
	2019	2018
Associates		
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 1,162,350	\$ -
Da Ju Fiber Co., Ltd.	795,000	-
Other	369,980	70,000
Other related parties	<u>301,350</u>	<u>-</u>
	<u>\$ 2,628,680</u>	<u>\$ 70,000</u>

Interests income from loans to related parties:

	For the Year Ended December 31	
	2019	2018
Associates	\$ 21,196	\$ 52,585
Other related parties	<u>577</u>	<u>11,266</u>
	<u>\$ 21,773</u>	<u>\$ 63,851</u>

Loans from related parties:

	December 31	
	2019	2018
Other related parties (recognized as short-term borrowings - loans from related parties)	\$ -	\$ 3,668,174
Associates (recognized as long-term borrowings - bank loans)	<u>1,500,000</u>	<u>300,000</u>
	<u>\$ 1,500,000</u>	<u>\$ 3,968,174</u>

Interests expense from loans from related parties:

	For the Year Ended December 31	
	2019	2018
Far Eastern International Bank	<u>\$ 2,493</u>	<u>\$ 9,062</u>

(Continued)

Bank deposits, time deposits and other financial assets

	December 31	
	2019	2018
Far Eastern International Bank	<u>\$ 8,882,512</u>	<u>\$ 9,028,379</u>

The Group had bank deposits and time deposits (recognized as cash and cash equivalents, financial assets at amortized cost - current, financial assets at amortized cost - non-current and other financial assets - non-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 reserve account which was deposited in Far Eastern International Bank based on the regulation from syndicated loan contract, and time deposit which is pledged in Cathay United Bank, which was recognized as other financial assets. The interest income was \$116,965 thousand and \$76,936 thousand for the years ended December 31, 2019 and 2018, respectively.

Financial assets (liabilities) at FVTPL - current

	December 31	
	2019	2018
Far Eastern International Bank	<u>\$ (4,114)</u>	<u>\$ (3,466)</u>

The Group signed forward exchange contracts and option contracts with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at FVTPL was \$6,345 thousand and \$29,231 thousand for the years ended December 31, 2019 and 2018, respectively.

Financial assets for hedging - current

	December 31	
	2019	2018
Far Eastern International Bank	<u>\$ -</u>	<u>\$ 1,868</u>

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

Note:

- The terms of sales to and purchases from other related parties were based on the agreements.
- The Group sold investment properties - land to Far Eastern Medical Foundation in 2015. As of December 31, 2018, the unreceived amount which was recognized as other receivables from related parties were \$990,000 thousand and other receivables from related parties - non-current were \$450,000 thousand.
- The Group purchased the materials and other inventories for an associate, Far Eastern Union Petrochemical (Yangzhou) Corporation, and recognized other revenue of \$117,152 thousand for the year ended December 31, 2018. As of December 31, 2019 and 2018, the amount which recognized as other receivables was \$28,862 thousand and \$50,018 thousand, respectively.

(Concluded)

TABLE 5

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 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	\$ -	\$ -	1.045	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 10,226,114	\$ 102,261,144	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note H)
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	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Resources Development Co., Ltd.	Receivables from related parties	Yes	600,000	50,000	-	1.23	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Green Materials Limited	Receivables from related parties	Yes	600,000	600,000	330,000	1.11-1.23	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Yuan Tong Investment Co., Ltd.	Receivables from related parties	Yes	750,000	750,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	800,000	-	1.11-1.25	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,060,000	1,060,000	795,000	1.11	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	680,000	680,000	340,000	1.11-1.37	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	350,000	350,000	115,000	1.11-1.25	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
2	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	183,000	179,880	161,892	2.29364	2	-	For revolving fund	-	Promissory note	-	888,136	4,440,678	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)

(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			
3	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	\$ -	\$ 2,700,136	\$ 13,500,680	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	250,000	250,000	-	1.25	2	-	For revolving fund	-	Promissory note	-	2,700,136	13,500,680	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
4	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Receivables from related parties	Yes	300,000	300,000	300,000	1.53	2	-	For revolving fund	-	-	-	8,327,941	11,897,058	Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	2,500,000	1,500,000	400,000	0.83	1	2,555,996	-	-	-	-	2,547,833	11,897,058	Amounts allowed for ending period (Note O); Maximum amounts allowed for the period (Note H)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	7,500,000	7,500,000	3,500,000	0.83	2	-	For revolving fund	-	-	-	8,327,941	11,897,058	Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H)
5	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Receivables from related parties	Yes	400,000	400,000	-	0.9779-1.0701	2	-	For revolving fund	-	Promissory note	-	1,601,531	4,003,827	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note H)
6	Far Eastern Investment (Holding) Ltd.	FILSYN Corporation	Receivables from affiliates	Yes	59,960	-	-	-	2	-	For revolving fund	-	Promissory note	-	10,592,231	10,592,231	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Worldwide Polychem (HK) Ltd.	Receivables from affiliates	Yes	299,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Holding) Ltd.	Receivables from affiliates	Yes	299,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		APG Polytech, LLC	Receivables from affiliates	Yes	1,094,270	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	1,499,000	1,499,000	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Holding) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	899,400	-	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	299,800	-	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	449,700	-	-	2.29364-3.08839	2	-	For revolving fund	-	Promissory note	-	10,592,231	10,592,231	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	\$ 1,199,200	\$ -	\$ -	2.29364-3.08839	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 13,240,289	\$ 39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,777,965	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
7	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,852,935	5,558,804	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,852,935	5,558,804	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
8	Oriental Textile (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,894,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	Yes	749,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); ; Maximum amounts allowed for the period (Note K)
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); ; Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	2,998,000	-	749,500	2.29364-3.08839	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,199,200	-	-	3.08839-3.94056	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
9	Far Eastern Polychem Industries Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,539,950	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); ; Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	899,400	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,199,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
10	PET Far Eastern (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,023,350	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,085,419	9,256,257	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	899,400	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,085,419	9,256,258	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	\$ 599,600	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,468,335	\$ 2,468,335	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Yuan Ding Enterprise (Shanghai) Limited	Receivables from affiliates	Yes	301,350	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,468,335	2,468,335	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
11	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	599,600	149,900	-	2.71067-3.22205	2	-	For revolving fund	-	Promissory note	-	6,022,677	6,022,677	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
12	Malaysia Garment Manufactures Pte. Ltd.	Arpeggio International Resources Corporation	Receivables from affiliates	Yes	74,950	74,950	29,980	2.29364	2	-	For revolving fund	-	Promissory note	-	503,740	503,740	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
13	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	301,350	-	-	3.92	2	-	For revolving fund	-	Promissory note	-	1,197,009	1,197,009	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,367,750	2,152,500	1,314,794	3.67-4.10	2	-	For revolving fund	-	Promissory note	-	2,693,271	5,985,046	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
14	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,205,400	1,205,400	738,949	3.10-4.54	2	-	For revolving fund	-	Promissory note	-	1,402,763	3,117,252	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
15	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,291,500	1,291,500	1,244,687	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	1,423,149	3,162,554	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
16	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	430,500	430,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	430,500	430,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,291,500	1,291,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	301,350	301,350	301,350	3.91	2	-	For revolving fund	-	Promissory note	-	2,341,612	2,341,612	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	\$ 861,000	\$ 861,000	\$ -	3.58-4.56	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,268,627	\$ 11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,076,250	1,076,250	714,436	3.58-4.56	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
17	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	861,000	861,000	-	3.99-4.40	2	-	For revolving fund	-	Promissory note	-	2,559,585	5,687,966	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
18	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	38,745	38,745	38,745	3.10	2	-	For revolving fund	-	Promissory note	-	48,467	107,704	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	38,745	-	-	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	48,467	107,704	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
19	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	861,000	430,500	430,500	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	936,014	2,080,030	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	904,050	645,750	430,500	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	936,014	2,080,030	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
20	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	281,390	844,170	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note D)
21	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	645,750	645,750	645,750	3.87	2	-	For revolving fund	-	Promissory note	-	3,264,618	3,264,618	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	645,750	645,750	-	-	2	-	For revolving fund	-	Promissory note	-	4,080,273	7,344,491	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	861,000	-	-	4.35	1	7,907,471	-	-	Promissory note	-	4,080,273	4,080,273	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note H)
22	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	129,150	129,150	-	-	2	-	For revolving fund	-	Promissory note	-	457,312	823,161	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
23	Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	43,050	43,050	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Oriental Textile (Holding) Ltd	Other receivables - loans to related parties	Yes	86,100	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Polychem Industries Ltd	Other receivables - loans to related parties	Yes	\$ 86,100	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,763,005	\$ 13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		PET Far Eastern (Holdings) Ltd.	Other receivables - loans to related parties	Yes	86,100	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	129,150	129,150	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	473,550	215,250	89,283	1.21	2	-	For revolving fund	-	Promissory note	-	1,562,081	1,562,081	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,076,250	1,076,250	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	51,660	51,660	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	3,013,500	3,013,500	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
24	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	43,050	43,050	-	-	2	-	For revolving fund	-	Promissory note	-	56,448	84,672	Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note K)
25	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	51,660	51,660	-	-	2	-	For revolving fund	-	Promissory note	-	67,327	121,188	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
26	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	301,350	-	-	3.60	2	-	For revolving fund	-	Promissory note	-	1,217,955	2,706,566	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	301,350	301,350	301,350	3.60	2	-	For revolving fund	-	Promissory note	-	1,217,955	2,706,566	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	516,600	516,600	516,600	3.60	2	-	For revolving fund	-	Promissory note	-	541,313	541,313	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

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 audited financial statements as of December 31, 2019.

C. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2019.

D. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2019.

E. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2019.

F. The limitation is 35% of the net value of the financier based on audited financial statements as of December 31, 2019.

(Continued)

- G. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2019.
- H. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2019.
- I. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2019.
- J. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2019.
- K. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2019.
- L. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2019.
- M. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2019.
- N. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2019.
- O. The limitation is business transaction amount.

(Concluded)

TABLE 6

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 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 M)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note M)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note M)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note B)	\$ 20,837,814	\$ 268,000	\$ 268,000	\$ 216,000	\$ -	0.64	\$ 41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Far Eastern Ishizuka Green Pet Corporation	(Note C)	20,452,229	707,280	662,400	276,000	-	1.59	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		PET Far Eastern (Holding) Ltd.	(Note C)	20,452,229	632,000	-	-	-	-	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Oriental Textile (Holding) Ltd.	(Note A)	20,837,814	632,000	-	-	-	-	41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Far Eastern Polychem Industries Ltd.	(Note C)	20,452,229	948,000	-	-	-	-	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech, LLC	(Note C)	20,452,229	8,363,210	5,816,120	2,254,496	-	13.96	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note C)	20,452,229	2,762,560	2,668,220	-	-	6.4	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note C)	20,452,229	610,000	599,600	320,786	-	1.44	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Oriental Industries (Suzhou) Ltd.	(Note A)	20,837,814	1,580,000	-	-	-	-	41,675,628	-	-	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)	13,500,680	5,708,448	5,658,332	3,046,448	5,658,332	2.77	27,001,359	-	Yes	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,003,827	1,773,000	1,303,000	280,000	250,000	0.64	8,007,654	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note A)	43,094,037	77,150	-	-	-	-	43,094,037	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note I)

(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 M)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note M)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note M)	Note
		Name	Relationship											
5	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	\$ 102,261,144	\$ 1,580,000	\$ -	\$ -	\$ -	-	\$ 204,522,288	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	102,261,144	474,000	-	-	-	-	204,522,288	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
6	Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	(Note A)	102,261,144	7,382,813	6,604,594	599,600	-	3.23	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		APG Polytech, LLC	(Note A)	102,261,144	2,565,920	2,104,596	517,470	-	1.03	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		Phoenix Technologies International, LLC	(Note A)	102,261,144	610,000	599,600	281,812	-	0.29	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
7	APG Polytech, LLC	APG Polytech USA Holdings, Inc.	(Note D)	102,261,144	15,800	-	-	-	-	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)

- 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 audited financial statements.
- F. The amount of the collateral/guarantees is based on the net value of the guarantor from the latest audited financial statements.
- G. 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 audited financial statements as of December 31, 2019.
- H. 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 audited financial statements as of December 31, 2019.
- I. The amount of the collateral/guarantees is based on 300% of the net value of the guarantor from latest audited financial statements.
- J. The amount of the collateral/guarantees is based on 50% of the net value of the ultimate parent company from the latest audited financial statements.
- K. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest audited financial statements.
- L. 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.
- M. 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.
- N. The tariff guarantee maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB6,000 thousand (NT\$25,830 thousand), the actual remittance: RMB6,000 thousand (NT\$25,830 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB2,000 thousand (NT\$8,610 thousand), the actual remittance: RMB2,000 thousand (NT\$8,610 thousand).
- O. 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)

TABLE 7

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 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	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note II)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 19,447,206	22.33	\$ 35,987,018	19,900 thousand shares pledged or mortgaged as collateral for loans. (Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,009,751	17.06	6,298,101	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,217,537	9.17	1,705,536	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,490	0.03	1,278	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	2,002,315	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	1,893,365	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,109,853	2.62	1,048,814	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,097,475	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	104,696,964	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	168	9,565,589	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,526,541	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,556,025	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	361,486	5,567,871	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,894	26,235,260	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	5,660,306	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	9,810,611	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	223,481	8,917,885	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,299,897	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	2,132,201	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	253,977	3,129,935	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	907,883	50.43	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	233,520	100.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	13,085	0.74	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,657	100.00	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,458	1,270,042	0.97	1,556,338	8,807 thousand shares pledged or mortgaged as collateral for loans. 31,600 thousand shares pledged or mortgaged as collateral for loans. 10,000 thousand shares pledged or mortgaged as collateral for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,237,767	8.00	1,487,171	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,652	866,925	2.66	980,834	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	128,618	1,092,777	25.23	1,175,572	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	22,770,949	32.73	76,906,014	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,778,143	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	3,854,082	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,558	2,259,130	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	115,516	100.00	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	144,124	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	74,515	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	394,072	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,144,096	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,000	35,491	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	2,135,042	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,371	503,160	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,750,820	25.96	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,159,431	12.86	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	\$ 934,264	16.87	\$ -	(Note F)
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,747,308	100.00	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,591,881	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	1,026,410	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	23,307	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	693,804	5.20	-	
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	53,304	551,475	100.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	119,403	1,509,525	3.56	1,426,866	
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	89,456	5.27	89,456	
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	6,230	1.11	6,230	
	Universal Venture Capital Investment Corporation	(Note M)	Financial asset at FVTOCI - non-current	1,400	9,646	1.16	9,646	
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	9,884	0.80	9,884	
	Taiwan Stock Exchange Corporation	-	Financial asset at FVTOCI - non-current	1,135	64,746	0.16	64,746	
	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	30,313	0.50	30,313	
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	297,998	1.05	297,998	
	Financial assets under asset management contracts (Note E)	-						
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	32	705	-	705	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	200	8,753	-	8,753	
	Uni-President Enterprises Corporation	-	Financial assets at fair value through profit or loss - current	22	1,632	-	1,632	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	175	12,180	-	12,180	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	208	18,200	-	18,200	
	Cheng Loong Corporation	-	Financial assets at fair value through profit or loss - current	87	1,679	-	1,679	
	Hiwin Technologies Corporation	-	Financial assets at fair value through profit or loss - current	8	2,248	-	2,248	
	CSBC Corporation, Taiwan	-	Financial assets at fair value through profit or loss - current	415	11,143	-	11,143	
	Yulon Nissan Motor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	3	861	-	861	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	255	23,154	-	23,154	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	85	28,135	-	28,135	
	Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	10	1,680	-	1,680	
	Foxlink International Ltd.	-	Financial assets at fair value through profit or loss - current	370	16,946	-	16,946	
	Nanya Technology Corporation	-	Financial assets at fair value through profit or loss - current	250	20,850	-	20,850	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	45	19,958	-	19,958	
	DACIN Construction Co., Ltd	-	Financial assets at fair value through profit or loss - current	275	5,816	-	5,816	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	250	11,600	-	11,600	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	70	1,568	-	1,568	
	President Chain Store Corporation	-	Financial assets at fair value through profit or loss - current	80	24,320	-	24,320	
	Wistron Corporation	-	Financial assets at fair value through profit or loss - current	500	14,175	-	14,175	
	Wiwynn Corporation	-	Financial assets at fair value through profit or loss - current	26	16,510	-	16,510	
	Pou Chen Group	-	Financial assets at fair value through profit or loss - current	339	13,289	-	13,289	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	280	17,360	-	17,360	
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	33,457	100.00	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000	254,150	50.00	-	
				Preferred stock 3,000				
	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)	1,037,301	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	67,861	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,656	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,047,299	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	377,880	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	252,269	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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)	
APG Polytech USA Holdings, Inc.	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	\$ 477,546	37.92	\$ -	
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G) 520	520	34.00	-	
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	5,064	15,056,692	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	120,851	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,174	25.00	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,349)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,459)	50.00	-	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	160,417	-	160,417	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	6	279,159	-	279,159	
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	12,578,898	33.33	-	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	2,793,144	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	193,187	90.00	-	
Phoenix Technologies International, LLC	Perform Technologies, LLC	-	Financial asset at FVTOCI - current	(Note G)	2,354	-	2,354	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	254,150	50.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,241	460,846	0.36	586,942	(Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,903	129,861	0.42	153,773	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,183	8,927	0.23	10,810	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	646,445	3.09	574,675	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	41,579	0.03	66,307	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,070	2.24	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,964	422,114	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	88,726	1,121,229	2.64	1,060,271	
								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	25,312	1,006,191	0.75	1,213,734	(Note F)
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,123,815	1.05	2,462,145	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,473	647,211	3.67	681,937	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	591,302	1.46	538,511	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	449,658	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	935,272	16.80	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,271	2.24	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,717	1,361,647	3.21	1,287,214	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	793	26,645	0.09	26,645	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,341,467	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	496,752	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	892,401	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,353,283	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	974,689	90.00	-	
	Nippon Parison Co., Ltd	-	Financial asset at FVTOCI - non-current	4	140,606	10.00	140,606	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	610,400	0.53	849,967	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	2,117,903	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	53,417	0.19	53,417	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	599,448	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,992,523	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,040,226	100.00	-	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	249,382	-	249,382	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	\$ 16,286	0.01	\$ 22,489	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,086	-	6,489	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11	156	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	8,641	9.00	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	25,082	0.09	25,082	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	9,687	55,604	3.48	55,604	
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial asset at FVTOCI - non-current	3,106	12,143	16.03	12,143	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	2,246	26,378	-	26,378	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,078	-	22,078	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,659	140,031	-	140,031	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,054	98,062	-	98,062	
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-	
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-	
	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note G)	(41)	99.00	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,049,527	1.25	2,942,948	6,300 thousand shares pledged or mortgaged as collateral for loans. (Note F)
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	256,356	0.18	292,192	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	252,665	1.26	235,284	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,760	0.03	9,634	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,373	115,052	1.17	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,763	402,670	15.66	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,681	131,204	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	167,689	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,094	279,370	0.66	264,024	
	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	13,322	55.19	-	
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	55,098	3.56	55,098	
Fu Kwok Knitting & Garment Co., Ltd.	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,682	59,224	0.14	55,947	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,425	0.02	37,492	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,748,373	3.08	7,227,090	22,615 thousand shares pledged or mortgaged as collateral for loans. (Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	49,176	1,521,756	3.47	1,281,023	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,645,593	5.61	1,043,813	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,344,800	0.85	1,556,716	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	233,072	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	445,688	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	31	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(704,968)	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	2	48	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	163,716	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,501	1,358,612	3.20	1,284,638	
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	39,600	325,908	18.00	325,908	
	Bockhold N.V- stock	-	Financial asset at FVTOCI - non-current	1	186,391	12.51	186,391	
	Financial assets under asset management contracts (Note E)	-						
	Yuanta S&P GSCI Gold ER Futures ETF	-	Financial assets at fair value through profit or loss - current	210	4,586	-	4,586	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	100	4,370	-	4,370	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	96	6,682	-	6,682	
	HeySong Corporation	-	Financial assets at fair value through profit or loss - current	3	98	-	98	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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)	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	72	\$ 6,300	-	\$ 6,300	
	Chung Hsin Electric & Machinery Mfg. Corp.	-	Financial assets at fair value through profit or loss - current	90	2,187	-	2,187	
	Cheng Loong Corporation	-	Financial assets at fair value through profit or loss - current	198	3,821	-	3,821	
	Hiwin Technologies Corporation	-	Financial assets at fair value through profit or loss - current	18	5,058	-	5,058	
	Kenda Rubber Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	6,120	-	6,120	
	Yulon Nissan Motor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	31	8,897	-	8,897	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	99	8,989	-	8,989	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	14	4,634	-	4,634	
	Inventec Corporation	-	Financial assets at fair value through profit or loss - current	150	3,427	-	3,427	
	Wan Hai Lines Ltd.	-	Financial assets at fair value through profit or loss - current	60	1,110	-	1,110	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	3,360	-	3,360	
	President Chain Store Corporation	-	Financial assets at fair value through profit or loss - current	11	3,344	-	3,344	
	Win Semiconductors Corp.	-	Financial assets at fair value through profit or loss - current	26	7,644	-	7,644	
	ASRock Inc.	-	Financial assets at fair value through profit or loss - current	44	3,322	-	3,322	
	Arcadyan Technology Corporation	-	Financial assets at fair value through profit or loss - current	36	3,388	-	3,388	
	Pegatron Corporation	-	Financial assets at fair value through profit or loss - current	50	3,420	-	3,420	
	Sercomm Corporation	-	Financial assets at fair value through profit or loss - current	96	7,459	-	7,459	
	Farglory Land Development Co., Ltd.	-	Financial assets at fair value through profit or loss - current	162	6,529	-	6,529	
	Sigurd Corporation	-	Financial assets at fair value through profit or loss - current	180	6,678	-	6,678	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	66	4,092	-	4,092	
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	53,852	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,110,996	54.72	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,038,169	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,169,018	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,843,983	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	5,854,030	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	279,430	-	279,430	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	162,803	-	162,803	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,581,277	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	914,624	100.00	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	959,178	61.54	-	
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,905,202	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,777,878	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)	1,035,378	12.36	-	
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	56,448	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	343,764	6.63	-	
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	2,788,316	40.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - other	(Note G)	(631,450)	100.00	-	
	Martens Beers (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,678	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	134,653	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	971	4,180	-	4,180	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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 assets at fair value through profit or loss - current	594,819	\$ 2,560,696	-	\$ 2,560,696	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	262,106	100.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,787	190,138	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	86,163	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	9,223	17.70	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	4,995	(32,281)	4.79	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,000	53,681	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	213,443	0.16	255,508	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	110,623	0.13	300,188	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	129,637	2,142,074	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	832	1.00	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,939	66,224	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	132,517	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	550,140	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	8,352	105,677	0.25	99,810	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	15,535	109,761	20.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	102,509	798,851	98.52	-	
	Far Eastern New Century Corporation	(Note D)	Financial assets at fair value through profit or loss - current	779	23,265	-	23,265	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	17	(135)	0.02	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,659	82,372	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	25,906	46.13	-	
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	42	-	42	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	3,577	42,006	-	42,006	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	10,118	4.00	10,118	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	30,253	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	258	0.46	-	
	Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	50,508	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	55,892	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	130	1,128	0.03	1,191	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	98,066	0.20	71,999	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,413	-	2,902	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	42,882	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	2,937	37,343	0.09	35,099	
	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	117,635	100.00	-	
	Millerful No.1 REIT	-	Financial asset at FVTOCI - non-current	30,000	307,500	-	307,500	
	Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	-	Financial assets at amortized cost	5,000	500,000	-	-	5,000 thousand shares pledged or mortgaged as collateral for loans.
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,385,159	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	731,924	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,897	877,725	99.99	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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)	
ARCOA Communication Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	90,014	\$ (582,357)	86.41	\$ -	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	30,546	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	4,829	100.00	-	
	Yuan Bao Fintech Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,000	59,680	100.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,051,441	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,302	164,513	30.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	47,200	15.00	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	8,850	104,620	11.11	104,620	
	CDIB Capital Innovation Accelerator Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	9,000	94,081	10.71	94,081	
New Century InfoComm Tech Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	233,027	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 Diligent Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	86,448	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	133,305	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	191,698	100.00	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	2,500	(16,171)	2.40	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	15,733	5.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	121,700	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,174	25.00	-	
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	140,448	100.00	-	
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,430	409,810	70.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	13	462,442	-	462,442	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	166,896	-	166,896	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	8,858	50,846	3.18	50,846	
	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	29,980	2.50	29,980	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	295	100.00	-	
	Far East New Diligent Company Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,180	100.00	-	
	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,709	100.00	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	65,428	100.00	-	
	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	45,477	100.00	-	
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,600	16,462	100.00	-	
	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	5,523	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note G)	(378)	100.00	-	
	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	980	149,900	6.77	149,900	
Far East New Diligent Company Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	(Note G)	6,503	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)	4,645	41.67	-	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,426	70.00	-	

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

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

D. Parent company.

(Continued)

- 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 OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 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	\$ 7,581,955	33	\$ 1,998,702	-	\$ -	\$ -	\$ -	\$ (15,068) (Note E)	168	\$ 9,565,589
	Far Eastern Investment (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	4,016	22,068,603	878	4,934,979	-	-	-	-	(768,322) (Note F)	4,894	26,235,260
	Oriental Petrochemical (Taiwan) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,561,102	9,183,032	151,116	1,511,163	-	-	-	-	(883,584) (Note G)	1,712,218	9,810,611
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Investments accounted for using the equity method	-	(Note C)	21,500	703,247	12,343	565,858	1,385	66,238	49,986	16,001	50,923	32,458	1,270,042
	Far Eastern Department Stores Co., Ltd.	Investments accounted for using the equity method	-	(Note C)	23,173	480,286	14,479	347,966	-	-	-	-	38,673 (Note H)	37,652	866,925
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\$ 500,266	(Note B)	US\$ 10,000	-	-	-	-	US\$ (8,041) (Note I)	(Note B)	US\$ 502,225
	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,728	-	US\$ 721 (Note D)	-	-
APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	-	(Note B)	US\$ 10,000	-	-	-	-	US\$ (3,556)	(Note B)	US\$ 6,444
Far Eastern Apparel (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	12	US\$ 11,996	-	US\$ 9	12	US\$ 12,437	US\$ 12,005	-	US\$ 432 (Note D)	-	-
Far Eastern General Contractor Inc.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	36,202	400,000	23,543	260,205	260,205	-	236 (Note D)	12,659	140,031
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	30,728	496,000	24,674	398,055	398,055	-	117 (Note D)	6,054	98,062
Oriental Textile (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,728	-	US\$ 721 (Note D)	-	-
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)	1,736,289	(Note B)	1,998,702	-	-	-	-	170,211	(Note B)	3,905,202
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 Cathay 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 134,077	(Note B)	RMB 449,370	-	-	-	-	RMB 64,246 (Note J)	(Note B)	RMB 647,693
Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	102,509	164,987	98,522	985,217	98,522	-	-	-	(351,353)	102,509	798,851
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	-	-	-	-	(10,190)	3,430	409,810

(Continued)

- Notes:
- A. Subsidiary.
 - B. Company limited.
 - C. Associates.
 - D. Gain on financial asset at FVTPL.
 - E. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(70) thousand.
 - F. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(1,964) thousand.
 - G. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(495) thousand.
 - H. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(9,309) thousand.
 - I. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to US\$(79) thousand.
 - J. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(6) thousand.

(Concluded)

TABLE 9

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 YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	\$ (1,970,358)	(4)	Based on contract	-	-	\$ -	-	\$ 301,418	6	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,598,049)	(3)	Based on contract	-	-	-	-	493,598	9	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(463,132)	(1)	Based on contract	-	-	-	-	47,953	1	
	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Sale	(186,983)	-	Based on contract	-	-	-	-	20,767	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(175,012)	-	Based on contract	-	-	-	-	23,263	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Sale	(153,044)	-	Based on contract	-	-	-	-	-	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Sale	(126,580)	-	Based on contract	-	-	-	-	12,079	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Sale	(122,757)	-	Based on contract	-	-	-	-	14,542	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(426,103)	(1)	Based on contract	-	-	-	-	67,583	1	
	Everest Textile Corporation	(Note D)	Sale	(194,732)	-	Based on contract	-	-	-	-	15,416	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Sale	(107,155)	-	Based on contract	-	-	-	-	31,184	1	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	14,486,304	35	Based on contract	-	-	-	-	(1,065,381)	(41)	
	Oriental Resources Development Co., Ltd.	(Note A)	Purchase	651,704	2	Based on contract	-	-	-	-	-	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Purchase	117,546	-	Based on contract	-	-	-	-	(14,484)	(1)	
	Oriental Green Materials Limited	(Note A)	Purchase	390,222	1	Based on contract	-	-	-	-	(109,186)	(4)	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(14,486,304)	(37)	Based on contract	-	-	-	-	1,065,381	23	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(5,740,645)	(14)	Based on contract	-	-	-	-	931,877	20	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(1,238,306)	(3)	Based on contract	-	-	-	-	292,082	6	
Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(651,704)	(76)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(147,895)	(2)	Based on contract	-	-	-	-	17,461	3	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	3,442,680	37	Based on contract	-	-	-	-	(431,067)	(35)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,873,296	31	Based on contract	-	-	-	-	(472,123)	(39)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,340,166	25	Based on contract	-	-	-	-	(274,990)	(22)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	552,424	6	Based on contract	-	-	-	-	(45,771)	(4)	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(4,159,388)	(18)	Based on contract	-	-	-	-	47,991	3	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(1,058,951)	(5)	Based on contract	-	-	-	-	207,142	11	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(598,589)	(3)	Based on contract	-	-	-	-	207,028	11	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	118,735	1	Based on contract	-	-	-	-	(42,182)	(3)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(419,596)	(2)	Based on contract	-	-	-	-	135,134	7	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,970,358	9	Based on contract	-	-	-	-	(301,418)	(21)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	1,238,306	6	Based on contract	-	-	-	-	(292,082)	(21)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	8,069,888	37	Based on contract	-	-	(305,493)	(33)	(127,813)	(9)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	115,922	1	Based on contract	-	-	-	-	-	-	
	Far Eastern Fibertech Co., Ltd.	(Note C)	Purchase	131,143	1	Based on contract	-	-	-	-	(17,601)	(1)	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(8,069,888)	(46)	Based on contract	-	-	305,493	18	127,813	13	
	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note C)	Purchase	119,750	1	Based on contract	-	-	-	-	(40,687)	(7)	
Far Eastern Industries (Wuxi) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(258,369)	(9)	Based on contract	-	-	-	-	42,546	15	
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(204,372)	(7)	Based on contract	-	-	-	-	37,076	13	
	Far Eastern New Century Corporation	(Note B)	Purchase	186,983	7	Based on contract	-	-	-	-	(20,767)	(35)	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(4,102,476)	(50)	Based on contract	-	-	-	-	536,890	47	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	1,058,951	14	Based on contract	-	-	-	-	(207,142)	(40)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	\$ (353,972)	(7)	Based on contract	-	-	\$ -	-	\$ 15,185	5	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(347,590)	(7)	Based on contract	-	-	-	-	33,133	10	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	498,572	10	Based on contract	-	-	-	-	(29,387)	(37)	
	Far Eastern New Century Corporation	(Note C)	Purchase	153,044	3	Based on contract	-	-	-	-	-	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	4,159,388	85	Based on contract	-	-	-	-	(47,991)	(61)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(3,442,680)	(59)	Based on contract	-	-	-	-	431,067	47	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(510,016)	(9)	Based on contract	-	-	-	-	127,558	14	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	419,596	8	Based on contract	-	-	-	-	(135,134)	(18)	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	258,369	5	Based on contract	-	-	-	-	(42,546)	(6)	
Oriental Textile (Holding) Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(117,546)	(3)	Based on contract	-	-	-	-	14,484	2	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	204,372	5	Based on contract	-	-	-	-	(37,076)	(6)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	4,102,476	95	Based on contract	-	-	-	-	(536,890)	(94)	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,873,296)	(86)	Based on contract	-	-	-	-	472,123	84	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	147,895	5	Based on contract	-	-	-	-	(17,461)	(14)	
	Far Eastern New Century Corporation	(Note B)	Purchase	175,012	6	Based on contract	-	-	-	-	(23,263)	(18)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	353,016	12	Based on contract	-	-	-	-	(31,438)	(24)	
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,340,166)	(81)	Based on contract	-	-	-	-	274,990	50	
	Far Eastern New Century Corporation	(Note B)	Purchase	122,757	5	Based on contract	-	-	-	-	(14,542)	(12)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	494,582	19	Based on contract	-	-	-	-	(14,051)	(12)	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Limited	(Note C)	Sale	(2,062,910)	(14)	Based on contract	-	-	-	-	797,536	44	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(524,699)	(4)	Based on contract	-	-	-	-	104,929	6	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(494,582)	(3)	Based on contract	-	-	-	-	14,051	1	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(353,016)	(2)	Based on contract	-	-	-	-	31,438	2	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(115,922)	(1)	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	463,132	4	Based on contract	-	-	-	-	(47,953)	(1)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	5,740,645	44	Based on contract	-	-	-	-	(931,877)	(28)	
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	1,598,049	43	Based on contract	-	-	-	-	(493,598)	(38)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	2,062,910	55	Based on contract	-	-	-	-	(797,536)	(62)	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note C)	Purchase	501,095	69	Based on contract	-	-	-	-	(57,571)	(30)	
Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(432,537)	(6)	Based on contract	-	-	-	-	57,571	19	
	Far Eastern Department Stores Co., Ltd.	(Note D)	Construction revenue	(623,549)	(8)	Based on contract	-	-	-	-	-	-	
	Chubei New Century Shopping Mall Co., Ltd.	(Note E)	Construction revenue	(335,114)	(5)	Based on contract	-	-	-	-	-	-	
	Ya Tung Ready-mixed Concrete Corporation	(Note E)	Purchase	432,485	6	Based on contract	-	-	(105,310)	(10)	(169)	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Sale	(119,750)	(86)	Based on contract	-	-	-	-	40,687	91	
Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(498,572)	(37)	Based on contract	-	-	-	-	29,387	19	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(118,735)	(9)	Based on contract	-	-	-	-	42,182	27	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	598,589	49	Based on contract	-	-	-	-	(207,028)	(84)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	347,590	28	Based on contract	-	-	-	-	(33,133)	(14)	
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(552,424)	(19)	Based on contract	-	-	-	-	45,771	12	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	510,016	19	Based on contract	-	-	-	-	(127,558)	(28)	
	Far Eastern New Century Corporation	(Note B)	Purchase	126,580	5	Based on contract	-	-	-	-	(12,079)	(3)	
Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(131,143)	(6)	Based on contract	-	-	-	-	17,601	25	
	Everest Textile Corporation	(Note D)	Sale	(253,107)	(12)	Based on contract	-	-	-	-	35,508	49	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	\$ 353,972	29	Based on contract	-	-	\$ -	-	\$ (15,185)	(13)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	524,699	42	Based on contract	-	-	-	-	(104,929)	(87)	
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note B)	Sale	(390,222)	(95)	Based on contract	-	-	-	-	109,186	99	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	107,155	8	Based on contract	-	-	-	-	(31,184)	(49)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales and marketing expenses	8,074,786	16	Based on contract	-	-	-	-	(972,158)	(7)	
	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	(331,812)	(1)	Based on contract	-	-	-	-	95,873	2	Note F
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(234,169)	-	Based on contract	-	-	-	-	2,584	-	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Cost of sales	2,313,664	5	Based on contract	-	-	-	-	(549,143)	(4)	
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(192,138)	-	Based on contract	-	-	-	-	41,081	1	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(2,313,664)	(22)	Based on contract	-	-	-	-	549,143	37	Note G
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	234,169	3	Based on contract	-	-	-	-	(2,584)	-	
	KGEx.com Co., Ltd.	(Note C)	Cost of sales and rent expenses	105,384	1	Based on contract	-	-	-	-	(19,595)	(1)	
	Sino Lead Enterprise Limited	(Note C)	Cost of sales	112,647	2	Based on contract	-	-	-	-	(9,384)	(1)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(8,074,786)	(67)	Based on contract	-	-	-	-	972,158	66	
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	331,812	3	Based on contract	-	-	-	-	(95,873)	(7)	
	Home Master Technology Ltd.	(Note C)	Operating revenue	(1,050,123)	(9)	Based on contract	-	-	-	-	262,817	18	
KGEx.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(105,384)	(19)	Based on contract	-	-	-	-	19,595	43	
Sino Lead Enterprise Limited	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(112,647)	(100)	Based on contract	-	-	-	-	9,384	56	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note C)	Cost of sales	154,094	4	Based on contract	-	-	-	-	(2,133)	(1)	
	Home Master Technology Ltd.	(Note C)	Sale	(198,153)	(5)	Based on contract	-	-	-	-	542	-	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	192,138	12	Based on contract	-	-	-	-	(41,081)	(22)	
Linkwell Tech. Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note C)	Sale	(154,094)	(27)	Based on contract	-	-	-	-	2,133	24	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	1,050,123	69	Based on contract	-	-	-	-	(262,817)	(97)	
	DataExpress Infotech Co., Ltd.	(Note C)	Operating revenue	198,153	13	Based on contract	-	-	-	-	(542)	-	

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)

TABLE 10

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 YEAR ENDED DECEMBER 31, 2019

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 493,598	4.00	\$ -	\$ -	\$ 167,438	\$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	301,418	5.77	-	-	301,418	-
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note C)	109,186	7.15	-	-	109,186	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	1,065,381	12.49	-	-	1,065,381	-
	Far Eastern Polytext (Vietnam) Ltd.	(Note D)	931,877	5.26	-	-	931,877	-
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	292,082	4.75	-	-	292,082	-
Far Eastern Polytext (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	797,536	3.06	-	-	350,360	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	104,929	8.37	-	-	96,619	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note D)	536,890	6.54	-	-	518,319	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	472,123	5.63	-	-	465,605	-
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	274,990	8.04	-	-	262,415	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	431,067	7.85	-	-	145,086	-
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note D)	127,558	4.17	-	-	99,674	-
Far Eastern Industries (Shanghai) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	207,142	3.26	-	-	207,142	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	207,028	2.48	-	-	30,135	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	135,134	5.36	-	-	42,617	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	433,306	12.82	-	-	127,813	-
Far Eastern Construction Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note E)	114,385	(Note G)	-	-	11,623	-
Ding Ding Integrated Marketing Service Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note F)	105,850	(Note H)	-	-	1,615	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	122,568	13.44	-	-	69,413	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	4,514,694	(Note I)	-	-	269,714	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	972,158	10.00	-	-	448,358	-
	Home Master Technology Ltd.	(Note D)	263,033	3.78	-	-	97,711	-

(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 YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

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)
0	Far Eastern New Century Corporation	Far Eastern Apparel (Vietnam) Ltd.	1	Sales	\$ 175,012	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	1	Sales	122,757	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	1	Sales	463,132	Based on contract	-
		Far Eastern Apparel (Suzhou) Co., Ltd.	1	Sales	126,580	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	301,418	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	1,970,358	Based on contract	1
		Far Eastern Ishizuka Green Pet Corporation	1	Sales	107,155	Based on contract	-
		Far Eastern Industries (Wuxi) Ltd.	1	Sales	186,983	Based on contract	-
		Far Eastern Polychem Industries Ltd.	1	Sales	153,044	Based on contract	-
		Worldwide Polychem (HK) Ltd.	1	Accounts receivable	493,598	Based on contract	-
		Worldwide Polychem (HK) Ltd.	1	Sales	1,598,049	Based on contract	1
		Far Eastern Resources Development Co., Ltd.	1	Interest revenue	162	Based on contract	-
1	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	3	Other receivables	115,000	Based on contract	-
		Far Eastern Apparel Co., Ltd.	3	Interest revenue	108	Based on contract	-
		Oriental Green Materials Limited	3	Other receivables	330,000	Based on contract	-
		Oriental Green Materials Limited	3	Interest revenue	1,654	Based on contract	-
		An Ho Garment Co., Ltd.	3	Interest revenue	2,030	Based on contract	-
		Oriental Resources Development Co., Ltd.	3	Interest revenue	87	Based on contract	-
2	Far Eastern Resources Development Co., Ltd.	An Ho Garment Co., Ltd.	3	Interest revenue	377	Based on contract	-
3	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	3	Other receivables	161,892	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	397	Based on contract	-
4	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	3	Sales	353,972	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	347,590	Based on contract	-
5	Oriental Petrochemical (Taiwan) Corporation	Far Eastern Polytex (Vietnam) Ltd.	3	Accounts receivable	931,877	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Sales	5,740,645	Based on contract	2
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	292,082	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	1,238,306	Based on contract	-
		Far Eastern New Century Corporation	2	Accounts receivable	1,065,381	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	14,486,304	Based on contract	6
6	Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	3	Interest revenue	1,389	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Interest revenue	10,934	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	4,020	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)
7	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd. Ding Ding Hotel Co., Ltd.	3 3	Interest receivables	\$ 53	Based on contract	-
				Interest revenue	788	Based on contract	-
8	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Ding Co., Ltd.	3	Interest revenue	54	Based on contract	-
9	Oriental Textile (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	3	Other receivables	749,500	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Interest revenue	36,940	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	117,546	Based on contract	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	525	Based on contract	-
10	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	3	Sales	147,895	Based on contract	-
11	Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	131,143	Based on contract	-
12	Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	2	Sales	651,704	Based on contract	-
13	Oriental Green Materials Limited	Far Eastern New Century Corporation	2	Accounts receivable	109,186	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	390,222	Based on contract	-
14	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	472,123	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	2,873,296	Based on contract	1
15	Far Eastern Polytex (Vietnam) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	3	Sales	353,016	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Sales	494,582	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	115,922	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	104,929	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	524,699	Based on contract	-
		Worldwide Polychem (HK) Ltd.	3	Accounts receivable	797,536	Based on contract	-
		Worldwide Polychem (HK) Ltd.	3	Sales	2,062,910	Based on contract	1
16	Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	274,990	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	2,340,166	Based on contract	1
17	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	3	Interest revenue	5,658	Based on contract	-
18	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Accounts receivable	135,134	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	419,596	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Sales	4,159,388	Based on contract	2
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	207,142	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	1,058,951	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	207,028	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	598,589	Based on contract	-
19	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables	301,350	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	512	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	532	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)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3 3	Interest receivables Interest revenue	\$ 8,438 8,771	Based on contract Based on contract	- -
20	Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	3	Construction revenue	432,485	Based on contract	-
21	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Far Eastern Apparel (Suzhou) Co., Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3 3 3 3 3	Accounts receivable Sales Accounts receivable Sales Other receivables Interest receivables Interest revenue	431,067 3,442,680 127,558 510,016 1,314,794 5,064 72,102	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- 1 - - - - -
22	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd. Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3 3 3 3	Other receivables Interest receivables Interest revenue Other receivables Interest receivables Interest revenue	430,500 6,567 11,583 430,500 6,863 11,629	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- - - - - -
23	FETC International Co., Ltd	Far Eastern Electronic Toll Collection Co., Ltd. Far Eastone Telecommunications Co., Ltd.	3 3	Interest revenue Interest revenue	853 25	Based on contract Based on contract	- -
24	Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3 3	Interest revenue Other receivables Interest receivables Interest revenue	401 38,745 17 17	Based on contract Based on contract Based on contract Based on contract	- - - -
25	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	3 3 3 3	Notes receivable Accounts receivable Sales Interest revenue	305,493 127,813 8,069,888 13	Based on contract Based on contract Based on contract Based on contract	- - 3 -
26	Far Eastern Industries (Wuxi) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd. Oriental Textile (Holding) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3	Sales Sales Interest revenue	258,369 204,372 392	Based on contract Based on contract Based on contract	- - -
27	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd. Far Eastern Industries (Wuxi) Ltd. Sino Belgium Beer (Suzhou) Ltd. Sino Belgium Beer (Suzhou) Ltd. Sino Belgium Beer (Suzhou) Ltd.	3 3 3 3 3 3	Accounts receivable Sales Interest revenue Other receivables Interest receivables Interest revenue	536,890 4,102,476 184 714,436 2,405 28,760	Based on contract Based on contract Based on contract Based on contract Based on contract Based on contract	- 2 - - - -
28	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3	Other receivables Interest receivables Interest revenue	1,244,687 3,328 33,287	Based on contract Based on contract 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)
29	Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd.	3 3	Sales	\$ 118,735	Based on contract	-
				Sales	498,572	Based on contract	-
30	Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3 3	Sales	552,424	Based on contract	-
				Other receivables	738,949	Based on contract	-
				Interest receivables	2,047	Based on contract	-
				Interest revenue	27,126	Based on contract	-
31	Far Eastern New Century (China) Investment Co., Ltd.	Far Eastern Industries (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Corporation Oriental Petrochemical (Shanghai) Corporation Oriental Industries (Suzhou) Ltd. Shanghai Far Eastern Petrochemical Logistic Corporation	3 3 3 3 3	Interest revenue	1,270	Based on contract	-
				Other receivables	89,283	Based on contract	-
				Interest revenue	578	Based on contract	-
				Interest revenue	22	Based on contract	-
				Interest revenue	60	Based on contract	-
32	Shanghai Far Eastern Petrochemical Logistic Corporation	Oriental Petrochemical (Shanghai) Corporation	3	Sales	119,750	Based on contract	-
33	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd. ARCOA Communication Co., Ltd. Yuanshi Digital Technology Co., Ltd.	3 3 3	Operating revenue	234,169	Based on contract	-
				Operating revenue	331,812	Based on contract	-
				Operating revenue	192,138	Based on contract	-
34	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd. Far EasTone Telecommunications Co., Ltd.	3 3	Other receivables	302,049	Based on contract	-
				Other receivables	3,900,000	Based on contract	-
35	ARCOA Communication Co., Ltd.	Home Master Technology Ltd. Home Master Technology Ltd.	3 3	Accounts receivable	262,817	Based on contract	-
				Operating revenue	1,050,123	Based on contract	-
36	DataExpress Infotech Co., Ltd.	Home Master Technology Ltd.	3	Operating revenue	198,153	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)

TABLE 12

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEE OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% 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	\$ 19,447,206	\$ 17,442,010	\$ 3,492,593	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	5,009,751	1,781,843	303,982	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,217,537	46,331	4,249	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,490	(271,959)	(82)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	140,278	19.65	2,002,315	250,003	49,126	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	810,000	810,000	135,000	16.83	1,893,365	364,972	61,425	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,598	805,598	87,767	2.62	1,109,853	3,632,595	113,501	(Notes A and K)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	41,097,475	4,785,552	4,758,553	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$1,714 (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	104,696,964	1,718,865	1,747,505	Including the adjustments of the transactions between subsidiaries \$28,640 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,382,911	8,384,209	168	100.00	9,565,589	6,574	6,574	(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	7,526,541	228,582	166,956	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,556,025	534,611	544,517	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,567,871	382,524	382,524	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	23,386,997	18,452,018	4,894	100.00	26,235,260	(91,130)	(91,130)	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	5,660,306	(311,741)	(276,919)	Including discounted amortization \$9,727 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,209,038	14,697,875	1,712,218	75.56	9,810,611	(1,095,115)	(878,544)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(51,075) (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	8,917,885	729,602	475,044	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,299,897	251,052	103,117	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	75,704	100.00	2,132,201	212,282	212,384	Including the adjustments of the transactions between subsidiaries (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,129,935	212,475	212,554	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
Yuan Ding Investment Co., Ltd.	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	907,883	21,958	11,073	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	233,520	37,950	37,950	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	401,042	393,651	769	0.74	13,085	(337,149)	(2,495)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,657	67	67	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	1,116,755	600,883	32,458	0.97	1,270,042	17,442,010	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,237,767	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	812,136	464,170	37,652	2.66	866,925	1,781,843	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	128,618	25.23	1,092,777	(271,959)	-	(Note A)
	Far EastOne Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,770,949	8,734,984	-	(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	2,778,143	228,582	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	3,854,082	456,583	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	59,558	41.86	2,259,130	341,901	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	100.00	115,516	(61,921)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	144,124	7,225	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	74,515	1,596	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	394,072	12,144	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Investment (Holding) Ltd.	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	\$ 585,000	\$ 585,000	91,000	100.00	\$ 1,144,096	\$ 78,808	\$ -	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	660,558	1,000	100.00	35,491	71,280	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	2,135,042	1,947,107	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	27,371	29.80	503,160	420,889	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokerage	255,424	255,424	185,247	25.96	2,750,820	250,003	-	(Note A)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,159,431	251,052	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	934,264	92,784	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,747,308	70,010	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,591,881	364,972	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	1,026,410	811,808	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	23,307	170,428	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	675,479	117,746	5.20	693,804	(1,095,115)	-	(Note B)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	647,083	-	53,304	100.00	551,475	22,047	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	119,403	3.56	1,509,525	3,632,595	-	(Notes A and K)
	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	100.00	-	33,457	(1,788)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	254,150	3,585	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	1,037,301	27,977	-	(Note B)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	67,861	10,264	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,656	113	-	(Note A)
	Far Eastern Polytex (Vietnam) Ltd.	Vietnam	Chemical fiber and Textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,047,299	433,433	-	(Note B)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 18,000	US\$ 18,000	(Note D)	100.00	377,880	103,099	-	(Note B)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	252,369	1,696	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	477,546	(10,205)	-	(Note B)
	Drive Catalyst SPC	Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	520	20	-	(Note A)
	APG Polytech USA Holdings, Inc.	America	Investment	US\$ 506,467	US\$ 496,467	5,064	100.00	15,056,692	(245,875)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	120,851	3,831	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	US\$ 4,000	US\$ -	4	25.00	119,174	(3,076)	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,349)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,459)	-	-	(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	12,578,898	(298,978)	-	(Note L)
	APG Polytech, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,793,144	11,753	-	(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	193,187	(121,845)	-	(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	254,150	3,585	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	337,260	375,512	12,241	0.36	460,846	17,442,010	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	110,306	110,306	5,903	0.42	129,861	1,781,843	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	34,561	34,561	1,183	0.23	8,927	(271,959)	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	646,445	46,331	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	41,579	8,734,984	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	234,070	364,972	-	(Notes A and E)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	14,964	13.20	422,114	200,141	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	88,726	2.64	1,121,229	3,632,595	-	(Notes A and K)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	732,627	483,448	25,312	0.75	1,006,191	17,442,010	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,123,815	8,734,984	-	(Note B)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	32,473	3.67	647,211	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.46	591,302	1,781,843	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	449,658	40,880	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	935,272	92,784	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	234,271	364,972	-	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	107,717	3.21	1,361,647	3,632,595	-	(Notes A and K)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	496,752	(311,741)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	892,401	21,958	-	(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	974,689	206,548	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	610,400	17,442,010	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,117,903	170,428	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 16,246	\$ 16,246	469	0.01	\$ 16,286	\$ 17,442,010	\$ -	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	6,086	8,734,984	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	156	200,141	-	(Note A)
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	8,641	33,019	-	(Note B)
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Arpeggio International Resources Corporation	Philippines	Industry investment	PESO 15,200	PESO 15,200	(Note D)	40.00	-	-	-	(Note A)
	PT Malaysia Garment Bintan	Indonesia	Garment production	SGD -	SGD -	(Note D)	99.00	(41)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,049,527	8,734,984	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	256,356	17,442,010	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	252,665	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,760	1,781,843	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	119,933	118,125	8,373	1.17	115,052	250,003	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	17,763	15.66	402,670	200,141	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	131,204	364,972	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	167,689	4,785,552	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,094	0.66	279,370	3,632,595	-	(Notes A and K)
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	13,322	4,002	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,682	0.14	59,224	3,632,595	-	(Notes A and K)
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,425	8,734,984	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,748,373	8,734,984	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,391,618	1,159,521	49,176	3.47	1,521,756	1,781,843	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,645,593	46,331	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	1,067,775	888,648	32,465	0.97	1,344,800	17,442,010	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	233,072	364,972	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	445,688	401,521	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	31	1,947,107	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(704,968)	(107,328)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	2	-	48	420,886	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	163,716	(10,205)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	986,735	986,735	107,501	3.20	1,358,612	3,632,595	-	(Notes A and K)
	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	262,106	16,033	-	(Note B)
Yuan Ding Co., Ltd.	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	190,138	(46,641)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	86,163	33,019	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	9,223	3,060	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	566,896	566,896	4,995	4.79	(32,281)	(205,230)	-	(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	53,681	(3,403)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	213,443	17,442,010	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	110,623	8,734,984	-	(Note B)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,142,074	811,808	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	832	1,596	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,939	2.59	66,224	200,141	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	132,517	152,284	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	550,140	401,521	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,352	0.25	105,677	3,632,595	-	(Notes A and K)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	15,535	20.00	109,761	(227,886)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	2,630,238	1,645,021	102,509	98.52	798,851	(337,149)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,828	1,828	17	0.02	(135)	(205,230)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	300,200	300,200	11,659	15.01	82,372	(227,886)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	25,906	(6,368)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	30,253	(6,368)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	1,128	(271,959)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	98,066	1,781,843	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,413	17,442,010	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Electronic Toll Collection Co., Ltd.	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	\$ 42,882	\$ 3,060	\$ -	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	2,937	0.09	37,343	3,632,595	-	(Notes A and K)
	FETC International Co., Ltd	Taiwan	Dispatched labor, procuring equipment, and sales agent services	200,000	200,000	20,000	100.00	117,635	(30,243)	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,385,159	1,432,896	-	(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	731,924	178,773	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,340,472	2,340,472	68,897	99.99	877,725	150,084	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	886,169	886,169	90,014	86.41	(582,357)	(205,230)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	30,546	6,843	-	(Notes B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,829	(7)	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	-	25,000	-	-	-	1,431	-	(Note B)
	Yuan Bao Fintech Co., Ltd.	Taiwan	Type II telecommunications services	60,000	-	6,000	100.00	59,680	(320)	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	2,542,396	2,542,396	118,251	39.42	1,051,441	401,521	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	600,000	600,000	23,302	30.00	164,513	(227,886)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	47,200	(46,641)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	233,027	100,008	-	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	540,000	540,000	54,000	100.00	86,448	415	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	133,305	24,205	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	317,446	317,446	10,320	100.00	191,698	(1,075)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	20,000	20,000	2,500	2.40	(16,171)	(205,230)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	15,733	(46,641)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	121,700	3,831	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	123,220	-	4	25.00	119,174	(3,076)	-	(Note A)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	140,448	(14,868)	-	(Note B)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	-	3,430	70.00	409,810	2,999	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	295	(53)	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	24,180	306	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,709	(226)	-	(Note B)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	65,428	15,471	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	45,477	29,152	-	(Note B)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	16,462	9,093	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	5,523	(2,646)	-	(Note B)
Microfusion Technology Co., Ltd	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	-	-	-	-	-	-	-	(Notes B and M)

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. Company limited.

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

F. Shares in thousands.

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

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

I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$9,901 thousand.

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

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

L. Joint operation entity.

M. The dissolution of Microfusion (HK) Technology Co., Ltd. had been approved by the local government on November 8, 2019.

(Concluded)

TABLE 13

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
 FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 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	\$ 8,095,119	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 181,309	100.00	\$ 181,309	\$ 8,376,846	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	880,705	2	1,010,901	-	-	1,010,901	53,813	100.00	53,813	1,558,626	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,022,948	3	-	-	-	-	17,730	100.00	17,730	1,040,015	-	
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	2,072,731	2	2,018,430	-	-	2,018,430	30,474	100.00	30,474	2,843,983	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,721,403	2	3,791,007	-	-	3,791,007	140,622	61.35	86,272	3,452,657	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,589,721	2	1,342,854	-	-	1,342,854	335,785	100.00	335,785	2,992,523	159,799	Notes H and R
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,697,761	2	1,765,319	-	-	1,765,319	23,033	100.00	23,033	1,581,277	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	736,360	2	724,110	-	-	724,110	11,919	100.00	11,919	914,623	-	

(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 December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outflow	Inflow							
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	\$ 4,713,315	2	\$ 4,957,248	\$ -	\$ -	\$ 4,957,248	\$ 149,504	100.00	\$ 149,504	\$ 5,854,030	\$ -	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	4,606,572	2	2,795,325	1,998,702	-	4,794,027	(27,389)	100.00	(27,389)	3,905,202	-	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,640,886	2	1,763,952	-	-	1,763,952	(106,315)	100.00	(106,315)	(631,450)	-	Note L
Martens Beers (Shanghai) Ltd.	Beer brewing	321,396	2	231,475	-	-	231,475	(53)	100.00	(53)	14,678	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,256,677	2	4,181,323	-	-	4,181,323	518	60.00	311	3,777,877	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,329,825	2	1,436,190	-	-	1,436,190	10,090	100.00	10,090	1,353,283	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,513,356	2	1,962,908	-	-	1,962,908	716,750	50.00	358,375	2,503,466	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	54,717	3	-	-	-	-	384	100.00	384	56,448	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	81,795	3	-	-	-	-	5,629	100.00	5,629	81,855	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,305	3	-	-	-	-	899	100.00	899	53,852	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,591,545	3	-	-	-	-	(99,577)	51.17	(50,950)	3,597,825	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,771,396	2	1,020,489	-	-	1,020,489	125,619	50.00	62,809	1,169,019	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	648,541	2	598,270	-	-	598,270	(6,315)	100.00	(6,315)	56,150	-	Note M
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	28,152	2	24,220	-	-	24,220	3,221	100.00	3,221	50,508	-	Note N
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	92,938	2	92,938	-	-	92,938	(2,182)	100.00	(2,182)	(378)	-	Note P
Nextlink (Shanghai) Technology Co., Ltd.	Computer software, data processing and provision of network information services	2,159	2	2,159	-	-	2,159	(637)	70.00	(935)	1,426	-	Note Q
Far Eastern Tech-Info Ltd. (Shanghai)	Digital information supply services	179,880	2	197,546	-	-	197,546	(25)	100.00	(25)	11,148	-	Note O

(Continued)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Note S and T)	\$ 22,653,879	\$ 25,174,697	\$ -

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
- 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far East New Diligent Company Ltd.
- 3 Other types.

B. Recognition of gains or losses was based on the following two information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dying and Finishing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Tong Da Air Industry (Yangzhou) Co., Ltd.
2. Others: Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Digital United Information Technology (Shanghai) Ltd., Far Eastern Tech-Info Ltd. (Shanghai) and Speedy (Shanghai) digital Tech. Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand and which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2019, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand and which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2019, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2019, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2019, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand and which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

L. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.

M. As of December 31, 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 Ding Integrated Marketing Service Co., Ltd.

N. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far EasTone Telecommunications Co., Ltd.

P. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.

Q. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.

R. As of December 31, 2019, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.

S. Investment amounts authorized by the Investment Commission of the MOEA include US\$838,755 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\$1:29.98 and RMB1:4.305.

T. Based on MOEA Approval Letter No. 10620430940, there is no limitation on the amount of the parent company's investment in China.

U. The paid-in capital was calculated based on the ending exchange rate of RMB1:NT\$4.305.

(Concluded)

TABLE 13-1

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES
FOR THE YEAR ENDED DECEMBER 31, 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.	Yuan Ding Investment Co., Ltd.	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 Polychem Industries Ltd.					
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936				
					(Note F)				
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
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
				FEDP (Holding) Ltd.					
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			

(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	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	\$ 4,524	\$ 4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
Wuhan Far Eastern New Material Ltd.	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
Sino Belgium Beer (Suzhou) Ltd.	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			
Far Eastern Tech-Info Ltd. (Shanghai)	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 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 S)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	82,340	82,340			
	Far Eastern New Century Corporation	2019.11.26	No. 10800217150	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	32,000	32,000			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note P)	PET Far Eastern (Holding) Ltd.	33,500	33,500			

(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\$)
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd. FET Consulting Engineers Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	2011.10.19 2011.11.03 2015.08.11	No. 10000429550 No. 10000439470 No. 10400179060	YDC (Virgin Islands) Ltd. DDIM (Virgin Islands) Ltd. DDIM (Virgin Islands) Ltd.	\$ 110 8,100 1,100	\$ 110 8,100 1,100			
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11 2005.02.05	No. 093003471 No. 094003122	YDC (Virgin Islands) Ltd. YDC (Virgin Islands) Ltd.	300 500	300 500			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd. New Diligent Co., Ltd.	2004.08.26 2014.01.29	No. 093018811 No. 10300022990	Far Eastern Info Service (Holding) Ltd. Far East New Diligent Company Ltd.	2,500 3,500	2,500 3,500			
Far Eastern Tech-Info Ltd. (Shanghai)	New Century InfoComm Tech Co., Ltd. New Century InfoComm Tech Co., Ltd.	2002.10.07 2013.08.09	No. 091041498 No. 10200302730	Digital United (Cayman) Ltd. Digital United (Cayman) Ltd.	3,100 1,000	1,000			\$ 3,100
Digital United Information Technology (Shanghai) Ltd.	Nextlink Technology Co., Ltd.	2019.03.28	No. 10830010930	Nextlink (HK) Technology Co., Ltd.	72	72			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note Q)	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. (Note R)	10,300	10,300			

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 antilutative 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 antilutative effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.

G. The shares offered for the privatization of FEPI had antilutative 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.

(Continued)

- P. 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.
- Q. 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, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. 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)

6. Financial Report (Stand-alone)

Independent auditors' report

(English Translation of a Report Originally Issued in Chinese)

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

Opinion

We have audited the financial statements of Far Eastern New Century Corporation (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements for the year ended December 31, 2019 are as follows:

Fair Value Evaluation of Investment Properties (Including Investment Properties Held by Subsidiaries Which Are Accounted for Using the Equity Method)

The Company's investment properties (including the investment properties held by subsidiaries which are accounted for by using the equity method) are subsequently measured using the fair value model. The fair value evaluation involves significant accounting estimations and judgment, and the recognition of fair value fluctuations significantly impacts the gains or losses on the changes in fair value of investment properties and the share of profit or loss of subsidiaries and associates. As a result, the fair value evaluation of investment properties (including the investment properties held by subsidiaries which are accounted for by using the equity method) is considered a key audit matter.

Financial Information

For the accounting policies, significant accounting judgment, estimations, and assumptions of the main sources of uncertainty related to investment properties, refer to Notes 4(i) and 5 to the accompanying financial statements. For more information about the Company's investment properties, refer to Note 14 to the financial statements.

For the fair value evaluation of investment properties, our corresponding audit procedures were as follows:

1. We assessed the competencies and independence of the external valuer engaged by the management and discussed with the management the valuer's work scope and process of engagement acceptance we evaluated the risk of possible impairment of the valuer's independence and determined that the valuer's work scope was free from limiting factors.
2. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data which was used in the valuation process by the valuer.

Evaluation of Impairment Loss on Property, Plant and Equipment and Right-of-use Assets and Intangible Assets (Including Goodwill) and the Incremental Costs of Obtaining a Contract from the Company's Subsidiaries' Equity-Method Investee

The Company's subsidiaries' equity-method investee, Far EasTone Telecommunications Corporation ("Far EasTone"), is a material component.

Economic trends, market competition, and technological development influence the operations of the Far EasTone and management's evaluation of and judgment on the expected economic benefits and recoverable amounts of the cash-generating units to which the assets belong, which in turn is used for the evaluation of such assets' impairment. As a result, the evaluation of impairment loss of property, plant and equipment and right-of-use assets and intangible assets (including goodwill) and the incremental costs of obtaining a contract from the Company's subsidiaries' equity-method investee is considered as a key audit matter.

For the evaluation of impairment loss related to property, plant and equipment and right-of-use assets and intangible assets as well as the incremental costs of obtaining a contract from the Company's subsidiaries' equity-method investee, our corresponding audit procedures were as follows:

1. We obtained an understanding of the asset impairment evaluation processes and the design and implementation of the related controls.
2. We obtained the asset impairment evaluation reports for each cash-generating unit.
3. We evaluated the reasonableness of the identification of the assets which were considered impaired and the assumptions and sensitivity analysis used in the asset impairment assessments, including the appropriateness of the classification of the cash-generating units, cash flow forecasts and the discount rates used.

Recognition of Revenue Derived from Mobile Telecommunications Service Generated by the Company's Subsidiaries' Equity-Method Investee

The Company's subsidiaries' equity-method investee, Far EasTone, is a material component. The mobile telecommunications service revenue is the main revenue source of Far EasTone. The calculation of the mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Company often launches different product and service mixes which make the calculation of revenue more complex and directly affect the accuracy and timing of revenue recognition. The recognition of mobile telecommunications service revenue impacts the share of profit or loss of subsidiaries and associates. As the result, the recognition of mobile telecommunications service revenue is considered as a key audit matter.

For recognition of mobile telecommunications service revenue, our corresponding audit procedures were as follows:

1. We obtained an understanding of the recognition of mobile telecommunications service revenue and the design and implementation of the related controls.
2. We reviewed the contracts of mobile subscribers to confirm the accuracy of the information in the billing system.
3. We performed dialing tests to verify the accuracy and completeness of the traffic data and information obtained from the switch equipment.
4. We tested the accuracy of the billing calculation.
5. We tested the completeness and accuracy of the calculation and billing of monthly fees and airtime fees.
6. We tested the completeness and accuracy of the calculation and billing of value-added service fees.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we checked that there was no difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates and confirmed the accuracy of the amounts.

In addition, we evaluated manual journal entries posted to revenue accounts, by sample testing of entries with specific risk, and compared details of these journal entries with the relevant underlying documentation to evaluate the reasonableness and accuracy of these selected entries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Financial Information

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2020

Notice to Readers

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

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 26)	\$ 20,592,925	6	\$ 16,250,323	6
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	7,703	-	-	-
Financial assets at amortized cost - current (Notes 4 and 8)	-	-	700,000	-
Notes and accounts receivable, net (Notes 4, 9 and 26)	5,323,584	2	7,003,949	2
Other receivables (Note 26)	306,089	-	334,852	-
Current tax assets	18,193	-	5,978	-
Inventories (Notes 4 and 10)	5,170,448	2	6,672,500	2
Prepayments	78,100	-	64,024	-
Refundable deposits - current	18,044	-	18,463	-
Other current assets	<u>308,802</u>	-	<u>373,003</u>	-
Total current assets	<u>31,823,888</u>	<u>10</u>	<u>31,423,092</u>	<u>10</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4, 11 and 27)	268,034,222	82	259,259,165	82
Property, plant and equipment (Notes 4, 12 and 27)	25,325,644	8	24,507,928	8
Right-of-use assets (Notes 4 and 13)	890,813	-	-	-
Investment properties (Notes 4, 5, 14 and 27)	978,404	-	1,515,753	-
Other intangible assets (Notes 4 and 15)	18,948	-	17,087	-
Deferred tax assets (Notes 4 and 22)	48,070	-	75,842	-
Prepayments for equipment (Note 12)	143,402	-	59,851	-
Refundable deposits - non-current (Note 26)	93,874	-	75,720	-
Net defined benefit assets - non-current (Note 18)	417,428	-	-	-
Other financial assets - non-current (Note 27)	1,300,373	-	38,000	-
Other non-current assets	<u>46,537</u>	-	<u>57,716</u>	-
Total non-current assets	<u>297,297,715</u>	<u>90</u>	<u>285,607,062</u>	<u>90</u>
TOTAL	<u>\$ 329,121,603</u>	<u>100</u>	<u>\$ 317,030,154</u>	<u>100</u>

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2019		2018	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 2,400,415	1	\$ 2,743,834	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	-	-	6,832	-
Contract liabilities - current (Note 20)	144,678	-	99,447	-
Notes and accounts payable	1,307,574	1	1,616,507	1
Notes and accounts payable to related parties (Note 26)	1,286,190	-	1,492,186	-
Payables to suppliers of machinery and equipment	967	-	305,866	-
Lease liabilities - current (Notes 4 and 13)	230,906	-	-	-
Other payables	4,124,706	1	4,186,374	1
Current portion of long-term liabilities (Notes 16 and 17)	13,695,421	4	12,095,836	4
Other current liabilities	816,369	-	792,789	-
Total current liabilities	24,007,226	7	23,339,671	7
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 13)	668,299	-	-	-
Bonds payable (Note 17)	44,741,032	14	44,443,342	14
Long-term borrowings (Notes 16 and 26)	52,752,032	16	42,773,582	14
Deferred tax liabilities (Notes 4 and 22)	2,381,837	1	2,214,224	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	-	-	673,497	-
Guarantee deposits received - non-current	1,623	-	2,515	-
Deferred credit-gains on related-party transactions (Note 26)	47,266	-	48,186	-
Total non-current liabilities	100,592,089	31	90,155,346	29
Total liabilities	124,599,315	38	113,495,017	36
EQUITY (Note 18)				
Share capital				
Common stock	53,528,751	16	53,528,751	17
Capital surplus	3,270,355	1	2,908,631	1
Retained earnings				
Legal reserve	17,955,250	5	16,752,421	5
Special reserve	115,505,874	36	114,443,170	36
Unappropriated earnings	17,376,404	5	17,996,558	6
Total retained earnings	150,837,528	46	149,192,149	47
Other equity	(3,089,283)	(1)	(2,069,331)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity	204,522,288	62	203,535,137	64
TOTAL	\$ 329,121,603	100	\$ 317,030,154	100

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)				
Net sales	\$ 46,477,960	100	\$ 54,040,105	100
Other operating revenue	<u>-</u>	<u>-</u>	<u>23,696</u>	<u>-</u>
Total operating revenue	<u>46,477,960</u>	<u>100</u>	<u>54,063,801</u>	<u>100</u>
OPERATING COSTS (Notes 10, 21 and 26)				
Cost of goods sold	41,524,817	89	48,837,045	90
Other operating costs	<u>-</u>	<u>-</u>	<u>29,703</u>	<u>-</u>
Total operating costs	<u>41,524,817</u>	<u>89</u>	<u>48,866,748</u>	<u>90</u>
GROSS PROFIT	<u>4,953,143</u>	<u>11</u>	<u>5,197,053</u>	<u>10</u>
OPERATING EXPENSES (Notes 21 and 26)				
Selling and marketing	2,634,540	6	2,738,685	5
General and administrative	1,326,964	3	1,384,860	2
Research and development	859,202	2	813,551	2
Reversal of expected credit loss	<u>(4,639)</u>	<u>-</u>	<u>(306)</u>	<u>-</u>
Total operating expenses	<u>4,816,067</u>	<u>11</u>	<u>4,936,790</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>137,076</u>	<u>-</u>	<u>260,263</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates (Note 11)	11,434,524	25	13,154,244	24
Interest income	22,394	-	29,366	-
Other income	325,767	1	288,739	1
Gain on disposal of property, plant and equipment (Note 12)	40,448	-	22,259	-
Gain on disposal of investment properties	-	-	12,619	-
Gain on disposal of investments (Note 11)	85	-	85	-
Exchange gain, net	12,241	-	351,635	1
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	24,749	-	(155,529)	-
Gain on change in fair value of investment properties (Note 14)	8,535	-	107,359	-
Interest expense	(988,839)	(2)	(910,495)	(2)
Other expenses	(259,136)	(1)	(281,418)	(1)
Impairment loss	<u>(13,818)</u>	<u>-</u>	<u>(160,550)</u>	<u>-</u>
Total non-operating income and expenses	<u>10,606,950</u>	<u>23</u>	<u>12,458,314</u>	<u>23</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2019		2018	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 10,744,026	23	\$ 12,718,577	24
INCOME TAX EXPENSE (Notes 4, 5 and 21)	<u>(11,357)</u>	<u>-</u>	<u>(690,283)</u>	<u>(1)</u>
NET INCOME	<u>10,732,669</u>	<u>23</u>	<u>12,028,294</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	828,568	2	295,140	1
Gains on property revaluations	331,557	1	-	-
Share of other comprehensive loss of subsidiaries and associates	1,721,330	4	992,493	2
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(168,335)</u>	<u>(1)</u>	<u>69,752</u>	<u>-</u>
	<u>2,713,120</u>	<u>6</u>	<u>1,357,385</u>	<u>3</u>
Share of other comprehensive loss of subsidiaries and associates	<u>(2,899,220)</u>	<u>(6)</u>	<u>(502,292)</u>	<u>(1)</u>
Total other comprehensive income (loss)	<u>(186,100)</u>	<u>-</u>	<u>855,093</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 10,546,569</u>	<u>23</u>	<u>\$ 12,883,387</u>	<u>25</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 22)				
Basic	<u>\$ 2.15</u>		<u>\$ 2.41</u>	
Diluted	<u>\$ 2.14</u>		<u>\$ 2.40</u>	

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

(Concluded)

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars; Except Dividend Per Share)

	Common Stock (Note 19)	Capital Surplus (Notes 4 and 19)	Retained Earnings		
			Legal Reserve (Note 19)	Special Reserve (Note 19)	Unappropriated Earnings (Notes 19)
BALANCE AT JANUARY 1, 2018	\$ 53,528,751	\$ 2,859,569	\$ 15,945,807	\$ 112,928,355	\$ 12,819,238
Effect of retrospective application and retrospective restatement	-	-	-	-	3,067,233
BALANCE AT JANUARY 1, 2018 AS RESTATED	53,528,751	2,859,569	15,945,807	112,928,355	15,886,471
Appropriation of the 2017 earnings					
Legal reserve	-	-	806,614	-	(806,614)
Special reserve	-	-	-	1,520,493	(1,520,493)
Cash dividends - NT\$1.2 per share	-	-	-	-	(6,423,450)
Net income for the year ended December 31, 2018	-	-	-	-	12,028,294
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	418,985
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	12,447,279
Change in associates accounted for using the equity method	-	48,127	-	-	(32,935)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	935	-	-	-
Associate disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,559,378)
Reversal of special reserve	-	-	-	(5,678)	5,678
BALANCE, DECEMBER 31, 2018	53,528,751	2,908,631	16,752,421	114,443,170	17,996,558
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)
BALANCE AT JANUARY 1, 2019, AS RESTATED	53,528,751	2,908,631	16,752,421	114,443,170	17,665,206
Appropriation of the 2018 earnings					
Legal reserve	-	-	1,202,829	-	(1,202,829)
Special reserve	-	-	-	1,088,579	(1,088,579)
Cash dividends - NT\$1.8 per share	-	-	-	-	(9,635,175)
Net income for the year ended December 31, 2019	-	-	-	-	10,732,669
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	823,075
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,555,744
Change in associates accounted for using the equity method	-	360,321	-	6	39,964
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	16,192
Reversal of special reserve	-	-	-	(25,881)	25,881
BALANCE, DECEMBER 31, 2019	<u>\$ 53,528,751</u>	<u>\$ 3,270,355</u>	<u>\$ 17,955,250</u>	<u>\$ 115,505,874</u>	<u>\$ 17,376,404</u>

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

Other Equity							
Exchange Differences on Translating Foreign Operations (Notes 4 and 19)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 19)	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 19)	Cash Flow Hedge (Notes 4 and 19)	Gain on Hedging Instruments (Notes 4 and 19)	Unrealized Property Revaluation Increments (Notes 4 and 19)	Treasury Shares (Note 19)	Total Equity
\$ (3,077,371)	\$ (1,357,319)	\$ -	\$ 35,642	\$ -	\$ 702,778	\$ (25,063)	\$ 194,360,387
-	1,357,319	(1,725,866)	(35,642)	35,642	-	-	2,698,686
(3,077,371)	-	(1,725,866)	-	35,642	702,778	(25,063)	197,059,073
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(6,423,450)
-	-	-	-	-	-	-	12,028,294
(512,530)	-	938,400	-	10,238	-	-	855,093
(512,530)	-	938,400	-	10,238	-	-	12,883,387
-	-	-	-	-	-	-	15,192
-	-	-	-	-	-	-	935
-	-	1,559,378	-	-	-	-	-
-	-	-	-	-	-	-	-
(3,589,901)	-	771,912	-	45,880	702,778	(25,063)	203,535,137
-	-	-	-	-	-	-	(331,352)
(3,589,901)	-	771,912	-	45,880	702,778	(25,063)	203,203,785
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(9,635,175)
-	-	-	-	-	-	-	10,732,669
(2,955,805)	-	1,678,830	-	(34,180)	301,980	-	(186,100)
(2,955,805)	-	1,678,830	-	(34,180)	301,980	-	10,546,569
-	-	5,415	-	-	-	-	405,706
-	-	-	-	-	-	-	1,403
-	-	(16,192)	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ (6,545,706)	\$ -	\$ 2,439,965	\$ -	\$ 11,700	\$ 1,004,758	\$ (25,063)	\$ 204,522,288

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 10,744,026	\$ 12,718,577
Adjustments for:		
Reversal of expected credit loss	(4,639)	(306)
Depreciation	2,444,494	1,973,976
Amortization	9,358	10,553
Interest expense	988,839	910,495
Interest income	(22,394)	(29,366)
Share of the profit of subsidiaries and associates	(11,434,524)	(13,154,244)
Gain on disposal of property, plant and equipment	(40,448)	(22,259)
Gain on disposal of investment properties	-	(12,619)
Gain on disposal of investments	(85)	(85)
Impairment loss	13,818	160,550
Reversal of inventories	(106,178)	(100,378)
Gain on change in fair value of investment properties	(8,535)	(107,359)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(7,703)	21,211
Notes and accounts receivable	1,685,004	93,094
Other receivables	(76,287)	(60,500)
Inventories	1,608,230	(437,368)
Prepayments	(14,679)	73,150
Other current assets	64,201	(100,167)
Contract liabilities	45,231	(282,667)
Notes and accounts payable	(308,933)	(467,166)
Notes and accounts payable to related parties	(205,996)	421,960
Other payables	(64,417)	456,606
Financial liabilities at fair value through profit or loss	(6,832)	1,937
Other current liabilities	23,580	(18,586)
Net defined benefit liabilities - non-current	(262,357)	(325,770)
Cash generated from operations	5,062,774	1,723,269
Interest received	22,444	29,316
Dividends received	10,015,403	8,247,267
Interest paid	(1,011,388)	(809,727)
Income tax received	3,478	5,640
Net cash generated from operating activities	14,092,711	9,195,765

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in financial assets at amortized cost	\$ 700,000	\$ (700,000)
Acquisition of investments accounted for using the equity method	(8,452,235)	(14,885,430)
Acquisition of property, plant, equipment and prepayments for equipment	(2,583,491)	(2,055,292)
Proceeds from disposal of property, plant and equipment	65,322	32,777
(Increase) decrease in refundable deposits	(17,735)	2,712
Decrease (increase) in other receivables	105,000	(105,000)
Acquisition of intangible assets	(11,219)	(7,213)
Acquisition of investment properties	(1,456)	-
Proceeds from disposal of investment properties	-	19,227
(Increase) decrease in other financial assets	(1,262,373)	3,174
Decrease in other non-current assets	<u>17,915</u>	<u>206,700</u>
Net cash used in investing activities	<u>(11,440,272)</u>	<u>(17,488,345)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(343,419)	643,156
Proceeds from issue of bonds	14,000,000	17,000,000
Repayments of bonds payable	(10,600,000)	(5,500,000)
Proceeds from long-term borrowings	245,578,252	147,370,768
Repayments of long-term borrowings	(237,077,229)	(138,307,023)
Repayment of the principal portion of lease liabilities	(231,374)	-
Decrease (increase) in guarantee deposits received	(892)	20
Dividends paid	<u>(9,635,175)</u>	<u>(6,423,661)</u>
Net cash generated from financing activities	<u>1,690,163</u>	<u>14,783,260</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,342,602	6,490,680
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>16,250,323</u>	<u>9,759,643</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 20,592,925</u>	<u>\$ 16,250,323</u>

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials 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 Ltd. to Far Eastern New Century Corporation; thus, the original ticker symbol of FETL was changed to FENC.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 24, 2020.

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

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

Except for the following, 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 did not have material impact on the Company’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 the lessee and the 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 Company elected 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 Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases on the 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 statements of comprehensive income, the Company 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 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. Cash flows for operating leases were classified within operating activities on the statements of cash flows.

The Company elected 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 Company applies IAS 36 to all right-of-use assets.

The Company also applies the following practical expedients:

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

The lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 was 1.00%-1.08%. 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	\$ 1,176,458
Less: Recognition exemption items	<u>(20,235)</u>
Undiscounted amount on January 1, 2019	<u>\$ 1,156,223</u>
Discounted amount using the incremental borrowing rate on January 1, 2019	<u>\$ 1,142,858</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 1,142,858</u>

The Company as lessor

The Company did 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	\$ 64,024	\$ (603)	\$ 63,421
<u>Non-current assets</u>			
Investments accounted for using the equity method	259,259,165	(325,518)	258,933,647
Right-of-use assets	-	1,137,627	1,137,627
Total effect on assets	317,030,154	811,506	317,841,660
<u>Current liabilities</u>			
Lease liabilities - current	-	245,218	245,218
<u>Non-current liabilities</u>			
Lease liabilities - non-current	-	897,640	897,640
Total effect on liabilities	113,495,017	1,142,858	114,637,875
<u>Equity</u>			
Retained earnings	149,192,149	(331,352)	148,860,797
Total effect on equity	203,535,137	(331,352)	203,203,785

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Company should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company 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 Company should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Company expects to better predict the resolution of the uncertainty.

The initial application of IFRIC 23 did not have significant effect on the Company.

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 Company will applied the above amendments prospectively.

The initial application of IAS 19 did not have significant impact on the Company.

- 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 IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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

Note 3: The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020

As of the date the financial statements were authorized for issue, the Company assessed that the above application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers have no significant impacts on the Company’s financial position and financial performance and disclosed these impacts when the assessment 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 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
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit assets/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.

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

On the disposal of a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiary is an entity (including structured entity) that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates attributable to the Company.

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

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

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

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

Gain or loss is recognized under treasury share method when there are cross shareholdings with and among associates.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

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

h. Property, plant and equipment

Property, plant and equipment (including assets held under finance leases) are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties, plant and equipment in the course of construction are carried 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 intended use.

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

Property, plant and equipment are measured at the fair value on the date of transferring from investment properties to freehold properties.

The difference between the book value and the fair value is recognized in other comprehensive income when freehold property, plant and equipment are transferred to investment properties.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held for earning rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

k. Impairment of tangible and intangible assets other than goodwill

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

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost, other receivables, refundable deposits and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition and repurchase commercial paper, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime Expected Credit Loss (ECL) for account receivable, and lease receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to cost of raw material, interest rate and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from sale of goods comes from sales of chemical fiber and textile goods. Sales of goods are recognized as revenue when the goods are shipped or delivered because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

n. Leasing

2019

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

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

1) The Company 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.

2) The Company as lessee

The Company 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 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 Company uses the its 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 Company 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 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.

1) The Company as lessor

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

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

2) The Company as lessee

Assets held under finance leases are initially recognized as assets of the Company 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 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.

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) as well as gains and losses on settlements and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Taxation

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

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Fair Value Measurements and Valuation Processes of Investment Properties (Including the Investment Properties Held by Subsidiaries Which Are Accounted for Using the Equity Method)

If the investment properties (including the investment properties held by subsidiaries which are accounted for using the equity method) where Level 1 inputs are not available, the Company or engaged valuers would determine appropriate inputs for investment properties which were measured using the income approach by referring to the existing lease contracts and rentals of similar properties in the vicinity. The Company or engaged valuers would determine appropriate inputs for investment properties which were measured by using a land development analysis approach by considering related policies, macroeconomics, the usage of the land and the investment properties' market conditions. If there are changes of the actual inputs in the future which differ from expectation, the fair value of investment properties held by subsidiaries which are accounted for using the equity method might vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value is disclosed in Note 14.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand and petty cash	\$ 5,531	\$ 5,768
Checking and demand accounts	20,587,394	11,714,741
Cash equivalents (investments with original maturities of less than three months)		
Repurchase of commercial paper	-	4,139,814
Time deposits	-	390,000
	<u>\$ 20,592,925</u>	<u>\$ 16,250,323</u>

As of December 31, 2019 and 2018, the deposits in foreign banks in Japan amounted to \$301,711 thousand (JPY1,093,158 thousand) and \$174,433 thousand (JPY627,007 thousand), respectively.

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

	December 31	
	2019	2018
Repurchase of commercial paper	-	0.56%
Time deposits	-	0.40-0.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	<u>\$ 7,703</u>	<u>\$ -</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	<u>\$ -</u>	<u>\$ 6,832</u>

a. Forward exchange contracts

The Company 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 December 31, 2019 and 2018, the Company had outstanding forward exchange contracts, which were stated as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.1.6 - 2020.4.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.1.31-2020.2.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.1.8 - 2020.3.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.1.31-2020.2.26	USD12,000/RMB84,204
<u>December 31, 2018</u>			
Sell	USD/NTD	2019.1.7 - 2019.2.20	USD27,680/NTD850,613
Sell	EUR/USD	2019.2.25-2019.2.26	EUR3,000/USD3,441
Buy	USD/JPY	2019.1.4 - 2019.2.20	USD13,000/JPY1,459,230
Buy	USD/RMB	2019.2.26-2019.3.27	USD5,000/RMB34,429

b. Option contracts

The Company sold option contracts to earn profit from royalties and the difference between exchange rate fluctuations.

The Company had no outstanding option contracts as of December 31, 2019 and 2018.

8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2019	2018
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ -	\$ 700,000

The interest rate for time deposits with original maturities of more than 3 months was 0.62% as of December 31, 2018.

9. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	2019	2018
<u>Notes and accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 5,602,119	\$ 7,287,123
Less: Allowance for impairment loss	<u>(278,535)</u>	<u>(283,174)</u>
	<u>\$ 5,323,584</u>	<u>\$ 7,003,949</u>

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 this regard, the management believes the Company's credit risk was significantly reduced. In addition, the Company 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 amount.

The Company 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 Company 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 Company 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:

December 31, 2019

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 4,514,379	\$ 832,659	\$ 37,401	\$ 217,680	\$ 5,602,119
Loss allowance (Lifetime ECL)	<u>(53,912)</u>	<u>(6,627)</u>	<u>(316)</u>	<u>(217,680)</u>	<u>(278,535)</u>
Amortized cost	<u>\$ 4,460,467</u>	<u>\$ 826,032</u>	<u>\$ 37,085</u>	<u>\$ -</u>	<u>\$ 5,323,584</u>

December 31, 2018

	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 5,881,205	\$ 1,136,169	\$ 51,252	\$ 218,497	\$ 7,287,123
Loss allowance (Lifetime ECL)	<u>(57,821)</u>	<u>(7,339)</u>	<u>(329)</u>	<u>(217,685)</u>	<u>(283,174)</u>
Amortized cost	<u>\$ 5,823,384</u>	<u>\$ 1,128,830</u>	<u>\$ 50,923</u>	<u>\$ 812</u>	<u>\$ 7,003,949</u>

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

	<u>For the Year Ended December 31</u>	
	2019	2018
Balance at January 1	\$ 283,174	\$ 283,480
Less: Reversal of impairment losses on receivables	<u>(4,639)</u>	<u>(306)</u>
Balance at December 31	<u>\$ 278,535</u>	<u>\$ 283,174</u>

10. INVENTORIES

	December 31	
	2019	2018
Finished goods	\$ 1,303,950	\$ 1,936,504
Work in progress	1,960,123	2,130,606
Raw materials	1,608,599	2,015,908
Supplies	244,585	413,125
Raw materials in transit	<u>53,191</u>	<u>176,357</u>
	<u>\$ 5,170,448</u>	<u>\$ 6,672,500</u>

For the years ended December 31, 2019 and 2018, the costs of inventories sold were \$41,524,817 thousand and \$48,837,045 thousand, respectively. The cost of goods sold for the years ended December 31, 2019 and 2018, consisted the reversal of inventory \$106,178 thousand and \$100,378 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investments in subsidiaries	\$ 237,352,705	\$ 230,272,399
Investments in associates	<u>30,681,517</u>	<u>28,986,766</u>
	<u>\$ 268,034,222</u>	<u>\$ 259,259,165</u>

a. Investments in subsidiaries

	December 31			
	2019		2018	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Unlisted companies				
Yuan Ding Investment Co., Ltd.	\$ 41,097,475	99.40	\$ 42,750,905	99.40
Far Eastern Resources Development Co., Ltd.	104,696,964	100.00	102,949,679	100.00
Far Eastern Polytex (Holding) Ltd.	9,565,589	100.00	7,581,955	100.00
Far Eastern Polychem Industries Ltd.	7,526,541	73.04	7,640,463	73.04
Yuan Tong Investment Co., Ltd.	8,556,025	100.00	8,568,915	100.00
Kai Yuan International Investment Co., Ltd.	5,567,871	100.00	5,429,289	100.00
Far Eastern Investment (Holding) Ltd.	26,235,260	100.00	22,068,603	100.00
PET Far Eastern (Holding) Ltd.	5,660,306	91.95	6,157,657	91.95
Oriental Petrochemical (Taiwan) Corporation	9,810,611	75.56	9,183,032	75.56
Far Eastern Construction Co., Ltd.	8,917,885	65.11	8,471,173	65.11
Yuan Ding Co., Ltd.	3,299,897	37.13	3,194,481	37.13
An Ho Garment Co., Ltd.	2,132,201	100.00	2,116,908	100.00

(Continued)

	December 31			
	2019		2018	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Ding Yuan International Investment Co., Ltd.	\$ 3,129,935	100.00	\$ 3,003,612	100.00
FEDP (Holding) Ltd.	907,883	50.43	921,000	50.43
Fu Kwok Knitting & Garment Co., Ltd.	233,520	100.00	224,804	100.00
Ding Ding Hotel Co., Ltd.	13,085	0.74	8,333	0.74
Far Eastern Textile Ltd.	<u>1,657</u>	100.00	<u>1,590</u>	100.00
	<u>\$ 237,352,705</u>		<u>\$ 230,272,399</u>	

(Concluded)

On December 4, 2019, the Company established a 100% holding subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. However, there was no actual investment outflow until December 31, 2019.

Ding Ding Hotel Co., Ltd. was recognized as subsidiary because the Company appointed the general manager of Yuan Ding Co., Ltd., and therefore, the Company could exercise control over Yuan Ding Co., Ltd. which is recognized as a subsidiary. In addition, the Company and its subsidiaries owned more than 50% of Ding Ding Hotel Co., Ltd.'s voting shares.

b. Investments in associates

	December 31			
	2019		2018	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<u>Associates that are individually material</u>				
Listed companies				
Asia Cement Corporation	<u>\$ 19,447,206</u>	22.33	<u>\$ 17,937,848</u>	22.33
<u>Associates that are not individually material</u>				
Listed companies				
Far Eastern Department Stores Co., Ltd.	5,009,751	17.06	4,793,720	17.06
Oriental Union Chemical Corporation	1,217,537	9.17	1,350,914	9.17
Far Eastern International Bank	1,109,853	2.62	1,024,918	2.62
Everest Textile Corporation	<u>1,490</u>	0.03	<u>1,585</u>	0.03
	<u>7,338,631</u>		<u>7,171,137</u>	
Unlisted companies				
Oriental Securities Corporation	2,002,315	19.65	1,956,963	19.65
Pacific Liu Tong Investment Co., Ltd.	<u>1,893,365</u>	16.83	<u>1,920,818</u>	16.83
	<u>3,895,680</u>		<u>3,877,781</u>	
	<u>\$ 30,681,517</u>		<u>\$ 28,986,766</u>	

1) Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2019	2018
Asia Cement Corporation	Cement production	Taiwan	22.33%	22.33%

Fair value (Level 1) of investment in associates with available published price quotation are summarized follows:

Name of Associate	December 31	
	2019	2018
Asia Cement Corporation	\$ 35,987,018	\$ 25,479,859

All the associates above are accounted for using equity method.

The summarized financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purposes.

Asia Cement Corporation

	December 31	
	2019	2018
Current assets	\$ 89,242,066	\$ 80,358,506
Non-current assets	208,282,515	198,829,492
Current liabilities	(74,338,007)	(62,804,294)
Non-current liabilities	<u>(53,491,467)</u>	<u>(57,335,358)</u>
Equity	169,695,107	159,048,346
Non-controlling interests	<u>(23,381,680)</u>	<u>(21,156,120)</u>
	<u>\$ 146,313,427</u>	<u>\$ 137,892,226</u>
Proportion of the Company's ownership	22.33%	22.33%
Equity attributable to the Company	\$ 32,671,788	\$ 30,791,334
Cross shareholdings	<u>(13,224,582)</u>	<u>(12,853,486)</u>
Carrying amount	<u>\$ 19,447,206</u>	<u>\$ 17,937,848</u>
	For the Year Ended December 31	
	2019	2018
Operating revenue	<u>\$ 89,347,637</u>	<u>\$ 82,741,004</u>
Net income for the year	\$ 22,243,953	\$ 14,889,197
Other comprehensive (loss) income	<u>(371,235)</u>	<u>1,436,173</u>
Total comprehensive income for the year	<u>\$ 21,872,718</u>	<u>\$ 16,325,370</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,101,432</u>	<u>\$ 900,614</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2019	2018
The Company's share of:		
Net income for the year	\$ 532,201	\$ 647,319
Other comprehensive loss	<u>221,054</u>	<u>185,586</u>
Total comprehensive income for the year	<u>\$ 753,255</u>	<u>\$ 832,905</u>

The combined equity of the Company and subsidiaries in some investee companies - Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation (OUCC), Everest Textile Corporation (Everest Textile), Oriental Securities Corporation and Pacific Liu Tong Investment Co., Ltd. (PLT) - exceeded 20% of their respective outstanding common stock. Thus, related investments were accounted for using the equity method.

Investment in Far Eastern International Bank (FEIB) was accounted for using the equity method because the Company has significant influence over FEIB even though the Company and its subsidiaries owned 16.37% of the investee's voting shares.

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' or associates' audited financial statements as of December 31, 2019 and 2018.

If an investment's acquisition cost exceeds the fair value of net assets acquired, the excess amount should be recognized as goodwill. As of both December 31, 2019 and 2018, the goodwill amounted to \$99,821 thousand.

12. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	December 31	
	2019	2018
<u>Carrying amounts</u>		
Total property, plant and equipment	\$ 25,325,644	\$ 24,507,928
Prepayments for equipment	<u>143,402</u>	<u>59,851</u>
	<u>\$ 25,469,046</u>	<u>\$ 24,567,779</u>

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayments for Equipment	Total
<u>Cost</u>						
Balance at January 1, 2019	\$ 6,422,507	\$ 9,082,502	\$ 50,106,094	\$ 5,543,421	\$ 3,195,475	\$ 74,349,999
Additions	6,863	-	-	-	2,271,729	2,278,592
Disposals	-	(39,379)	(2,671,545)	(320,314)	-	(3,031,238)
Reclassification	<u>702,670</u>	<u>495,371</u>	<u>1,364,319</u>	<u>552,085</u>	<u>(2,235,718)</u>	<u>878,727</u>
Balance at December 31, 2019	<u>\$ 7,132,040</u>	<u>\$ 9,538,494</u>	<u>\$ 48,798,868</u>	<u>\$ 5,775,192</u>	<u>\$ 3,231,486</u>	<u>\$ 74,476,080</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayments for Equipment	Total
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2019	\$ -	\$ (5,803,409)	\$ (39,427,828)	\$ (4,550,983)	\$ -	\$ (49,782,220)
Disposals	-	38,871	2,653,643	313,015	-	3,005,529
Impairment loss	-	-	(20,554)	-	-	(20,554)
Depreciation expense	-	(215,676)	(1,455,896)	(538,387)	-	(2,209,959)
Reclassification	-	242	1,587	(1,659)	-	170
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ (5,979,972)</u>	<u>\$ (38,249,048)</u>	<u>\$ (4,778,014)</u>	<u>\$ -</u>	<u>\$ (49,007,034)</u>
<u>Cost</u>						
Balance at January 1, 2018	\$ 6,424,285	\$ 8,801,967	\$ 50,108,609	\$ 5,210,454	\$ 2,882,742	\$ 73,428,057
Additions	-	-	-	-	2,360,642	2,360,642
Disposals	(1,778)	(58,804)	(1,273,298)	(247,272)	-	(1,581,152)
Reclassification	-	339,339	1,270,783	580,239	(2,047,909)	142,452
Balance at December 31, 2018	<u>\$ 6,422,507</u>	<u>\$ 9,082,502</u>	<u>\$ 50,106,094</u>	<u>\$ 5,543,421</u>	<u>\$ 3,195,475</u>	<u>\$ 74,349,999</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2018	\$ -	\$ (5,483,219)	\$ (39,178,889)	\$ (4,276,168)	\$ (193,405)	\$ (49,131,681)
Disposals	-	58,749	1,265,303	246,582	-	1,570,634
Impairment loss	-	(87,564)	(89,050)	(793)	-	(177,407)
Depreciation expense	-	(207,465)	(1,275,780)	(490,731)	-	(1,973,976)
Reclassification	-	(83,910)	(149,412)	(29,873)	193,405	(69,790)
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ (5,803,409)</u>	<u>\$ (39,427,828)</u>	<u>\$ (4,550,983)</u>	<u>\$ -</u>	<u>\$ (49,782,220)</u>

(Concluded)

As the sales of certain products in the market were sluggish, the Company expects that there will be no future cash flows of machinery equipment which is utilized by the textile and chemical segments to produce certain products. As a result, the Company recognized the impairment loss amounting to \$20,554 thousand and \$177,407 thousand, respectively, for the years ended December 31, 2019 and 2018. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

The Company reclassified its owner-occupied land in Neili, Taoyuan to investment property due to the end of owner-occupation and as part of the area's development project. Therefore, the Company recognized gain on property revaluation in the amount of \$331,557 thousand for the year ended December 31, 2019.

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

Buildings	3-55 years
Machinery and equipment	5-15 years
Operating and miscellaneous equipment	3-15 years

For the amount of property, plant and equipment that the Company pledged or mortgaged as collateral for borrowings, refer to Note 27.

As of December 31, 2019 and 2018, farmland was recognized as property, plant and equipment amounting to \$238,430 thousand for both dates and recognized as investment properties amounting to \$39,489 thousand and \$39,041 thousand, respectively. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmland belongs to the Company or have pledged the land to the Company.

13. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2019	\$ 105,898	\$ 1,261,513	\$ 1,375	\$ 14,054	\$ 1,382,840
Additions	9,981	444	408	1,380	12,213
Disposals	-	(24,492)	-	(2,538)	(27,030)
Balance at December 31, 2019	<u>\$ 115,879</u>	<u>\$ 1,237,465</u>	<u>\$ 1,783</u>	<u>\$ 12,896</u>	<u>\$ 1,368,023</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2019	\$ 29,523	\$ 209,554	\$ 1,048	\$ 5,088	\$ 245,213
Depreciation expense	16,926	212,648	276	4,685	234,535
Disposals	-	-	-	(2,538)	(2,538)
Balance at December 31, 2019	<u>\$ 46,449</u>	<u>\$ 422,202</u>	<u>\$ 1,324</u>	<u>\$ 7,235</u>	<u>\$ 477,210</u>
Carrying amount at December 31, 2019	<u>\$ 69,430</u>	<u>\$ 815,263</u>	<u>\$ 459</u>	<u>\$ 5,661</u>	<u>\$ 890,813</u>

Note 1: Additions included a new lease contract for \$1,788 thousand and a lease modification for \$10,425 thousand in the year ended December 31, 2019.

Note 2: Disposal was due to lease modifications for \$24,492 thousand and the lease expiry in the year ended December 31, 2019.

b. Lease liabilities - 2019

Item	Summary	Lease Term	Discount Rate	December 31, 2019
Land	Land for plant	100.06.01-116.12.31	1.00%	\$ 70,242
Buildings	Office, factory	105.05.01-112.12.31	1.00%	822,798
Machinery and equipment	Equipment for production	102.09.01-111.05.31	1.00-1.08%	465
Operating and miscellaneous equipment	Corporate fleet vehicle	106.03.31-113.10.30	1.00%-1.08%	5,700
				<u>\$ 899,205</u>

**December 31,
2019**

Carrying amounts

Current	<u>\$ 230,906</u>
Non-current	<u>\$ 668,299</u>

**For the Year
Ended
December 31,
2019**

Interest expense from lease liabilities	<u>\$ 10,036</u>
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c. Material leasing activities and terms

As lessee, the Company leases certain operating and other equipment for use in operations uses with lease terms of 3 to 7 years. These lease arrangements do not contain renewal or purchase options.

The Company also leases land and buildings for the use as plants and offices with lease terms of 3 to 17 years. The Company 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 Note 14.

2019

**For the Year
Ended
December 31,
2019**

Expenses relating to short-term leases	<u>\$ 27,697</u>
Expenses relating to low-value asset leases	<u>\$ 22</u>
Total cash outflow for leases	<u>\$ (269,904)</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**

Not later than 1 year	\$ 252,625
Later than 1 year and not later than 5 years	918,192
Later than 5 years	<u>5,641</u>
	<u>\$ 1,176,458</u>

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

**For the Year
Ended
December 31,
2019**

Minimum lease payments	<u>\$ 253,707</u>
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14. INVESTMENT PROPERTIES

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

	Completed Investment Properties
Balance at January 1, 2019	\$ 1,515,753
Disposal	1,456
Reclassifications	(547,340)
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>8,535</u>
Balance at December 31, 2019	<u>\$ 978,404</u>
Balance at January 1, 2018	\$ 1,487,664
Disposal	(6,608)
Reclassifications	(72,662)
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>107,359</u>
Balance at December 31, 2018	<u>\$ 1,515,753</u>

The major investment properties of the Company were as follows:

The buildings and lands located in Hsinchu Hukou section and Taoyuan Guanyin District were leased to the Company's subsidiary for its operation. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in these parent company only financial statements and reclassified them to property, plant and equipment in its consolidated financial statements. The Company used the equity method and share of the profit or loss of subsidiaries and associates to adjust the differences between the investment property amounts presented in the parent company only and consolidated financial statements. As of December 31, 2019, the lease arrangements of buildings and lands in Taoyuan Guanyin District were expired.

The fair values of investment properties were as follows:

	December 31	
	2019	2018
Independent valuation	<u>\$ 978,404</u>	<u>\$ 1,515,753</u>

The fair value of the investment properties as of December 31, 2019 and 2018 was based on the valuations carried out at January 21, 2020 and January 10, 2019, respectively, by independent qualified professional valuers Mr. Chia-ho Tsai in 2019 and 2018 from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

The fair value of investment properties was measured using the income approach. The significant assumptions used were as follows. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2019	2018
Expected future cash inflows	\$ 1,093,772	\$ 1,882,283
Expected future cash outflows	<u>(51,677)</u>	<u>(61,432)</u>
Expected future cash inflows, net	<u>\$ 1,042,095</u>	<u>\$ 1,820,851</u>
Discount rate intervals	2.095%	2.095%-3.40%

The expected future cash inflows generated by investment properties referred to rental income, 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. 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 and replacement allowance. 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%.

15. OTHER INTANGIBLE ASSETS

	Computer Software	Others	Total
Balance at January 1, 2019	\$ 17,047	\$ 40	\$ 17,087
Additions	11,219	-	11,219
Amortization	<u>(9,338)</u>	<u>(20)</u>	<u>(9,358)</u>
Balance at December 31, 2019	<u>\$ 18,928</u>	<u>\$ 20</u>	<u>\$ 18,948</u>
Balance at January 1, 2018	\$ 20,367	\$ 60	\$ 20,427
Additions	7,213	-	7,213
Amortization	<u>(10,533)</u>	<u>(20)</u>	<u>(10,533)</u>
Balance at December 31, 2018	<u>\$ 17,047</u>	<u>\$ 40</u>	<u>\$ 17,087</u>

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

Computer software	3-5 years
Others	5 years

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
Bank credit loans	<u>\$ 2,400,415</u>	<u>\$ 2,743,834</u>
Interest rate	2.25%-2.64%	3.14%-3.96%

b. Long-term borrowings

	December 31	
	2019	2018
Bank loans	\$ 45,281,023	\$ 39,780,000
Long-term commercial paper	7,500,000	4,500,000
Less: Unamortized discount on commercial paper	<u>28,991</u>	<u>6,418</u>
	52,752,032	44,273,582
Less: Current portion	<u>-</u>	<u>1,500,000</u>
	<u>\$ 52,752,032</u>	<u>\$ 42,773,582</u>

The foregoing loans are payable in New Taiwan dollars and U.S. dollars. The loans are repayable through a lump sum on maturity and a payment of interest monthly. 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 rate intervals of the Company's borrowings were as follows:

	December 31	
	2019	2018
Maturity	January 2021 - May 2023	January 2019 - June 2022
Bank interest rates intervals	0.68%-2.7273%	0.60%-1.55%

17. BONDS PAYABLE

	December 31	
	2019	2018
Non-convertible bonds	\$ 58,500,000	\$ 55,100,000
Discount of non-convertible bonds	<u>(63,547)</u>	<u>(60,822)</u>
	58,436,453	55,039,178
Less: Current portion	<u>13,695,421</u>	<u>10,595,836</u>
	<u>\$ 44,741,032</u>	<u>\$ 44,443,342</u>

For details of bonds payable as of December 31, 2018, refer to Statement 9 following the Notes to Financial Statements. The details of bonds payable as of December 31, 2018 which were repaid in 2019 were as follows:

On August 21, 2014, the Company issued five-year unsecured bonds (the first tranche) amounting to \$3,200,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 4, 2014, the Company issued five-year unsecured bonds (the second tranche) amounting to \$2,200,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2019	2018
Present value of defined benefit obligation	\$ 5,360,840	\$ 5,341,319
Fair value of plan assets	<u>(5,778,268)</u>	<u>(4,667,822)</u>
Net defined benefit (assets) liabilities	<u>\$ (417,428)</u>	<u>\$ 673,497</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2019	<u>\$ 5,341,319</u>	<u>\$ (4,667,822)</u>	<u>\$ 673,497</u>
Service cost			
Current service cost	51,585	-	51,585
Net interest expense (income)	<u>64,341</u>	<u>(58,348)</u>	<u>5,993</u>
Recognized in profit or loss (Note)	<u>115,926</u>	<u>(58,348)</u>	<u>57,578</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,165,965)	(1,165,965)
Actuarial (gain) loss - changes in financial assumptions	157,705	-	157,705
Actuarial (gain) loss - experience adjustments	<u>179,692</u>	<u>-</u>	<u>179,692</u>
Recognized in other comprehensive income	<u>337,397</u>	<u>(1,165,965)</u>	<u>(828,568)</u>
Contributions from the employer	-	(256,846)	(256,846)
Benefits paid	<u>(433,802)</u>	<u>370,713</u>	<u>(63,089)</u>
Balance at December 31, 2019	<u>\$ 5,360,840</u>	<u>\$ (5,778,268)</u>	<u>\$ (417,428)</u>
Balance at January 1, 2018	<u>\$ 5,534,470</u>	<u>\$ (4,240,063)</u>	<u>\$ 1,294,407</u>
Service cost			
Current service cost	60,455	-	60,455
Net interest expense (income)	<u>67,867</u>	<u>(53,001)</u>	<u>14,866</u>
Recognized in profit or loss (Note)	<u>128,322</u>	<u>(53,001)</u>	<u>75,321</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(402,924)	(402,924)
Actuarial (gain) loss - changes in financial assumptions	2,770	-	2,770
Actuarial (gain) loss - experience adjustments	<u>105,014</u>	<u>-</u>	<u>105,014</u>
Recognized in other comprehensive income	<u>107,784</u>	<u>(402,924)</u>	<u>(295,140)</u>
Contributions from the employer	-	(359,068)	(359,068)
Benefits paid	<u>(429,257)</u>	<u>387,234</u>	<u>(42,023)</u>
Balance at December 31, 2018	<u>\$ 5,341,319</u>	<u>\$ (4,667,822)</u>	<u>\$ 673,497</u>

Note: For the years ended December 31, 2019 and 2018, the Company transferred defined benefit costs of \$177 thousand and \$489 thousand to related parties, respectively.

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate from the above. This pension fund is invested in domestic listed companies' shares and time deposits. It is exposed to the risks of changes in market price and interest rates.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	0.80%	1.50%
Expected rate(s) of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.50% increase	<u>\$ (174,724)</u>	<u>\$ (179,106)</u>
0.50% decrease	<u>\$ 185,304</u>	<u>\$ 190,041</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 182,220</u>	<u>\$ 187,737</u>
0.50% decrease	<u>\$ (173,615)</u>	<u>\$ (178,741)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
The expected contributions to the plan for the next year	<u>\$ 397,948</u>	<u>\$ 388,072</u>
The average duration of the defined benefit obligation	6.8 years	6.9 years

19. EQUITY

a. Share capital

1) Common stock

	December 31	
	2019	2018
Numbers of authorized shares (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>
Amount of authorized shares	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>
Amount of issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>

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

2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of December 31, 2019 and 2018, there are 6 thousand and 8 thousand units outstanding, which were equal to 60 thousand and 82 thousand common stock of the Company.

b. Capital surplus

	December 31	
	2019	2018
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
The 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
<u>May be used to offset a deficit only (2)</u>		
Changes in percentage of ownership interests in subsidiaries	495,232	148,783
Treasury shares transactions	15,469	14,066
<u>May not be used for any purpose</u>	<u>104,722</u>	<u>90,850</u>
Changes in equity-method associates' capital surplus	<u>\$ 3,270,355</u>	<u>\$ 2,908,631</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 (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries accounted for using the 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 for all shares. When there is a capital increase, the amount of dividends for new shares of that year would be according to the resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 21, 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.

An appropriation of earnings to a legal reserve should be made until the legal reserve equals the Company's paid-in capital. The 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.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2018 and 2017 approved in the shareholders' meetings on June 28, 2019 and June 29, 2018, respectively, 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		
Reversal of special reserve	(858)	(2,643)		
Cash dividends	9,635,175	6,423,450	\$1.8	\$1.2

The appropriation of earnings for 2019 proposed by the Company's board of directors on March 24, 2020 were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 1,073,267	
Special reserve	1,839,196	
Reversal of special reserve	(2,710)	
Cash dividends	8,029,313	\$1.5

The appropriation of earnings for 2019 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 30, 2020.

d. Special reserve

The Company's appropriated special reserve following the first-time adoption of IFRSs was \$22,287,929 thousand.

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1 and December 31	<u>\$ 21,552,496</u>	<u>\$ 21,552,496</u>

On the initial application of the fair value model to investment properties, the Company 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 Year Ended December 31	
	2019	2018
Balance at January 1	\$ 89,713,160	\$ 88,196,319
Appropriation in respect of:		
Application of the fair value method to investment properties	1,089,437	1,523,136
Reversal on elimination of the original mandatorily appropriated special reserve:		
Disposal of investment properties	-	(5,678)
Disposal of associates	<u>(25,881)</u>	<u>(617)</u>
Balance at December 31	<u>\$ 90,776,716</u>	<u>\$ 89,713,160</u>

e. Other equity items

The changes in other equity items are summarized as follow:

	Exchange Differences on Translating Foreign Operations	Unrealized (Loss) Gain 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 and 15	-	<u>1,357,319</u>	<u>(1,725,866)</u>	<u>(35,642)</u>	<u>35,642</u>	-	<u>(368,547)</u>
Balance at January 1 per IFRS 9 and 15	(3,077,371)	-	(1,725,866)	-	35,642	702,778	(4,064,817)
Share of other comprehensive income (loss) of subsidiaries and associates	(512,530)	-	938,400	-	10,238	-	436,108
Associate disposed the investment in equity instruments designated as at FVTOCI	-	-	<u>1,559,378</u>	-	-	-	<u>1,559,378</u>
Balance at December 31, 2018	(3,589,901)	-	771,912	-	45,880	702,778	(2,069,331)
Gains on property revaluation	-	-	-	-	-	297,056	297,056
Share of other comprehensive income (loss) of subsidiaries and associates	(2,955,805)	-	1,678,830	-	(34,180)	4,924	(1,306,231)
Share from subsidiaries and associates accounted for using the equity method	-	-	5,415	-	-	-	5,415
Associate disposed the investment in equity instruments designated as at FVTOCI	-	-	<u>(16,192)</u>	-	-	-	<u>(16,192)</u>
Balance at December 31, 2019	<u>\$ (6,545,706)</u>	<u>\$ -</u>	<u>\$ 2,439,965</u>	<u>\$ -</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ 3,089,283</u>

f. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 23,265</u>
<u>December 31, 2018</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 21,745</u>

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

The Company'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.

20. REVENUE

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Revenue from contracts with customers		
Net sales	\$ 46,477,960	\$ 54,040,105
Other operating revenue	<u>-</u>	<u>23,696</u>
	<u>\$ 46,477,960</u>	<u>\$ 54,063,801</u>

a. Description of customer contract

Refer to Note 4(m) revenue recognition for the significant accounting policies.

b. Contract balances

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Contract liabilities		
Bundle sale of goods	<u>\$ 144,678</u>	<u>\$ 99,447</u>
Current	<u>\$ 144,678</u>	<u>\$ 99,447</u>

For notes and accounts receivable, refer to Note 9.

The changes in the contract liability balances primarily result from the timing difference between the Company's performance of obligations and the respective customer's payment, and there did not have other significant changes other than the amount decided above.

c. Disaggregation of revenue

Refer to Statement 10 for information about disaggregation of revenue.

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	For the Year Ended December 31	
	2019	2018
Capitalized interests on properties	\$ 27,068	\$ 26,541
Capitalization rates	1.00%-1.11%	1.02%-1.14%

b. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	\$ 2,209,959	\$ 1,973,976
Other Intangible assets	9,358	10,553
Right-of-use assets	<u>234,535</u>	<u>-</u>
	<u><u>\$ 2,453,852</u></u>	<u><u>\$ 1,984,529</u></u>
An analysis of deprecation by function		
Operating costs	\$ 2,051,754	\$ 1,818,280
Operating expenses	350,777	117,836
Other expense	37,654	31,324
Expenses transferred to other related parties	<u>4,309</u>	<u>6,536</u>
	<u><u>\$ 2,444,494</u></u>	<u><u>\$ 1,973,976</u></u>
An analysis of amortization by function		
Operating costs	\$ 4,451	\$ 4,868
Operating expenses	<u>4,907</u>	<u>5,685</u>
	<u><u>\$ 9,358</u></u>	<u><u>\$ 10,553</u></u>

c. Employee benefits expense

	For the Year Ended December 31, 2019		
	Operating Costs	Operating Expenses	Total
Post-employment benefits			
Defined contribution plans	\$ 78,815	\$ 47,561	\$ 126,376
Defined benefit plans (see Note 18)	37,145	20,256	57,401
Other employee benefits			
Salary	3,065,601	1,505,180	4,570,781
Insurance	264,363	101,105	365,468
Remuneration of directors	-	205,777	205,777
Others	<u>137,738</u>	<u>59,394</u>	<u>197,132</u>
	<u><u>\$ 3,583,662</u></u>	<u><u>\$ 1,939,273</u></u>	<u><u>\$ 5,522,935</u></u>

	For the Year Ended December 31, 2018		
	Operating Costs	Operating Expenses	Total
Post-employment benefits			
Defined contribution plans	\$ 77,128	\$ 44,985	\$ 122,113
Defined benefit plans (see Note 18)	50,399	24,433	74,832
Other employee benefits			
Salary	3,091,665	1,459,533	4,551,198
Insurance	255,564	94,091	349,655
Remuneration of directors	-	227,312	227,312
Others	<u>137,499</u>	<u>64,594</u>	<u>202,093</u>
	<u>\$ 3,612,255</u>	<u>\$ 1,914,948</u>	<u>\$ 5,527,203</u>

The average number of employees of the Company were 4,833 and 4,875, which include 8 and 7 directors not serving concurrently as employees, for the years ended December 31, 2019 and 2018, respectively.

The average employee benefit expenses were \$1,102 thousand and \$1,089 thousand for the years ended December 31, 2019 and 2018, respectively.

The average salary expenses were \$947 thousand and \$935 thousand for the years ended December 31, 2019 and 2018, respectively.

The average salary expenses increased by 1.28% in 2019 compared to the previous year.

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 years ended December 31, 2019 and 2018, which were approved by the Company's board of directors on March 24, 2020 and March 22, 2019, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	3.28%	3.10%
Remuneration of directors	1.80%	1.69%

Amount

	For the Year Ended December 31	
	2019	2018
Employees' compensation	\$ 371,474	\$ 414,416
Remuneration of directors	204,277	225,812

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2018 and 2017. The employees' compensation were distributed in cash by the Company.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2019	2018
Current tax	\$ -	\$ -
In respect of the current year	<u>(15,693)</u>	<u>-</u>
Adjustments for prior year	<u>(15,693)</u>	<u>-</u>
Deferred tax		
In respect of the current period	27,050	684,856
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>-</u>	<u>5,427</u>
Income tax expense recognized in profit or loss	<u>\$ 11,357</u>	<u>\$ 690,283</u>

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	<u>\$ 10,744,026</u>	<u>\$ 12,718,577</u>
Income tax expense at the statutory rate	\$ 2,148,805	\$ 2,543,715
Adjustment items effect on income tax	<u>(2,148,805)</u>	<u>(2,543,715)</u>
Current income tax expense	-	-
Deferred income tax expense	27,050	684,856
Effect of tax rate changes	-	5,427
Adjustments for prior years' tax	<u>(15,693)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 11,357</u>	<u>\$ 690,283</u>

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Company has already deducted the amount of the unappropriated earnings in 2018 that was reinvested as capital expenditure when calculating the tax on unappropriated earnings for the year ended December 31, 2019.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2019	2018
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	\$ (133,834)	\$ 69,752
Gain on property revaluation	<u>(34,501)</u>	<u>-</u>
	<u>\$ (168,335)</u>	<u>\$ 69,752</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 5,193	\$ (616)	\$ -	\$ 4,577
Inventory write-downs	10,448	(3,371)	-	7,077
Impairment loss	36,340	(5,231)	-	31,109
Defined benefit obligation	17,972	(17,972)	-	-
Others	<u>5,889</u>	<u>(582)</u>	<u>-</u>	<u>5,307</u>
	<u>\$ 75,842</u>	<u>\$ (27,772)</u>	<u>\$ -</u>	<u>\$ 48,070</u>
<u>Deferred tax liabilities</u>				
Unrealized foreign exchange gain	\$ 23,063	\$ (16,153)	\$ -	\$ 6,910
Gain from subsidiaries and associates	624,259	(36,689)	-	587,570
Provision of land value incremental tax	1,550,315	(25)	34,501	1,584,791
Defined benefit obligation	-	52,471	133,834	186,305
Investment properties	<u>16,587</u>	<u>(326)</u>	<u>-</u>	<u>16,261</u>
	<u>\$ 2,214,224</u>	<u>\$ (722)</u>	<u>\$ 168,335</u>	<u>\$ 2,381,837</u>

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 3,657	\$ 1,536	\$ -	\$ 5,193
Inventory write-downs	9,072	1,376	-	10,448
Loss from subsidiaries and associates	78	(78)	-	-
Impairment loss	24,671	11,669	-	36,340
Defined benefit obligation	23,307	(75,087)	69,752	17,972
Others	<u>4,385</u>	<u>1,504</u>	<u>-</u>	<u>5,889</u>
	<u>\$ 65,170</u>	<u>\$ (59,080)</u>	<u>\$ 69,752</u>	<u>\$ 75,842</u>

Deferred tax liabilities

Unrealized foreign exchange gain	\$ 15,242	\$ 7,821	\$ -	\$ 23,063
Gain from subsidiaries and associates	-	624,259	-	624,259
Provision of land value incremental tax	1,551,175	(860)	-	1,550,315
Investment properties	<u>16,604</u>	<u>(17)</u>	<u>-</u>	<u>16,587</u>
	<u>\$ 1,583,021</u>	<u>\$ 631,203</u>	<u>\$ -</u>	<u>\$ 2,214,224</u>

- d. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2019	2018
Deductible temporary differences	<u>\$ 1,942,237</u>	<u>\$ 2,723,928</u>

- e. Income tax assessments

The tax returns through 2015 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2019	2018
Basic earnings per share	<u>\$ 2.15</u>	<u>\$ 2.41</u>
Diluted earnings per share	<u>\$ 2.14</u>	<u>\$ 2.40</u>

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

Net Income for the Year

	For the Year Ended December 31	
	2019	2018
Net income for the year	<u>\$ 10,732,669</u>	<u>\$ 12,028,294</u>

Weighted Average Number of Ordinary Shares Outstanding

	Unit: In Thousand Shares	
	For the Year Ended December 31	
	2019	2018
Weighted average number of common stock used in the computation of basic earnings per share	4,998,304	4,998,235
Effect of potentially dilutive common stock		
Employees' compensation	<u>15,887</u>	<u>17,627</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,014,191</u>	<u>5,015,862</u>

In calculating the weighted average number of share outstanding for 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 the compensation paid to employees in cash or shares, the Company assumed that the entire amount of the compensation will 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 is dilutive. Such dilutive effect of the potential shares is 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 years ended December 31, 2019 and 2018, the Company's basic EPS was NT\$2.01 and NT\$2.25, respectively.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

25. FINANCIAL INSTRUMENTS

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

- 1) The financial assets and financial liabilities which have significant difference from their fair values

	December 31			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 58,436,453</u>	<u>\$ 58,660,706</u>	<u>\$ 55,039,178</u>	<u>\$ 55,242,979</u>

- 2) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 58,660,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,660,706</u>

December 31, 2018

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 55,242,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,242,979</u>

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

- 1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,703</u>	<u>\$ 7,703</u>

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,832</u>	<u>\$ 6,832</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2019 and 2018.

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

For the year ended 2019

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2019	\$ (6,832)
Recognized in profit or loss	
Realized	17,046
Unrealized	7,703
Settlements	<u>(10,214)</u>
Balance at December 31, 2019	<u>\$ 7,703</u>

For the year ended 2018

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2018	\$ 16,316
Recognized in profit or loss	
Realized	(148,697)
Unrealized	(6,832)
Settlements	<u>132,381</u>
Balance at December 31, 2018	<u>\$ (6,832)</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Forward exchange contracts and option contracts	Discounted cash flow. Future cash flows are estimated based on observable forward spot exchange rates at the end of the reporting period and contract rates, which can reflect the credit risk of counterparties.

c. Categories of financial instruments

	December 31	
	2019	2018
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 7,703	\$ -
Financial assets at amortized cost (Note 1)	27,634,889	24,402,844
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	-	6,832
Financial liabilities measured at amortized cost (Note 2)	120,309,960	109,660,042

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

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

d. Financial risk management objectives and policies

The Company'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 Company 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 rate), credit risk and liquidity risk.

The Company 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 Company'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.

1) Market risk

The Company's activities exposed itself primarily to the financial risks of changes in exchange rates (refer to (a) below) and interest rates (refer to (b) below).

a) Foreign currency risk

The Company had foreign assets, which exposed the Company to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The Company's significant foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period were detailed in Note 29.

Sensitivity analysis

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

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

	December 31	
	2019	2018
5% change in profit or loss		
USD	<u>\$ (79,204)</u>	<u>\$ (57,153)</u>

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company 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 Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2019	2018
Fair value interest rate risk		
Financial assets	\$ 1,300,373	\$ 5,267,814
Financial liabilities	105,387,690	95,356,594
Cash flow interest rate risk		
Financial assets	858,128	697,936
Financial liabilities	9,100,415	6,700,000

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Company'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 rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial assets with fixed interest rates would have decreased/increased by \$3,243 thousand and \$13,137 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rates would have increased/decreased by \$2,145 thousand and \$1,745 thousand, respectively.

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial liabilities with fixed interest rates would have decreased/increased by \$262,812 thousand and \$237,797 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rates would have decreased/increased by \$22,751 thousand and \$16,750 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations, resulting in a financial loss to the Company. As of the end of a reporting period, the Company's maximum exposure to credit risk that will cause the Company a financial loss due to the carrying amounts of the recognized financial assets as stated in the balance sheets.

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

Account 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 account receivables.

3) Liquidity risk

The Company manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 the current portion) are as follows:

	1-2 Years	2-3 Years	3-5 Years	5-10 Years
<u>December 31, 2019</u>				
Long-term borrowings	\$ 40,781,023	\$ 11,271,009	\$ 700,000	\$ 52,752,032
Bonds payable	<u>11,300,000</u>	<u>9,500,000</u>	<u>24,000,000</u>	<u>44,800,000</u>
	<u>\$ 52,081,023</u>	<u>\$ 20,771,009</u>	<u>\$ 24,700,000</u>	<u>\$ 97,552,032</u>
<u>December 31, 2018</u>				
Long-term borrowings	\$ 30,878,199	\$ 6,900,000	\$ 4,995,383	\$ 42,773,582
Bonds payable	<u>13,700,000</u>	<u>11,300,000</u>	<u>19,500,000</u>	<u>44,500,000</u>
	<u>\$ 44,578,199</u>	<u>\$ 18,200,000</u>	<u>\$ 24,495,383</u>	<u>\$ 87,273,582</u>

Additional information about the maturity analysis for lease liabilities

	1-2 Years	2-3 Years	3-5 Years	5-10 Years
<u>December 31, 2019</u>				
Lease liabilities	<u>\$ 235,639</u>	<u>\$ 234,154</u>	<u>\$ 204,780</u>	<u>\$ 3,378</u>

26. RELATED-PARTY TRANSACTIONS

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2019 and 2018 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules A, B and C.

27. 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, tariff duties and long-term borrowings.

	December 31	
	2019	2018
Other financial assets - non-current		
Pledged time deposits	\$ 1,300,373	\$ 38,000
Investments accounted for using the equity method	515,648	475,627
Property, plant and equipment	5,964,658	6,251,010
Investment properties	<u>844,442</u>	<u>184,549</u>
	<u>\$ 8,625,121</u>	<u>\$ 6,949,186</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2019 and 2018:

- a. Issued unused letters of credit aggregated at approximately \$274,297 thousand and \$299,676 thousand, respectively.
- b. Unpaid construction contracts and property, plant and equipment amounting to approximately \$37,247 thousand and \$151,348 thousand, respectively.
- c. Undelivered cotton contracts which were unable to be canceled amounting to \$123,588 thousand and \$199,156 thousand, respectively.
- d. Endorsements and guarantees provided to related parties are shown in Schedule E (attached).

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company 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:

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items USD	\$ 139,598	29.98	\$ 4,185,148
<u>Financial liabilities</u>			
Monetary items USD	86,760	29.98	2,601,065

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items USD	\$ 147,602	30.715	\$ 4,533,595
<u>Financial liabilities</u>			
Monetary items USD	110,837	30.715	3,390,537

30. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees

- 1) Financing provided to others: Schedule 4 (attached)
- 2) Endorsements/guarantees provided: Schedule 5 (attached)
- 3) Marketable securities held: Schedule 6 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Schedule 7 (attached)
- 5) Acquisitions of individual real states 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: Schedule 8 (attached)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule 9 (attached)
 - 9) Trading in derivative instruments: Note 7
 - 10) Information on investees: Schedule 10 (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: Schedules 11 and 11-1 (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: Schedules 2, 3, 4, 5, 7, 8 and 9
 - 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 rendering or receipt services.

TABLE 1**FAR EASTERN NEW CENTURY CORPORATION****RELATED PARTY NAMES AND CATEGORIES
DECEMBER 31, 2019**

Related Party Names	Related Party Categories
Fu Kwok Knitting & Garment Co., Ltd.	Subsidiary
Far Eastern Apparel Co., Ltd.	Subsidiary
Far Eastern Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary
Far Eastern New Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Apparel (Suzhou) Co., Ltd.	Subsidiary
Far Eastern Industries (Shanghai) Ltd.	Subsidiary
Far Eastern Industries (Wuxi) Ltd.	Subsidiary
Oriental Resources Development Co., Ltd.	Subsidiary
Oriental Green Materials Limited	Subsidiary
Oriental Industries (Suzhou) Ltd.	Subsidiary
PET Far Eastern (M) Sdn. Bhd.	Subsidiary
Wuhan Far Eastern New Material Ltd.	Subsidiary
Worldwide Polychem (HK) Ltd. (WWPI)	Subsidiary
Far Eastern Fibertech Co., Ltd.	Subsidiary
Far Eastern Resources Development Co., Ltd.	Subsidiary
Far Eastone Telecommunications Co., Ltd.	Subsidiary
New Century InfoComm Tech Co., Ltd.	Subsidiary
Yuanshi Digital Technology Co., Ltd.	Subsidiary
DataExpress Infotech Co., Ltd.	Subsidiary
Information Security Service Digital United Inc.	Subsidiary
Oriental Petrochemical (Taiwan) Corporation	Subsidiary
Oriental Textile (Holding) Ltd. (OTTI)	Subsidiary
Yuan Cheng Human Resources Consultant Corporation	Subsidiary
Yuan Ding Co., Ltd.	Subsidiary
Yuan Ding Investment Co., Ltd.	Subsidiary
YDT Technology International Co., Ltd.	Subsidiary
Far Eastern Polychem Industries Ltd. (FEPI)	Subsidiary
Far Eastern Construction Co., Ltd.	Subsidiary
Far Eastern Ishizuka Green Pet Corporation (FIGP)	Subsidiary
Far Eastern Technical Consultants Co., Ltd.	Subsidiary
Far Eastern Polytex (Holding) Ltd.	Subsidiary
Asia Cement Corporation	Associate
Far Eastern Department Stores Co., Ltd.	Associate
Oriental Union Chemical Corporation	Associate
Everest Textile Corporation	Associate
Far Eastern International Bank	Associate

(Continued)

Related Party Names	Related Party Categories
Freudenberg Far Eastern Spunweb Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Yu Ding Industry Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Liquid Air Far East Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Da Ju Fiber Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern International Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Ai Mai Co., Ltd	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
Yuan Ze University	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)
TECO Electric & Machinery Co., Ltd.	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)

(Concluded)

TABLE 2**FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	For the Year Ended December 31	
	2019	2018
Sales		
Subsidiaries	\$ 4,990,094	\$ 6,464,500
Associates	195,087	259,923
Other related parties	<u>429,285</u>	<u>467,734</u>
	<u>\$ 5,614,466</u>	<u>\$ 7,192,157</u>
Operating cost and expense		
Purchase		
Subsidiaries		
Oriental Petrochemical (Taiwan) Corporation	\$ 14,481,116	\$ 16,761,126
Other subsidiaries	1,191,051	983,190
Associates	1,053,951	1,900,071
Other related parties	<u>177,406</u>	<u>208,955</u>
	<u>\$ 16,903,524</u>	<u>\$ 19,853,342</u>
Contract costs		
Subsidiaries	\$ 31,309	\$ 35,451
Other related parties	<u>233,786</u>	<u>216,499</u>
	<u>\$ 265,095</u>	<u>\$ 251,950</u>
Computer processing expense		
Subsidiaries	\$ 6,034	\$ 4,070
Other related parties	<u>101,733</u>	<u>84,601</u>
	<u>\$ 107,767</u>	<u>\$ 88,671</u>
Non-operating expenses		
Other expenses - endorsement/guarantee expenses		
Subsidiary	<u>\$ 10,771</u>	<u>\$ 10,525</u>

The Company provided agent services to subsidiaries and recognized commission income of \$27,069 thousand and \$37,468 thousand for the years ended December 31, 2019 and 2018, respectively. In addition, the Company recognized \$11,519 thousand and \$16,051 thousand as other receivables as of December 31, 2019 and 2018, respectively.

Lease arrangements - Company is lessee

	For the Year Ended December 31, 2019
Acquisitions of right-of-use assets	
Other related parties	<u>\$ 107</u>
	December 31, 2019
Lease liabilities	
Subsidiaries	
Yuan Ding Co., Ltd.	\$ 509,972
Others	152,998
Associates	170,340
Other related parties	<u>45,959</u>
	<u>\$ 879,269</u>

The Company did not have financial lease payable to the related parties as of December 31, 2019 and 2018.

	For the Year Ended December 31	
	2019	2018
Interest expense		
Subsidiaries	\$ 7,411	\$ -
Associates	1,915	-
Other related parties	<u>541</u>	<u>-</u>
	<u>\$ 9,867</u>	<u>\$ -</u>
Lease expense		
Subsidiaries	\$ 5,853	\$ 181,496
Other related parties	<u>4,245</u>	<u>17,951</u>
	<u>\$ 10,098</u>	<u>\$ 199,447</u>

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

Lease arrangement - Company is lessor

	December 31	
	2019	2018
Operating lease receivable		
Subsidiaries	\$ 1,668	\$ 1,324
Other related parties	<u>444</u>	<u>420</u>
	<u>\$ 2,112</u>	<u>\$ 1,774</u>
Future lease receivable		
Subsidiaries	\$ 15,394	\$ 18,135
Other related parties	<u>4,336</u>	<u>6,400</u>
	<u>\$ 19,730</u>	<u>\$ 24,535</u>
	For the Year Ended December 31	
	2019	2018
Lease revenue		
Subsidiaries	\$ 12,979	\$ 20,074
Other related parties	<u>4,868</u>	<u>5,534</u>
	<u>\$ 17,847</u>	<u>\$ 25,608</u>

The Company leases the plants and spaces for operation and business to associates and other related parties as operating lease. The lease period is 1 to 5 years.

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

Compensation of key management personnel:

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	\$ 371,659	\$ 373,033
Post-employment benefits	<u>1,665</u>	<u>2,174</u>
	<u>\$ 373,324</u>	<u>\$ 375,207</u>

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

(Concluded)

TABLE 3**FAR EASTERN NEW CENTURY CORPORATION****RELATED-PARTY TRANSACTIONS
AS OF DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	For the Year Ended December 31	
	2019	2018
Notes and accounts receivable		
Subsidiaries		
WWPI	\$ 493,598	\$ 304,551
Other subsidiaries	464,428	554,674
Associates	15,416	40,769
Other related parties	<u>68,402</u>	<u>132,154</u>
	<u>\$ 1,041,844</u>	<u>\$ 1,032,148</u>
Refundable deposits		
Subsidiaries		
Yuan Ding Co., Ltd.	\$ 33,682	\$ 33,682
Other subsidiaries	3,421	3,798
Associates	5,116	5,785
Other related parties		
Da Ju Fiber Co., Ltd.	<u>8,000</u>	<u>8,000</u>
	<u>\$ 50,219</u>	<u>\$ 51,265</u>
Notes and accounts payable to related parties		
Subsidiaries		
Oriental Petrochemical (Taiwan) Corporation	\$ 1,065,381	\$ 1,260,165
Other subsidiaries	124,250	161,200
Associates	86,339	58,729
Other related parties	<u>10,220</u>	<u>12,092</u>
	<u>\$ 1,286,190</u>	<u>\$ 1,492,186</u>
Deferred credit - gain on related-party transactions		
Sale of securities		
Subsidiaries		
Yuan Ding Investment Co., Ltd. (Note a)	\$ 30,256	\$ 30,256
Others subsidiary (Note b)	2,738	2,823
Other related parties (Note c)	2,579	2,579
Disposal of property, plant and equipment (Note d)		
Subsidiary		
Far Eastern Polytex (Vietnam) Ltd.	<u>11,693</u>	<u>12,528</u>
	<u>\$ 47,266</u>	<u>\$ 48,186</u>

(Continued)

Deposits

	December 31	
	2019	2018
Far Eastern International Bank	<u>\$ 1,900,767</u>	<u>\$ 1,711,362</u>

The Company had bank deposits and time deposits in Far Eastern International Bank. The interest income was \$15,643 thousand and \$8,491 thousand for the years ended December 31, 2019 and 2018, respectively.

Financial assets (liabilities) at FVTPL - current

	December 31	
	2019	2018
Far Eastern International Bank	<u>\$ (4,114)</u>	<u>\$ (3,466)</u>

The Company signed forward exchange contracts and combined foreign exchange options with Far Eastern International Bank. The gain of financial assets (liabilities) at FVTPL was \$6,390 thousand and \$29,321 thousand for the years ended December 31, 2019 and 2018, respectively.

Financing to related parties

Loans to related parties:

	December 31			
	2019		2018	
	Other Receivable	Interest Receivable	Other Receivable	Interest Receivable
Subsidiaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 50</u>

The interest income from loans to associate was \$162 thousand and \$1,059 thousand for the years ended December 31, 2019 and 2018, respectively.

Loans to related parties (recognized as long-term borrowings - bank loans):

	December 31	
	2019	2018
Far Eastern International Bank	<u>\$ 1,500,000</u>	<u>\$ 300,000</u>

The interest expense from loans from associate was \$189 thousand and \$117 thousand for the years ended December 31, 2019 and 2018, respectively.

In 2019 and 2018, the Company bought machinery and equipment from subsidiaries, for \$19,710 thousand and \$13,965 thousand, respectively. As of December 31, 2019 and 2018, the payables on these purchases had been paid.

In 2019 and 2018, the Company participated in and subscribed Oriental Petrochemical (Taiwan) Corporation's issuance of new shares via cash amounting to \$1,511,163 thousand and \$2,266,745 thousand without changing the percentage of existing ownership.

(Continued)

In 2019 and 2018, the Company invested in 100%-owned overseas subsidiary, Far Eastern Investment (Holding) Ltd., amounting to \$4,934,979 thousand (or US\$158,000 thousand) and \$12,618,685 thousand (or US\$410,000 thousand).

In 2019, the Company invested in 100%-owned overseas subsidiary, Far Eastern Polytex (Holding) Ltd., amounting to \$1,998,702 thousand (or RMB449,370 thousand).

Note:

- a. In 1994, the Company sold the following shares to Yuan Ding Investment Corporation and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for \$30,256 thousand.
- b. The deferred income was made by selling the shares of New Century InfoComm Tech Corporation to Yuan Cing Infocomm Tech Co., Ltd. in 2010 (dissolved on its merger with Far EasTone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of New Century InfoComm Tech Corporation's net assets between fair value and book value and durable service life on the selling date.
- c. The deferred income was made by selling the shares of Oriental Petrochemical (Taiwan) Corporation to Yue Ding Industry Co., Ltd. in March 2008.
- d. The Company sold the production equipment to its subsidiary Far Eastern Polytex (Vietnam) Ltd. in 2017. The sales price was RMB638,977 thousand and deferred the gain on disposal of equipment RMB12,528 thousand (recognized as deferred credit - gain on related-party accounts), and amortized the deferred credit according to the useful lives since 2019.
- e. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

TABLE 4

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 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	\$ -	\$ -	1.045	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 10,226,114	\$ 102,261,144	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note H)
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	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Resources Development Co., Ltd.	Receivables from related parties	Yes	600,000	50,000	-	1.23	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Green Materials Limited	Receivables from related parties	Yes	600,000	600,000	330,000	1.11-1.23	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Yuan Tong Investment Co., Ltd.	Receivables from related parties	Yes	750,000	750,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	800,000	-	1.11-1.25	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,060,000	1,060,000	795,000	1.11	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	680,000	680,000	340,000	1.11-1.37	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	350,000	350,000	115,000	1.11-1.25	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
2	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	183,000	179,880	161,892	2.29364	2	-	For revolving fund	-	Promissory note	-	888,136	4,440,678	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)

(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			
3	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	\$ -	\$ 2,700,136	\$ 13,500,680	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	250,000	250,000	-	1.25	2	-	For revolving fund	-	Promissory note	-	2,700,136	13,500,680	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
4	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Receivables from related parties	Yes	300,000	300,000	300,000	1.53	2	-	For revolving fund	-	-	-	8,327,941	11,897,058	Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	2,500,000	1,500,000	400,000	0.83	1	2,555,996	-	-	-	-	2,547,833	11,897,058	Amounts allowed for ending period (Note O); Maximum amounts allowed for the period (Note H)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	7,500,000	7,500,000	3,500,000	0.83	2	-	For revolving fund	-	-	-	8,327,941	11,897,058	Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H)
5	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Receivables from related parties	Yes	400,000	400,000	-	0.9779-1.0701	2	-	For revolving fund	-	Promissory note	-	1,601,531	4,003,827	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note H)
6	Far Eastern Investment (Holding) Ltd.	FILSYN Corporation	Receivables from affiliates	Yes	59,960	-	-	-	2	-	For revolving fund	-	Promissory note	-	10,592,231	10,592,231	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Worldwide Polychem (HK) Ltd.	Receivables from affiliates	Yes	299,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Holding) Ltd.	Receivables from affiliates	Yes	299,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		APG Polytech, LLC	Receivables from affiliates	Yes	1,094,270	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	1,499,000	1,499,000	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Holding) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	899,400	-	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	299,800	-	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	449,700	-	-	2.29364-3.08839	2	-	For revolving fund	-	Promissory note	-	10,592,231	10,592,231	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	\$ 1,199,200	\$ -	\$ -	2.29364-3.08839	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 13,240,289	\$ 39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,777,965	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
7	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,852,935	5,558,804	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,852,935	5,558,804	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
8	Oriental Textile (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,894,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	Yes	749,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	2,998,000	-	749,500	2.29364-3.08839	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,199,200	-	-	3.08839-3.94056	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
9	Far Eastern Polychem Industries Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,539,950	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	899,400	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,199,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
10	PET Far Eastern (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,023,350	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,085,419	9,256,257	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	899,400	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,085,419	9,256,258	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	\$ 599,600	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,468,335	\$ 2,468,335	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Yuan Ding Enterprise (Shanghai) Limited	Receivables from affiliates	Yes	301,350	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,468,335	2,468,335	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
11	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	599,600	149,900	-	2.71067-3.22205	2	-	For revolving fund	-	Promissory note	-	6,022,677	6,022,677	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
12	Malaysia Garment Manufactures Pte. Ltd.	Arpeggio International Resources Corporation	Receivables from affiliates	Yes	74,950	74,950	29,980	2.29364	2	-	For revolving fund	-	Promissory note	-	503,740	503,740	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
13	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	301,350	-	-	3.92	2	-	For revolving fund	-	Promissory note	-	1,197,009	1,197,009	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,367,750	2,152,500	1,314,794	3.67-4.10	2	-	For revolving fund	-	Promissory note	-	2,693,271	5,985,046	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
14	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,205,400	1,205,400	738,949	3.10-4.54	2	-	For revolving fund	-	Promissory note	-	1,402,763	3,117,252	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
15	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,291,500	1,291,500	1,244,687	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	1,423,149	3,162,554	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
16	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	430,500	430,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	430,500	430,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,291,500	1,291,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	301,350	301,350	301,350	3.91	2	-	For revolving fund	-	Promissory note	-	2,341,612	2,341,612	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	\$ 861,000	\$ 861,000	\$ -	3.58-4.56	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,268,627	\$ 11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,076,250	1,076,250	714,436	3.58-4.56	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
17	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	861,000	861,000	-	3.99-4.40	2	-	For revolving fund	-	Promissory note	-	2,559,585	5,687,966	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
18	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	38,745	38,745	38,745	3.10	2	-	For revolving fund	-	Promissory note	-	48,467	107,704	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	38,745	-	-	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	48,467	107,704	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
19	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	861,000	430,500	430,500	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	936,014	2,080,030	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	904,050	645,750	430,500	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	936,014	2,080,030	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
20	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	281,390	844,170	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note D)
21	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	645,750	645,750	645,750	3.87	2	-	For revolving fund	-	Promissory note	-	3,264,618	3,264,618	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	645,750	645,750	-	-	2	-	For revolving fund	-	Promissory note	-	4,080,273	7,344,491	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	861,000	-	-	4.35	1	7,907,471	-	-	Promissory note	-	4,080,273	4,080,273	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note H)
22	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	129,150	129,150	-	-	2	-	For revolving fund	-	Promissory note	-	457,312	823,161	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
23	Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	43,050	43,050	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Oriental Textile (Holding) Ltd	Other receivables - loans to related parties	Yes	86,100	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Polychem Industries Ltd	Other receivables - loans to related parties	Yes	\$ 86,100	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,763,005	\$ 13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		PET Far Eastern (Holding) Ltd.	Other receivables - loans to related parties	Yes	86,100	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	129,150	129,150	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	473,550	215,250	89,283	1.21	2	-	For revolving fund	-	Promissory note	-	1,562,081	1,562,081	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,076,250	1,076,250	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	51,660	51,660	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	3,013,500	3,013,500	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
24	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	43,050	43,050	-	-	2	-	For revolving fund	-	Promissory note	-	56,448	84,672	Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note K)
25	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	51,660	51,660	-	-	2	-	For revolving fund	-	Promissory note	-	67,327	121,188	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
26	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	301,350	-	-	3.60	2	-	For revolving fund	-	Promissory note	-	1,217,955	2,706,566	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	301,350	301,350	301,350	3.60	2	-	For revolving fund	-	Promissory note	-	1,217,955	2,706,566	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	516,600	516,600	516,600	3.60	2	-	For revolving fund	-	Promissory note	-	541,313	541,313	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

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 audited financial statements as of December 31, 2019.
- C. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2019.
- D. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2019.
- E. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2019.
- F. The limitation is 35% of the net value of the financier based on audited financial statements as of December 31, 2019.

(Continued)

- G. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2019.
- H. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2019.
- I. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2019.
- J. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2019.
- K. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2019.
- L. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2019.
- M. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2019.
- N. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2019.
- O. The limitation is business transaction amount.

(Concluded)

TABLE 5

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 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 M)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note M)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note M)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note B)	\$ 20,837,814	\$ 268,000	\$ 268,000	\$ 216,000	\$ -	0.64	\$ 41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Far Eastern Ishizuka Green Pet Corporation	(Note C)	20,452,229	707,280	662,400	276,000	-	1.59	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		PET Far Eastern (Holding) Ltd.	(Note C)	20,452,229	632,000	-	-	-	-	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Oriental Textile (Holding) Ltd.	(Note A)	20,837,814	632,000	-	-	-	-	41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Far Eastern Polychem Industries Ltd.	(Note C)	20,452,229	948,000	-	-	-	-	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech, LLC	(Note C)	20,452,229	8,363,210	5,816,120	2,254,496	-	13.96	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note C)	20,452,229	2,762,560	2,668,220	-	-	6.4	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note C)	20,452,229	610,000	599,600	320,786	-	1.44	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Oriental Industries (Suzhou) Ltd.	(Note A)	20,837,814	1,580,000	-	-	-	-	41,675,628	-	-	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)	13,500,680	5,708,448	5,658,332	3,046,448	5,658,332	2.77	27,001,359	-	Yes	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,003,827	1,773,000	1,303,000	280,000	250,000	0.64	8,007,654	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note A)	43,094,037	77,150	-	-	-	-	43,094,037	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note I)

(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 M)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note M)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note M)	Note
		Name	Relationship											
5	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	\$ 102,261,144	\$ 1,580,000	\$ -	\$ -	\$ -	-	\$ 204,522,288	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	102,261,144	474,000	-	-	-	-	204,522,288	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
6	Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	(Note A)	102,261,144	7,382,813	6,604,594	599,600	-	3.23	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		APG Polytech, LLC	(Note A)	102,261,144	2,565,920	2,104,596	517,470	-	1.03	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		Phoenix Technologies International, LLC	(Note A)	102,261,144	610,000	599,600	281,812	-	0.29	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
7	APG Polytech, LLC	APG Polytech USA Holdings, Inc.	(Note D)	102,261,144	15,800	-	-	-	-	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)

- 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 audited financial statements.
- F. The amount of the collateral/guarantees is based on the net value of the guarantor from the latest audited financial statements.
- G. 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 audited financial statements as of June 30, 2019.
- H. 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 audited financial statements as of June 30, 2019.
- I. The amount of the collateral/guarantees is based on 300% of the net value of the guarantor from latest audited financial statements.
- J. The amount of the collateral/guarantees is based on 50% of the net value of the ultimate parent company from the latest audited financial statements.
- K. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest audited financial statements.
- L. 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.
- M. 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.
- N. The tariff guarantee maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB6,000 thousand (NT\$25,830 thousand), the actual remittance: RMB6,000 thousand (NT\$25,830 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB2,000 thousand (NT\$8,610 thousand), the actual remittance: RMB2,000 thousand (NT\$8,610 thousand).
- O. 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)

TABLE 6

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 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	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note II)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 19,447,206	22.33	\$ 35,987,018	19,900 thousand shares pledged or mortgaged as collateral for loans. (Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,009,751	17.06	6,298,101	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,217,537	9.17	1,705,536	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,490	0.03	1,278	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	2,002,315	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	1,893,365	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,109,853	2.62	1,048,814	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,097,475	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	104,696,964	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	168	9,565,589	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,526,541	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,556,025	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	361,486	5,567,871	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,894	26,235,260	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	5,660,306	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	9,810,611	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	223,481	8,917,885	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,299,897	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	2,132,201	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	253,977	3,129,935	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	907,883	50.43	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	233,520	100.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	13,085	0.74	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,657	100.00	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,458	1,270,042	0.97	1,556,338	8,807 thousand shares pledged or mortgaged as collateral for loans. 31,600 thousand shares pledged or mortgaged as collateral for loans. 10,000 thousand shares pledged or mortgaged as collateral for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,237,767	8.00	1,487,171	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,652	866,925	2.66	980,834	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	128,618	1,092,777	25.23	1,175,572	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	22,770,949	32.73	76,906,014	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,778,143	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	3,854,082	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,558	2,259,130	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	115,516	100.00	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	144,124	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	74,515	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	394,072	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,144,096	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,000	35,491	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	2,135,042	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,371	503,160	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,750,820	25.96	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,159,431	12.86	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	\$ 934,264	16.87	\$ -	(Note F)
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,747,308	100.00	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,591,881	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	1,026,410	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	23,307	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	693,804	5.20	-	
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	53,304	551,475	100.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	119,403	1,509,525	3.56	1,426,866	
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	89,456	5.27	89,456	
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	6,230	1.11	6,230	
	Universal Venture Capital Investment Corporation	(Note M)	Financial asset at FVTOCI - non-current	1,400	9,646	1.16	9,646	
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	9,884	0.80	9,884	
	Taiwan Stock Exchange Corporation	-	Financial asset at FVTOCI - non-current	1,135	64,746	0.16	64,746	
	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	30,313	0.50	30,313	
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	297,998	1.05	297,998	
	Financial assets under asset management contracts (Note E)	-						
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	32	705	-	705	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	200	8,753	-	8,753	
	Uni-President Enterprises Corporation	-	Financial assets at fair value through profit or loss - current	22	1,632	-	1,632	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	175	12,180	-	12,180	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	208	18,200	-	18,200	
	Cheng Loong Corporation	-	Financial assets at fair value through profit or loss - current	87	1,679	-	1,679	
	Hiwin Technologies Corporation	-	Financial assets at fair value through profit or loss - current	8	2,248	-	2,248	
	CSBC Corporation, Taiwan	-	Financial assets at fair value through profit or loss - current	415	11,143	-	11,143	
	Yulon Nissan Motor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	3	861	-	861	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	255	23,154	-	23,154	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	85	28,135	-	28,135	
	Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	10	1,680	-	1,680	
	Foxlink International Ltd.	-	Financial assets at fair value through profit or loss - current	370	16,946	-	16,946	
	Nanya Technology Corporation	-	Financial assets at fair value through profit or loss - current	250	20,850	-	20,850	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	45	19,958	-	19,958	
	DACIN Construction Co., Ltd	-	Financial assets at fair value through profit or loss - current	275	5,816	-	5,816	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	250	11,600	-	11,600	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	70	1,568	-	1,568	
	President Chain Store Corporation	-	Financial assets at fair value through profit or loss - current	80	24,320	-	24,320	
	Wistron Corporation	-	Financial assets at fair value through profit or loss - current	500	14,175	-	14,175	
	Wiwynn Corporation	-	Financial assets at fair value through profit or loss - current	26	16,510	-	16,510	
	Pou Chen Group	-	Financial assets at fair value through profit or loss - current	339	13,289	-	13,289	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	280	17,360	-	17,360	
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	33,457	100.00	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000	254,150	50.00	-	
				Preferred stock 3,000				
	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)	1,037,301	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	67,861	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,656	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,047,299	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	377,880	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	252,269	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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)	
APG Polytech USA Holdings, Inc.	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	\$ 477,546	37.92	\$ -	
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G) 520	520	34.00	-	
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	5,064	15,056,692	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	120,851	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,174	25.00	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,349)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,459)	50.00	-	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	160,417	-	160,417	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	6	279,159	-	279,159	
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	12,578,898	33.33	-	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	2,793,144	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	193,187	90.00	-	
Phoenix Technologies International, LLC	Perform Technologies, LLC	-	Financial asset at FVTOCI - current	(Note G)	2,354	-	2,354	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	254,150	50.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,241	460,846	0.36	586,942	(Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,903	129,861	0.42	153,773	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,183	8,927	0.23	10,810	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	646,445	3.09	574,675	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	41,579	0.03	66,307	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,070	2.24	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,964	422,114	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	88,726	1,121,229	2.64	1,060,271	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	25,312	1,006,191	0.75	1,213,734	5,000 thousand shares pledged or mortgaged as collateral for loans.
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,123,815	1.05	2,462,145	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,473	647,211	3.67	681,937	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	591,302	1.46	538,511	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	449,658	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	935,272	16.80	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,271	2.24	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,717	1,361,647	3.21	1,287,214	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	793	26,645	0.09	26,645	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,341,467	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	496,752	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	892,401	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,353,283	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	974,689	90.00	-	
	Nippon Parison Co., Ltd	-	Financial asset at FVTOCI - non-current	4	140,606	10.00	140,606	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	610,400	0.53	849,967	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	2,117,903	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	53,417	0.19	53,417	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	599,448	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,992,523	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,040,226	100.00	-	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	249,382	-	249,382	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	\$ 16,286	0.01	\$ 22,489	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,086	-	6,489	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11	156	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	8,641	9.00	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	25,082	0.09	25,082	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	9,687	55,604	3.48	55,604	
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial asset at FVTOCI - non-current	3,106	12,143	16.03	12,143	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	2,246	26,378	-	26,378	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,078	-	22,078	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,659	140,031	-	140,031	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,054	98,062	-	98,062	
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-	
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-	
	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note G)	(41)	99.00	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,049,527	1.25	2,942,948	6,300 thousand shares pledged or mortgaged as collateral for loans. (Note F)
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	256,356	0.18	292,192	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	252,665	1.26	235,284	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,760	0.03	9,634	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,373	115,052	1.17	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,763	402,670	15.66	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,681	131,204	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	167,689	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,094	279,370	0.66	264,024	
	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	13,322	55.19	-	
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	55,098	3.56	55,098	
Fu Kwok Knitting & Garment Co., Ltd.	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,682	59,224	0.14	55,947	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,425	0.02	37,492	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,748,373	3.08	7,227,090	22,615 thousand shares pledged or mortgaged as collateral for loans. (Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	49,176	1,521,756	3.47	1,281,023	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,645,593	5.61	1,043,813	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,344,800	0.85	1,556,716	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	233,072	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	445,688	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	31	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(704,968)	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	2	48	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	163,716	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,501	1,358,612	3.20	1,284,638	
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	39,600	325,908	18.00	325,908	
	Bockhold N.V - stock	-	Financial asset at FVTOCI - non-current	1	186,391	12.51	186,391	
	Financial assets under asset management contracts (Note E)	-						
	Yuanta S&P GSCI Gold ER Futures ETF	-	Financial assets at fair value through profit or loss - current	210	4,586	-	4,586	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	100	4,370	-	4,370	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	96	6,682	-	6,682	
	HeySong Corporation	-	Financial assets at fair value through profit or loss - current	3	98	-	98	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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)	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	72	\$ 6,300	-	\$ 6,300	
	Chung Hsin Electric & Machinery Mfg. Corp.	-	Financial assets at fair value through profit or loss - current	90	2,187	-	2,187	
	Cheng Loong Corporation	-	Financial assets at fair value through profit or loss - current	198	3,821	-	3,821	
	Hiwin Technologies Corporation	-	Financial assets at fair value through profit or loss - current	18	5,058	-	5,058	
	Kenda Rubber Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	6,120	-	6,120	
	Yulon Nissan Motor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	31	8,897	-	8,897	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	99	8,989	-	8,989	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	14	4,634	-	4,634	
	Inventec Corporation	-	Financial assets at fair value through profit or loss - current	150	3,427	-	3,427	
	Wan Hai Lines Ltd.	-	Financial assets at fair value through profit or loss - current	60	1,110	-	1,110	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	3,360	-	3,360	
	President Chain Store Corporation	-	Financial assets at fair value through profit or loss - current	11	3,344	-	3,344	
	Win Semiconductors Corp.	-	Financial assets at fair value through profit or loss - current	26	7,644	-	7,644	
	ASRock Inc.	-	Financial assets at fair value through profit or loss - current	44	3,322	-	3,322	
	Arcadyan Technology Corporation	-	Financial assets at fair value through profit or loss - current	36	3,388	-	3,388	
	Pegatron Corporation	-	Financial assets at fair value through profit or loss - current	50	3,420	-	3,420	
	Sercomm Corporation	-	Financial assets at fair value through profit or loss - current	96	7,459	-	7,459	
	Farglory Land Development Co., Ltd.	-	Financial assets at fair value through profit or loss - current	162	6,529	-	6,529	
	Sigurd Corporation	-	Financial assets at fair value through profit or loss - current	180	6,678	-	6,678	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	66	4,092	-	4,092	
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	53,852	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,110,996	54.72	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,038,169	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,169,018	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,843,983	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	5,854,030	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	279,430	-	279,430	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	162,803	-	162,803	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,581,277	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	914,624	100.00	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	959,178	61.54	-	
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,905,202	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,777,878	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)	1,035,378	12.36	-	
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	56,448	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	343,764	6.63	-	
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	2,788,316	40.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - other	(Note G)	(631,450)	100.00	-	
	Martens Beers (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,678	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	134,653	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	971	4,180	-	4,180	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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 assets at fair value through profit or loss - current	594,819	\$ 2,560,696	-	\$ 2,560,696	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	262,106	100.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,787	190,138	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	86,163	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	9,223	17.70	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	4,995	(32,281)	4.79	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,000	53,681	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	213,443	0.16	255,508	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	110,623	0.13	300,188	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	129,637	2,142,074	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	832	1.00	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,939	66,224	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	132,517	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	550,140	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	8,352	105,677	0.25	99,810	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	15,535	109,761	20.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	102,509	798,851	98.52	-	
	Far Eastern New Century Corporation	(Note D)	Financial assets at fair value through profit or loss - current	779	23,265	-	23,265	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	17	(135)	0.02	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,659	82,372	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	25,906	46.13	-	
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	42	-	42	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	3,577	42,006	-	42,006	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	10,118	4.00	10,118	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	30,253	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	258	0.46	-	
	Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	50,508	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	55,892	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	130	1,128	0.03	1,191	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	98,066	0.20	71,999	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,413	-	2,902	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	42,882	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	2,937	37,343	0.09	35,099	
	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	117,635	100.00	-	
	Millerful No.1 REIT	-	Financial asset at FVTOCI - non-current	30,000	307,500	-	307,500	
	Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	-	Financial assets at amortized cost	5,000	500,000	-	-	5,000 thousand shares pledged or mortgaged as collateral for loans.
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,385,159	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	731,924	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,897	877,725	99.99	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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)	
ARCOA Communication Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	90,014	\$ (582,357)	86.41	\$ -	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	30,546	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	4,829	100.00	-	
	Yuan Bao Fintech Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,000	59,680	100.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,051,441	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,302	164,513	30.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	47,200	15.00	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	8,850	104,620	11.11	104,620	
	CDIB Capital Innovation Accelerator Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	9,000	94,081	10.71	94,081	
New Century InfoComm Tech Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	233,027	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 Diligent Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	86,448	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	133,305	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	191,698	100.00	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	2,500	(16,171)	2.40	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	15,733	5.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	121,700	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,174	25.00	-	
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	140,448	100.00	-	
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,430	409,810	70.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	13	462,442	-	462,442	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	166,896	-	166,896	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	8,858	50,846	3.18	50,846	
	Bank Pro E-service Technology Co., Ltd.	-	Financial asset at FVTOCI - non-current	450	4,500	3.33	4,500	
New Diligent Co., Ltd.	Changing.ai Inc.	-	Financial asset at FVTOCI - non-current	500	29,980	2.50	29,980	
	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	295	100.00	-	
	Far East New Diligent Company Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,180	100.00	-	
DataExpress Infotech Co., Ltd.	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,709	100.00	-	
	Linkwell Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	65,428	100.00	-	
Nextlink Technology Co., Ltd.	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	45,477	100.00	-	
	Microfusion Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,600	16,462	100.00	-	
Digital United (Cayman) Ltd.	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	5,523	100.00	-	
	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note G)	(378)	100.00	-	
Far East New Diligent Company Ltd.	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	980	149,900	6.77	149,900	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	(Note G)	6,503	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)	4,645	41.67	-	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,426	70.00	-	

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

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

D. Parent company.

(Continued)

- 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 INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 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	\$ 7,581,955	33	\$ 1,998,702	-	\$ -	\$ -	\$ -	\$ (15,068) (Note E)	168	\$ 9,565,589
	Far Eastern Investment (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	4,016	22,068,603	878	4,934,979	-	-	-	-	(768,322) (Note F)	4,894	26,235,260
	Oriental Petrochemical (Taiwan) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,561,102	9,183,032	151,116	1,511,163	-	-	-	-	(883,584) (Note G)	1,712,218	9,810,611
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Investments accounted for using the equity method	-	(Note C)	21,500	703,247	12,343	565,858	1,385	66,238	49,986	16,001	50,923	32,458	1,270,042
	Far Eastern Department Stores Co., Ltd.	Investments accounted for using the equity method	-	(Note C)	23,173	480,286	14,479	347,966	-	-	-	-	38,673 (Note H)	37,652	866,925
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\$ 500,266	(Note B)	US\$ 10,000	-	-	-	-	US\$ (8,041) (Note I)	(Note B)	US\$ 502,225
	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,728	-	US\$ 721 (Note D)	-	-
APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	-	(Note B)	US\$ 10,000	-	-	-	-	US\$ (3,556)	(Note B)	US\$ 6,444
Far Eastern Apparel (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	12	US\$ 11,996	-	US\$ 9	12	US\$ 12,437	US\$ 12,005	-	US\$ 432 (Note D)	-	-
Far Eastern General Contractor Inc.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	36,202	400,000	23,543	260,205	260,205	-	236 (Note D)	12,659	140,031
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	30,728	496,000	24,674	398,055	398,055	-	117 (Note D)	6,054	98,062
Oriental Textile (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,728	-	US\$ 721 (Note D)	-	-
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)	1,736,289	(Note B)	1,998,702	-	-	-	-	170,211	(Note B)	3,905,202
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 Cathay 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 134,077	(Note B)	RMB 449,370	-	-	-	-	RMB 64,246 (Note J)	(Note B)	RMB 647,693
Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	102,509	164,987	98,522	985,217	98,522	-	-	-	(351,353)	102,509	798,851
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	-	-	-	-	(10,190)	3,430	409,810

(Continued)

- Notes:
- A. Subsidiary.
 - B. Company limited.
 - C. Associates.
 - D. Gain on financial asset at FVTPL.
 - E. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(70) thousand.
 - F. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(1,964) thousand.
 - G. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(495) thousand.
 - H. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(9,309) thousand.
 - I. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to US\$(79) thousand.
 - J. The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(6) thousand.

(Concluded)

TABLE 8

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	\$ (1,970,358)	(4)	Based on contract	-	-	\$ -	-	\$ 301,418	6	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,598,049)	(3)	Based on contract	-	-	-	-	493,598	9	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(463,132)	(1)	Based on contract	-	-	-	-	47,953	1	
	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Sale	(186,983)	-	Based on contract	-	-	-	-	20,767	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Sale	(175,012)	-	Based on contract	-	-	-	-	23,263	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Sale	(153,044)	-	Based on contract	-	-	-	-	-	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Sale	(126,580)	-	Based on contract	-	-	-	-	12,079	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Sale	(122,757)	-	Based on contract	-	-	-	-	14,542	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(426,103)	(1)	Based on contract	-	-	-	-	67,583	1	
	Everest Textile Corporation	(Note D)	Sale	(194,732)	-	Based on contract	-	-	-	-	15,416	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Sale	(107,155)	-	Based on contract	-	-	-	-	31,184	1	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	14,486,304	35	Based on contract	-	-	-	-	(1,065,381)	(41)	
	Oriental Resources Development Co., Ltd.	(Note A)	Purchase	651,704	2	Based on contract	-	-	-	-	-	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Purchase	117,546	-	Based on contract	-	-	-	-	(14,484)	(1)	
	Oriental Green Materials Limited	(Note A)	Purchase	390,222	1	Based on contract	-	-	-	-	(109,186)	(4)	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(14,486,304)	(37)	Based on contract	-	-	-	-	1,065,381	23	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(5,740,645)	(14)	Based on contract	-	-	-	-	931,877	20	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(1,238,306)	(3)	Based on contract	-	-	-	-	292,082	6	
Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(651,704)	(76)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(147,895)	(2)	Based on contract	-	-	-	-	17,461	3	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	3,442,680	37	Based on contract	-	-	-	-	(431,067)	(35)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,873,296	31	Based on contract	-	-	-	-	(472,123)	(39)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,340,166	25	Based on contract	-	-	-	-	(274,990)	(22)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	552,424	6	Based on contract	-	-	-	-	(45,771)	(4)	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(4,159,388)	(18)	Based on contract	-	-	-	-	47,991	3	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(1,058,951)	(5)	Based on contract	-	-	-	-	207,142	11	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(598,589)	(3)	Based on contract	-	-	-	-	207,028	11	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	118,735	1	Based on contract	-	-	-	-	(42,182)	(3)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(419,596)	(2)	Based on contract	-	-	-	-	135,134	7	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,970,358	9	Based on contract	-	-	-	-	(301,418)	(21)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	1,238,306	6	Based on contract	-	-	-	-	(292,082)	(21)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	8,069,888	37	Based on contract	-	-	(305,493)	(33)	(127,813)	(9)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	115,922	1	Based on contract	-	-	-	-	-	-	
	Far Eastern Fibertech Co., Ltd.	(Note C)	Purchase	131,143	1	Based on contract	-	-	-	-	(17,601)	(1)	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(8,069,888)	(46)	Based on contract	-	-	305,493	18	127,813	13	
	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note C)	Purchase	119,750	1	Based on contract	-	-	-	-	(40,687)	(7)	
Far Eastern Industries (Wuxi) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(258,369)	(9)	Based on contract	-	-	-	-	42,546	15	
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(204,372)	(7)	Based on contract	-	-	-	-	37,076	13	
	Far Eastern New Century Corporation	(Note B)	Purchase	186,983	7	Based on contract	-	-	-	-	(20,767)	(35)	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(4,102,476)	(50)	Based on contract	-	-	-	-	536,890	47	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	1,058,951	14	Based on contract	-	-	-	-	(207,142)	(40)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	\$ (353,972)	(7)	Based on contract	-	-	\$ -	-	\$ 15,185	5	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(347,590)	(7)	Based on contract	-	-	-	-	33,133	10	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	498,572	10	Based on contract	-	-	-	-	(29,387)	(37)	
	Far Eastern New Century Corporation	(Note C)	Purchase	153,044	3	Based on contract	-	-	-	-	-	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	4,159,388	85	Based on contract	-	-	-	-	(47,991)	(61)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(3,442,680)	(59)	Based on contract	-	-	-	-	431,067	47	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(510,016)	(9)	Based on contract	-	-	-	-	127,558	14	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	419,596	8	Based on contract	-	-	-	-	(135,134)	(18)	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	258,369	5	Based on contract	-	-	-	-	(42,546)	(6)	
Oriental Textile (Holding) Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(117,546)	(3)	Based on contract	-	-	-	-	14,484	2	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	204,372	5	Based on contract	-	-	-	-	(37,076)	(6)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	4,102,476	95	Based on contract	-	-	-	-	(536,890)	(94)	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,873,296)	(86)	Based on contract	-	-	-	-	472,123	84	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	147,895	5	Based on contract	-	-	-	-	(17,461)	(14)	
	Far Eastern New Century Corporation	(Note B)	Purchase	175,012	6	Based on contract	-	-	-	-	(23,263)	(18)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	353,016	12	Based on contract	-	-	-	-	(31,438)	(24)	
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,340,166)	(81)	Based on contract	-	-	-	-	274,990	50	
	Far Eastern New Century Corporation	(Note B)	Purchase	122,757	5	Based on contract	-	-	-	-	(14,542)	(12)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	494,582	19	Based on contract	-	-	-	-	(14,051)	(12)	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Limited	(Note C)	Sale	(2,062,910)	(14)	Based on contract	-	-	-	-	797,536	44	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(524,699)	(4)	Based on contract	-	-	-	-	104,929	6	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(494,582)	(3)	Based on contract	-	-	-	-	14,051	1	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(353,016)	(2)	Based on contract	-	-	-	-	31,438	2	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(115,922)	(1)	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	463,132	4	Based on contract	-	-	-	-	(47,953)	(1)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	5,740,645	44	Based on contract	-	-	-	-	(931,877)	(28)	
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	1,598,049	43	Based on contract	-	-	-	-	(493,598)	(38)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	2,062,910	55	Based on contract	-	-	-	-	(797,536)	(62)	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note C)	Purchase	501,095	69	Based on contract	-	-	-	-	(57,571)	(30)	
Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(432,537)	(6)	Based on contract	-	-	-	-	57,571	19	
	Far Eastern Department Stores Co., Ltd.	(Note D)	Construction revenue	(623,549)	(8)	Based on contract	-	-	-	-	-	-	
	Chubei New Century Shopping Mall Co., Ltd.	(Note E)	Construction revenue	(335,114)	(5)	Based on contract	-	-	-	-	-	-	
	Ya Tung Ready-mixed Concrete Corporation	(Note E)	Purchase	432,485	6	Based on contract	-	-	(105,310)	(10)	(169)	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Sale	(119,750)	(86)	Based on contract	-	-	-	-	40,687	91	
Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(498,572)	(37)	Based on contract	-	-	-	-	29,387	19	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(118,735)	(9)	Based on contract	-	-	-	-	42,182	27	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	598,589	49	Based on contract	-	-	-	-	(207,028)	(84)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	347,590	28	Based on contract	-	-	-	-	(33,133)	(14)	
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(552,424)	(19)	Based on contract	-	-	-	-	45,771	12	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	510,016	19	Based on contract	-	-	-	-	(127,558)	(28)	
	Far Eastern New Century Corporation	(Note B)	Purchase	126,580	5	Based on contract	-	-	-	-	(12,079)	(3)	
Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(131,143)	(6)	Based on contract	-	-	-	-	17,601	25	
	Everest Textile Corporation	(Note D)	Sale	(253,107)	(12)	Based on contract	-	-	-	-	35,508	49	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	\$ 353,972	29	Based on contract	-	-	\$ -	-	\$ (15,185)	(13)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	524,699	42	Based on contract	-	-	-	-	(104,929)	(87)	
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note B)	Sale	(390,222)	(95)	Based on contract	-	-	-	-	109,186	99	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	107,155	8	Based on contract	-	-	-	-	(31,184)	(49)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales and marketing expenses	8,074,786	16	Based on contract	-	-	-	-	(972,158)	(7)	
	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	(331,812)	(1)	Based on contract	-	-	-	-	95,873	2	Note F
	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(234,169)	-	Based on contract	-	-	-	-	2,584	-	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Cost of sales	2,313,664	5	Based on contract	-	-	-	-	(549,143)	(4)	
	Yuanshi Digital Technology Co., Ltd.	(Note C)	Operating revenue	(192,138)	-	Based on contract	-	-	-	-	41,081	1	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(2,313,664)	(22)	Based on contract	-	-	-	-	549,143	37	Note G
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	234,169	3	Based on contract	-	-	-	-	(2,584)	-	
	KGEx.com Co., Ltd.	(Note C)	Cost of sales and rent expenses	105,384	1	Based on contract	-	-	-	-	(19,595)	(1)	
	Sino Lead Enterprise Limited	(Note C)	Cost of sales	112,647	2	Based on contract	-	-	-	-	(9,384)	(1)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(8,074,786)	(67)	Based on contract	-	-	-	-	972,158	66	
	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	331,812	3	Based on contract	-	-	-	-	(95,873)	(7)	
	Home Master Technology Ltd.	(Note C)	Operating revenue	(1,050,123)	(9)	Based on contract	-	-	-	-	262,817	18	
KGEx.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(105,384)	(19)	Based on contract	-	-	-	-	19,595	43	
Sino Lead Enterprise Limited	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(112,647)	(100)	Based on contract	-	-	-	-	9,384	56	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note C)	Cost of sales	154,094	4	Based on contract	-	-	-	-	(2,133)	(1)	
	Home Master Technology Ltd.	(Note C)	Sale	(198,153)	(5)	Based on contract	-	-	-	-	542	-	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	192,138	12	Based on contract	-	-	-	-	(41,081)	(22)	
Linkwell Tech. Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note C)	Sale	(154,094)	(27)	Based on contract	-	-	-	-	2,133	24	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	1,050,123	69	Based on contract	-	-	-	-	(262,817)	(97)	
	DataExpress Infotech Co., Ltd.	(Note C)	Operating revenue	198,153	13	Based on contract	-	-	-	-	(542)	-	

Notes: A. Subsidiary.

B. Parent company.

C. The guarantee provider and counterparty have the 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)

TABLE 9

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

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

FOR THE YEAR ENDED DECEMBER 31, 2019

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 493,598	4.00	\$ -	\$ -	\$ 167,438	\$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	301,418	5.77	-	-	301,418	-
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note C)	109,186	7.15	-	-	109,186	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	1,065,381	12.49	-	-	1,065,381	-
	Far Eastern Polytext (Vietnam) Ltd.	(Note D)	931,877	5.26	-	-	931,877	-
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	292,082	4.75	-	-	292,082	-
Far Eastern Polytext (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	797,536	3.06	-	-	350,360	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	104,929	8.37	-	-	96,619	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note D)	536,890	6.54	-	-	518,319	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	472,123	5.63	-	-	465,605	-
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	274,990	8.04	-	-	262,415	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	431,067	7.85	-	-	145,086	-
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note D)	127,558	4.17	-	-	99,674	-
Far Eastern Industries (Shanghai) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	207,142	3.26	-	-	207,142	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	207,028	2.48	-	-	30,135	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	135,134	5.36	-	-	42,617	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	433,306	12.82	-	-	127,813	-
Far Eastern Construction Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note E)	114,385	(Note G)	-	-	11,623	-
Ding Ding Integrated Marketing Service Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note F)	105,850	(Note H)	-	-	1,615	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	122,568	13.44	-	-	69,413	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	4,514,694	(Note I)	-	-	269,714	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	972,158	10.00	-	-	448,358	-
	Home Master Technology Ltd.	(Note D)	263,033	3.78	-	-	97,711	-

(Continued)

Notes: A. This table does not include the receivables from financier. For more details, refer to Table 4. This table also does not include the other receivables from non-operating projects. For more details, refer to Table 3.

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)

TABLE 10

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% 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	\$ 19,447,206	\$ 17,442,010	\$ 3,492,593	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	5,009,751	1,781,843	303,982	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,217,537	46,331	4,249	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,490	(271,959)	(82)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	140,278	19.65	2,002,315	250,003	49,126	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	810,000	810,000	135,000	16.83	1,893,365	364,972	61,425	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,598	805,598	87,767	2.62	1,109,853	3,632,595	113,501	(Notes A and K)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	41,097,475	4,785,552	4,758,553	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$1,714 (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	104,696,964	1,718,865	1,747,505	Including the adjustments of the transactions between subsidiaries \$28,640 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,382,911	8,384,209	168	100.00	9,565,589	6,574	6,574	(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	7,526,541	228,582	166,956	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,556,025	534,611	544,517	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,567,871	382,524	382,524	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	23,386,997	18,452,018	4,894	100.00	26,235,260	(91,130)	(91,130)	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	5,660,306	(311,741)	(276,919)	Including discounted amortization \$9,727 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,209,038	14,697,875	1,712,218	75.56	9,810,611	(1,095,115)	(878,544)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(51,075) (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	8,917,885	729,602	475,044	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,299,897	251,052	103,117	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	75,704	100.00	2,132,201	212,282	212,384	Including the adjustments of the transactions between subsidiaries (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,129,935	212,475	212,554	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
Yuan Ding Investment Co., Ltd.	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	907,883	21,958	11,073	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	233,520	37,950	37,950	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	401,042	393,651	769	0.74	13,085	(337,149)	(2,495)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,657	67	67	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	1,116,755	600,883	32,458	0.97	1,270,042	17,442,010	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,237,767	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	812,136	464,170	37,652	2.66	866,925	1,781,843	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	128,618	25.23	1,092,777	(271,959)	-	(Note A)
	Far EastOne Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,770,949	8,734,984	-	(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	2,778,143	228,582	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	3,854,082	456,583	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	59,558	41.86	2,259,130	341,901	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	100.00	115,516	(61,921)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	144,124	7,225	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	74,515	1,596	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	394,072	12,144	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Investment (Holding) Ltd.	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	\$ 585,000	\$ 585,000	91,000	100.00	\$ 1,144,096	\$ 78,808	\$ -	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	660,558	1,000	100.00	35,491	71,280	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	2,135,042	1,947,107	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	27,371	29.80	503,160	420,889	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokerage	255,424	255,424	185,247	25.96	2,750,820	250,003	-	(Note A)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,159,431	251,052	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	934,264	92,784	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,747,308	70,010	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,591,881	364,972	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	1,026,410	811,808	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	23,307	170,428	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	675,479	117,746	5.20	693,804	(1,095,115)	-	(Note B)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	647,083	-	53,304	100.00	551,475	22,047	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	119,403	3.56	1,509,525	3,632,595	-	(Notes A and K)
	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	100.00	-	33,457	(1,788)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	254,150	3,585	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	1,037,301	27,977	-	(Note B)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	67,861	10,264	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,656	113	-	(Note A)
	Far Eastern Polytex (Vietnam) Ltd.	Vietnam	Chemical fiber and Textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,047,299	433,433	-	(Note B)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 18,000	US\$ 18,000	(Note D)	100.00	377,880	103,099	-	(Note B)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,003	100.00	252,369	1,696	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	477,546	(10,205)	-	(Note B)
	Drive Catalyst SPC	Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	520	20	-	(Note A)
	APG Polytech USA Holdings, Inc.	America	Investment	US\$ 506,467	US\$ 496,467	5,064	100.00	15,056,692	(245,875)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	120,851	3,831	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	US\$ 4,000	US\$ -	4	25.00	119,174	(3,076)	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,349)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,459)	-	-	(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	12,578,898	(298,978)	-	(Note L)
	APG Polytech, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,793,144	11,753	-	(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	193,187	(121,845)	-	(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	254,150	3,585	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	337,260	375,512	12,241	0.36	460,846	17,442,010	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	110,306	110,306	5,903	0.42	129,861	1,781,843	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	34,561	34,561	1,183	0.23	8,927	(271,959)	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	646,445	46,331	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	41,579	8,734,984	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	234,070	364,972	-	(Notes A and E)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	14,964	13.20	422,114	200,141	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	88,726	2.64	1,121,229	3,632,595	-	(Notes A and K)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	732,627	483,448	25,312	0.75	1,006,191	17,442,010	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,123,815	8,734,984	-	(Note B)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	32,473	3.67	647,211	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.46	591,302	1,781,843	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	449,658	40,880	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	935,272	92,784	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	234,271	364,972	-	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	107,717	3.21	1,361,647	3,632,595	-	(Notes A and K)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	496,752	(311,741)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	892,401	21,958	-	(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	974,689	206,548	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	610,400	17,442,010	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,117,903	170,428	-	(Note B)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 16,246	\$ 16,246	469	0.01	\$ 16,286	\$ 17,442,010	\$ -	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	6,086	8,734,984	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	156	200,141	-	(Note A)
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	8,641	33,019	-	(Note B)
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Arpeggio International Resources Corporation	Philippines	Industry investment	PESO 15,200	PESO 15,200	(Note D)	40.00	-	-	-	(Note A)
	PT Malaysia Garment Bintan	Indonesia	Garment production	SGD -	SGD -	(Note D)	99.00	(41)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,049,527	8,734,984	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	256,356	17,442,010	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	252,665	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,760	1,781,843	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	119,933	118,125	8,373	1.17	115,052	250,003	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	17,763	15.66	402,670	200,141	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	131,204	364,972	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	167,689	4,785,552	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,094	0.66	279,370	3,632,595	-	(Notes A and K)
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	13,322	4,002	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,682	0.14	59,224	3,632,595	-	(Notes A and K)
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,425	8,734,984	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,748,373	8,734,984	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,391,618	1,159,521	49,176	3.47	1,521,756	1,781,843	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,645,593	46,331	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	1,067,775	888,648	32,465	0.97	1,344,800	17,442,010	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	233,072	364,972	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	445,688	401,521	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	31	1,947,107	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(704,968)	(107,328)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	2	-	48	420,886	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	163,716	(10,205)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	986,735	986,735	107,501	3.20	1,358,612	3,632,595	-	(Notes A and K)
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	262,106	16,033	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	190,138	(46,641)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	86,163	33,019	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	9,223	3,060	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	566,896	566,896	4,995	4.79	(32,281)	(205,230)	-	(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	53,681	(3,403)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	213,443	17,442,010	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	110,623	8,734,984	-	(Note B)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,142,074	811,808	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	832	1,596	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,939	2.59	66,224	200,141	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	132,517	152,284	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	550,140	401,521	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,352	0.25	105,677	3,632,595	-	(Notes A and K)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	15,535	20.00	109,761	(227,886)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	2,630,238	1,645,021	102,509	98.52	798,851	(337,149)	-	(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	(135)	(205,230)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	300,200	300,200	11,659	15.01	82,372	(227,886)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	25,906	(6,368)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	30,253	(6,368)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	1,128	(271,959)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	98,066	1,781,843	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,413	17,442,010	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Electronic Toll Collection Co., Ltd.	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	\$ 42,882	\$ 3,060	\$ -	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	2,937	0.09	37,343	3,632,595	-	(Notes A and K)
	FETC International Co., Ltd	Taiwan	Dispatched labor, procuring equipment, and sales agent services	200,000	200,000	20,000	100.00	117,635	(30,243)	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,385,159	1,432,896	-	(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	731,924	178,773	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,340,472	2,340,472	68,897	99.99	877,725	150,084	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	886,169	886,169	90,014	86.41	(582,357)	(205,230)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	30,546	6,843	-	(Notes B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,829	(7)	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	-	25,000	-	-	-	1,431	-	(Note B)
	Yuan Bao Fintech Co., Ltd.	Taiwan	Type II telecommunications services	60,000	-	6,000	100.00	59,680	(320)	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	2,542,396	2,542,396	118,251	39.42	1,051,441	401,521	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	600,000	600,000	23,302	30.00	164,513	(227,886)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	47,200	(46,641)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	233,027	100,008	-	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	540,000	540,000	54,000	100.00	86,448	415	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	133,305	24,205	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	317,446	317,446	10,320	100.00	191,698	(1,075)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	20,000	20,000	2,500	2.40	(16,171)	(205,230)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	15,733	(46,641)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	121,700	3,831	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	123,220	-	4	25.00	119,174	(3,076)	-	(Note A)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	140,448	(14,868)	-	(Note B)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	-	3,430	70.00	409,810	2,999	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	295	(53)	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	24,180	306	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,709	(226)	-	(Note B)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	65,428	15,471	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	45,477	29,152	-	(Note B)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	16,462	9,093	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	5,523	(2,646)	-	(Note B)
Microfusion Technology Co., Ltd	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	-	-	-	-	-	-	-	(Notes B and M)

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. Company limited.

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

F. Shares in thousands.

G. For investments in mainland China, refer to Table 11.

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

I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$9,901 thousand.

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

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

L. Joint operation entity.

M. The dissolution of Microfusion (HK) Technology Co., Ltd. had been approved by the local government on November 8, 2019.

(Concluded)

TABLE 11

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 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	\$ 8,095,119	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 181,309	100.00	\$ 181,309	\$ 8,376,846	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	880,705	2	1,010,901	-	-	1,010,901	53,813	100.00	53,813	1,558,626	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,022,948	3	-	-	-	-	17,730	100.00	17,730	1,040,015	-	
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	2,072,731	2	2,018,430	-	-	2,018,430	30,474	100.00	30,474	2,843,983	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,721,403	2	3,791,007	-	-	3,791,007	140,622	61.35	86,272	3,452,657	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,589,721	2	1,342,854	-	-	1,342,854	335,785	100.00	335,785	2,992,523	159,799	Notes H and R
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,697,761	2	1,765,319	-	-	1,765,319	23,033	100.00	23,033	1,581,277	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	736,360	2	724,110	-	-	724,110	11,919	100.00	11,919	914,623	-	

(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 December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outflow	Inflow							
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	\$ 4,713,315	2	\$ 4,957,248	\$ -	\$ -	\$ 4,957,248	\$ 149,504	100.00	\$ 149,504	\$ 5,854,030	\$ -	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	4,606,572	2	2,795,325	1,998,702	-	4,794,027	(27,389)	100.00	(27,389)	3,905,202	-	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,640,886	2	1,763,952	-	-	1,763,952	(106,315)	100.00	(106,315)	(631,450)	-	Note L
Martens Beers (Shanghai) Ltd.	Beer brewing	321,396	2	231,475	-	-	231,475	(53)	100.00	(53)	14,678	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,256,677	2	4,181,323	-	-	4,181,323	518	60.00	311	3,777,877	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,329,825	2	1,436,190	-	-	1,436,190	10,090	100.00	10,090	1,353,283	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,513,356	2	1,962,908	-	-	1,962,908	716,750	50.00	358,375	2,503,466	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	54,717	3	-	-	-	-	384	100.00	384	56,448	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	81,795	3	-	-	-	-	5,629	100.00	5,629	81,855	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,305	3	-	-	-	-	899	100.00	899	53,852	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,591,545	3	-	-	-	-	(99,577)	51.17	(50,950)	3,597,825	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,771,396	2	1,020,489	-	-	1,020,489	125,619	50.00	62,809	1,169,019	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	648,541	2	598,270	-	-	598,270	(6,315)	100.00	(6,315)	56,150	-	Note M
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	28,152	2	24,220	-	-	24,220	3,221	100.00	3,221	50,508	-	Note N
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	92,938	2	92,938	-	-	92,938	(2,182)	100.00	(2,182)	(378)	-	Note P
Nextlink (Shanghai) Technology Co., Ltd.	Computer software, data processing and provision of network information services	2,159	2	2,159	-	-	2,159	(637)	70.00	(935)	1,426	-	Note Q
Far Eastern Tech-Info Ltd. (Shanghai)	Digital information supply services	179,880	2	197,546	-	-	197,546	(25)	100.00	(25)	11,148	-	Note O

(Continued)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Note S and T)	\$ 22,653,879	\$ 25,174,697	\$ -

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
- 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far East New Diligent Company Ltd.
- 3 Other types.

B. Recognition of gains or losses was based on the following two information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dying and Finishing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Tong Da Air Industry (Yangzhou) Co., Ltd.
2. Others: Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Digital United Information Technology (Shanghai) Ltd., Far Eastern Tech-Info Ltd. (Shanghai) and Speedy (Shanghai) digital Tech. Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand and NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2019, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand and NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2019, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2019, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2019, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand and NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

L. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.

M. As of December 31, 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 Ding Integrated Marketing Service Co., Ltd.

N. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far EasTone Telecommunications Co., Ltd.

P. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.

Q. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.

R. As of December 31, 2019, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.

S. Investment amounts authorized by the Investment Commission of the MOEA include US\$838,755 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\$1:29.98 and RMB1:4.305.

T. Based on MOEA Approval Letter No. 10620430940, there is no limitation on the amount of the parent company's investment in China.

U. The paid-in capital was calculated based on the ending exchange rate of RMB1:NT\$4.305.

(Concluded)

TABLE 11-1

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES
FOR THE YEAR ENDED DECEMBER 31, 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.	Yuan Ding Investment Co., Ltd.	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 Polychem Industries Ltd.					
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936				
					(Note F)				
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
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
				FEDP (Holding) Ltd.					
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			

(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	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	\$ 4,524	\$ 4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
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
				Sino Belgium (Holding) Ltd.					
	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			
Far Eastern Tech-Info Ltd. (Shanghai)	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
	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 S)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	82,340	82,340			
	Far Eastern New Century Corporation	2019.11.26	No. 10800217150	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	32,000	32,000			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note P)	PET Far Eastern (Holding) Ltd.	33,500	33,500			

(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\$)
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd. FET Consulting Engineers Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	2011.10.19 2011.11.03 2015.08.11	No. 10000429550 No. 10000439470 No. 10400179060	YDC (Virgin Islands) Ltd. DDIM (Virgin Islands) Ltd. DDIM (Virgin Islands) Ltd.	\$ 110 8,100 1,100	\$ 110 8,100 1,100			
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11 2005.02.05	No. 093003471 No. 094003122	YDC (Virgin Islands) Ltd. YDC (Virgin Islands) Ltd.	300 500	300 500			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd. New Diligent Co., Ltd.	2004.08.26 2014.01.29	No. 093018811 No. 10300022990	Far Eastern Info Service (Holding) Ltd. Far East New Diligent Company Ltd.	2,500 3,500	2,500 3,500			
Far Eastern Tech-Info Ltd. (Shanghai)	New Century InfoComm Tech Co., Ltd. New Century InfoComm Tech Co., Ltd.	2002.10.07 2013.08.09	No. 091041498 No. 10200302730	Digital United (Cayman) Ltd. Digital United (Cayman) Ltd.	3,100 1,000	1,000			\$ 3,100
Digital United Information Technology (Shanghai) Ltd.	Nextlink Technology Co., Ltd.	2019.03.28	No. 10830010930	Nextlink (HK) Technology Co., Ltd.	72	72			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note Q)	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. (Note R)	10,300	10,300			

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 antilutive 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 antilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.

G. The shares offered for the privatization of FEPI had antilutive 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.

(Continued)

- P. 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.
- Q. 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, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. 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)

FAR EASTERN NEW CENTURY CORPORATION

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FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Maturity	Annual Rate (%)	Amount
Cash			
Cash on hand			\$ 2,000
Petty cash			<u>3,531</u>
Cash in banks			
Checking accounts			19,729,266
Demand deposits (Note A)			<u>858,128</u>
			<u>20,587,394</u>
			<u>\$ 20,592,925</u>

Note A: Including US\$12,793 thousand, JPY1,232,819 thousand, RMB24,097 thousand and EUR682 thousand.

Note B: Based on the exchange rate of US\$1:NT\$29.98, JPY1:NT\$0.276, RMB1:NT\$4.305 and EUR1:NT\$33.59, respectively.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

Client Name	Amount
Worldwide Polychem (HK) Ltd.	\$ 493,598
Far Eastern Industries (Shanghai) Ltd.	301,418
Others (Note)	<u>4,807,103</u>
	5,602,119
Less: Allowance for doubtful accounts	<u>278,535</u>
Notes and accounts receivable, net	<u>\$ 5,323,584</u>

Note: The amount from each client which included in others does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Market Value (Note)
Finished goods	\$ 1,544,850	\$ 1,383,153
Work in progress	2,021,363	2,104,061
Raw materials	1,689,999	1,609,596
Supplies	266,087	245,637
Materials in transit	<u>53,191</u>	<u>53,191</u>
	5,575,490	<u>\$ 5,395,638</u>
Less: Allowance for valuation loss	<u>405,042</u>	
Inventories, net	<u>\$ 5,170,448</u>	

Note: Market value is net realizable value.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS AND FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Par Value	Balance, January 1, 2019		Annual Changes				Increase (Decrease) in Using the Equity Method Amount (Note A)	Balance, December 31, 2019			Market Value or Net Assets Value		Pledged Shares (In Thousands) (Note B)	Notes					
		Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount		Shares (In Thousands)	%	Amount	Unit Price (NT\$)	Total Amount							
<u>Shares</u>																				
Investments accounted for using the equity method																				
Publicly traded companies																				
Asia Cement Corporation	\$	10	750,511	\$	17,937,848	-	\$	-	\$	1,509,358	750,511	22.33	\$	19,447,206	\$	47.95	\$	35,987,018	19,900	(Notes C and D)
Far Eastern Department Stores Co., Ltd.		10	241,770		4,793,720	-		-		216,031	241,770	17.06		5,009,751		26.05		6,298,101	-	(Notes C and D)
Oriental Union Chemical Corporation		10	81,216		1,350,914	-		-		(133,377)	81,216	9.17		1,217,537		21.00		1,705,536	-	(Notes C and D)
Everest Textile Corporation		10	137		1,585	3		-		(95)	140	0.03		1,490		9.14		1,278	-	(Notes C, D and F)
Far Eastern International Bank		10	85,501		1,024,918	2,266		-		84,935	87,767	2.62		1,109,853		11.95		1,048,814	-	(Notes C, D and F)
					<u>25,108,985</u>			<u>-</u>		<u>1,676,852</u>			<u>26,785,837</u>				<u>45,040,747</u>			
Private companies																				
Yuan Ding Investment Co., Ltd.		10	1,822,822		42,750,905	-		-		(1,653,430)	1,822,822	99.40		41,097,475				41,426,410	-	(Note D)
Far Eastern Resources Development Co., Ltd.		10	667,242		102,949,679	108,594		-		1,747,285	775,836	100.00		104,696,964				104,753,995	-	(Notes D and F)
Far Eastern Polytex (Holding) Ltd.	US\$	0.01	135		7,581,955	33		1,998,702		(15,068)	168	100.00		9,565,589				9,569,287	-	(Notes D and E)
Far Eastern Polychem Industries Ltd.	HK\$	0.0001	830,815		7,640,463	-		-		(113,922)	830,815	73.04		7,526,541				7,526,541	-	(Note D)
Yuan Tong Investment Co., Ltd.		10	705,147		8,568,915	34,806		-		(12,890)	739,953	100.00		8,556,025				8,881,362	-	(Notes D and F)
Kai Yuan International Investment Co., Ltd.		10	339,966		5,429,289	21,520		-		138,582	361,486	100.00		5,567,871				5,568,011	-	(Notes D and F)
Far Eastern Investment (Holding) Ltd.	US\$	0.01	4,016		22,068,603	878		4,934,979		(768,322)	4,894	100.00		26,235,260				26,235,260	-	(Notes D and E)
PET Far Eastern (Holding) Ltd.	US\$	0.01	397		6,157,657	-		-		(497,351)	397	91.95		5,660,306				5,674,086	-	(Note D)
Oriental Petrochemical (Taiwan) Corporation		10	1,561,102		9,183,032	151,116		1,511,163		(883,584)	1,712,218	75.56		9,810,611				10,090,251	-	(Notes D and E)
Far Eastern Construction Co., Ltd.		10	198,791		8,471,173	24,690		-		446,712	223,481	65.11		8,917,885				8,975,717	-	(Notes D and F)
Yuan Ding Co., Ltd.		10	186,929		3,194,481	-		-		105,416	186,929	37.13		3,299,897				3,433,133	-	(Note D)
An Ho Garment Co., Ltd.		10	66,346		2,116,908	9,358		-		15,293	75,704	100.00		2,132,201				2,207,709	-	(Notes D and F)
Ding Yuan International Investment Co., Ltd.		10	235,601		3,003,612	18,376		-		126,323	253,977	100.00		3,129,935				3,150,512	-	(Notes D and F)
FEDP (Holding) Ltd.	US\$	0.01	244		921,000	-		-		(13,117)	244	50.43		907,883				907,883	-	(Note D)
Fu Kwok Knitting & Garment Co., Ltd.		10	4,000		224,804	-		-		8,716	4,000	100.00		233,520				232,361	-	(Note D)
Ding Ding Hotel Co., Ltd.		10	769		8,333	739		7,391		(2,639)	769	0.74		13,085				6,095	-	(Notes D, E and G)
Far Eastern Textile Ltd.		10	100		1,590	-		-		67	100	100.00		1,657				1,657	-	(Note D)
Oriental Securities Corporation		10	140,278		1,956,963	-		-		45,352	140,278	19.65		2,002,315				1,994,116	-	(Note D)
Pacific Liu Tong Investment Co., Ltd.		10	135,000		1,920,818	-		-		(27,453)	135,000	16.83		1,893,365				1,801,347	-	(Note D)
			<u>234,150,180</u>		<u>8,452,235</u>			<u>-</u>		<u>(1,354,030)</u>			<u>241,248,385</u>				<u>242,435,733</u>			
			<u>\$ 259,259,165</u>		<u>\$ 8,452,235</u>			<u>\$ -</u>		<u>\$ 322,822</u>			<u>\$ 268,034,222</u>				<u>\$ 287,476,480</u>			

Note A: Including:

- Current net profit of investee recognized based on the percentage of shares
- Current cash dividends distributed by investee
- Effect of retrospective application and retrospective restatement
- Changes in capital surplus of investee
- Changes in special Reserve of investee
- Changes in undistributed earnings of investee
- Changes in exchange differences arising on translation of foreign operations
- Unrealized gain on financial assets at FVTOCI
- Hedging instrument of investee
- Changes in actuarial profit and loss on benefit plans of investee
- Changes in unrealized revaluation increments of investee
- Cash dividends distributed to subsidiaries

\$ 11,434,524
(10,015,403)
(325,518)
360,321
6
56,156
(2,955,805)
1,668,053
(34,180)
128,341
4,924
1,403
\$ 322,822

Note B: Shares was provided to financial organization as collaterals for issuing long-term loans.

Note C: The market value is calculated based on the share's closing market price on December 31, 2019 from Taiwan Stock Exchange.

Note D: The amount is calculated by the percentage of holding shares based on the audited financial statement as of December 31, 2019.

Note E: There was an increase in shares or value because of purchasing the investee's shares or participating in cash issuance of new shares from the investee.

Note F: There was an increase in shares because the investee increase the capital from retain earnings.

Note G: There was an decrease in shares because the investee capital reduction to cover losses.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF SHORT-TERM LOANS****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Type	Contract Period	Interest Rates (%)	Original Currency	In New Taiwan Dollars
Bank loans				
First Commercial Bank	2019.11.04-2020.03.02	2.25-2.49	US\$ 3,303	\$ 99,039
Chinatrust Commercial Bank	2019.12.02-2020.02.19	2.60-2.64	US\$ 263	7,875
The Bank of Tokyo-Mitsubishi UFJ	2019.11.07-2020.02.27	2.37-2.49	US\$ 76,501	<u>2,293,501</u>
				<u>\$ 2,400,415</u>

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Nan Ya Plastics Corporation	\$ 123,488
China Man-Made Fiber Corporation	105,424
Others (Note)	<u>1,078,662</u>
	<u>\$ 1,307,574</u>

Note: The amount from each vendor in others does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Amount
Director remuneration payable	\$ 1,264,011
Payroll and bonus payable	1,180,647
Interest payable	396,845
Employee remuneration payable	371,474
Others (Note)	<u>911,729</u>
	<u>\$ 4,124,706</u>

Note: The amount from each item does not exceed 5% of the account balance.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2019

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

Type/Creditor Bank	Repayment (Note)	Interest Rate (%)	Original Currency	Balance		Total Amount	Collateral
				In New Taiwan Dollars	Expired after A Year		
Bank loans							
Secured loans							
First Commercial Bank	2019.11.01-2022.05.01, lump sum repayment on maturity, interest payment monthly	1.0000	-	\$ -	\$ 2,640,000	\$ 2,640,000	Building and land in Bangiao Ren-Ai section
Taiwan Cooperative Bank	2019.12.30-2022.06.28, lump sum repayment on maturity, interest payment monthly	1.4000	-	-	300,000	300,000	Buildings and lands in Bangiao Xinya section, Zhongxiao section, Guangxing section/Bade Yongfeng section/Zhongli Yuandong section, Chenggong section/Wugu Denglin section
Far Eastern International bank	2019.12.26-2022.12.02, lump sum repayment on maturity	1.5500	-	-	<u>1,500,000</u>	<u>1,500,000</u>	Building, land and equipment in Hualien, industries. Time deposits.
			-	-	<u>4,440,000</u>	<u>4,440,000</u>	
Credit loans							
First Commercial Bank	2019.11.01-2021.05.01, lump sum repayment on maturity, interest payment monthly	1.0000	-	-	1,360,000	1,360,000	19,900 thousand of Asia Cement Corporation shares
Bank of Taiwan	2018.08.27-2022.02.27, lump sum repayment on maturity, interest payment monthly	1.0148	-	-	2,000,000	2,000,000	Building and land in Xipu Far Eastern section and Shuichetou section
Bank of Taiwan	2019.11.21-2023.05.21, lump sum repayment on maturity, interest payment monthly	0.9900	-	-	700,000	700,000	
The Bank of Tokyo-Mitsubishi UFJ	2018.03.30-2021.03.30, lump sum repayment on maturity, interest payment half-yearly	0.9300	-	-	1,500,000	1,500,000	
Mizuho Bank	2018.06.29-2021.06.29, lump sum repayment on maturity, interest payment quarterly	0.9800	-	-	2,500,000	2,500,000	
Sumitomo Mitsui Banking Corporation	2019.12.19-2021.04.10, lump sum repayment on maturity	0.6800	-	-	4,280,000	4,280,000	
Sumitomo Mitsui Banking Corporation	2019.12.20-2021.04.10, lump sum repayment on maturity	0.6800	-	-	270,000	270,000	
Bangkok Bank	2019.12.19-2021.03.30, lump sum repayment on maturity	1.3000	-	-	900,000	900,000	
Mizuho Bank	2019.12.20-2021.06.22, lump sum repayment on maturity	0.8500	-	-	1,060,000	1,060,000	
Mizuho Bank	2019.12.30-2021.06.22, lump sum repayment on maturity	0.8500	-	-	1,850,000	1,850,000	
Bank of China	2019.12.20-2021.07.22, lump sum repayment on maturity	1.2500	-	-	1,990,000	1,990,000	
BNP Paribas	2019.12.11-2021.03.06, lump sum repayment on maturity	1.3000	-	-	700,000	700,000	
Standard Chartered Bank	2019.12.30-2021.12.31, lump sum repayment on maturity	1.3000	-	-	1,770,000	1,770,000	
Bank of America	2019.06.19-2021.10.14, lump sum repayment on maturity	0.9600	-	-	600,000	600,000	
Agricultural Bank of Taiwan	2019.12.19-2021.11.27, lump sum repayment on maturity	1.1000	-	-	1,000,000	1,000,000	
Shin Kong Bank	2019.12.20-2021.06.20, lump sum repayment on maturity	1.1000	-	-	200,000	200,000	
Shin Kong Bank	2019.12.23-2021.06.20, lump sum repayment on maturity	1.1000	-	-	300,000	300,000	
Hua Nan Commercial Bank	2019.12.23-2021.12.23, lump sum repayment on maturity	1.1500	-	-	2,100,000	2,100,000	
Chang Hwa Bank	2019.12.23-2021.12.23, lump sum repayment on maturity	1.3500	-	-	1,150,000	1,150,000	
Chang Hwa Bank	2019.12.30-2021.12.30, lump sum repayment on maturity	1.3500	-	-	350,000	350,000	
First Commercial Bank	2019.12.30-2021.06.30, lump sum repayment on maturity	1.3900	-	-	1,500,000	1,500,000	
Bank of Taiwan	2019.12.30-2021.11.22, lump sum repayment on maturity	1.5300	-	-	500,000	500,000	
Land Bank of Taiwan	2019.12.30-2021.11.21, lump sum repayment on maturity	1.3000	-	-	1,200,000	1,200,000	
Taishin International Bank	2019.12.30-2021.01.31, lump sum repayment on maturity	1.2400	-	-	1,000,000	1,000,000	
Fubon Bank	2019.12.30-2021.06.02, lump sum repayment on maturity	1.2876	-	-	1,360,000	1,360,000	
Mega International Commercial Bank	2019.12.30-2021.08.26, lump sum repayment on maturity	1.4000	-	-	2,000,000	2,000,000	
Bank SinoPac	2019.12.30-2021.04.30, lump sum repayment on maturity	1.6000	-	-	2,500,000	2,500,000	
KGI Bank	2019.12.30-2021.12.25, lump sum repayment on maturity	1.2456	-	-	1,500,000	1,500,000	
Chinatrust Commercial Bank	2019.12.30-2021.06.30, lump sum repayment on maturity	1.2000	-	-	1,500,000	1,500,000	
E.SUN Commercial Bank	2019.12.10-2021.07.23, lump sum repayment on maturity, interest payment monthly	1.5000	-	-	1,200,000	1,200,000	
Mega International Commercial Bank	2019.08.27-2021.08.26, lump sum repayment on maturity	2.7273	US\$	34	<u>1,023</u>	<u>1,023</u>	
Bank loan					<u>40,841,023</u>	<u>40,841,023</u>	
Commercial paper					<u>45,281,023</u>	<u>45,281,023</u>	
IBFC	2019.11.15-2022.06.24, Interest prepayment, lump sum repayment on maturity	1.0800	-	-	2,996,095	2,996,095	
IBFC	2019.12.25-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280	-	-	1,654,757	1,654,757	
IBFC	2019.12.30-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280	-	-	822,319	822,319	
CBFC	2019.12.30-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280	-	-	<u>1,997,838</u>	<u>1,997,838</u>	
				\$	<u>52,752,032</u>	<u>52,752,032</u>	

Note: Expiration date is the date for loans or cycle contracts.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
Ordinary Bonds No. 103-3	Unsecured	2015.02.06-2020.02.06	The bond is 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.	1.38		\$ 2,600,000	\$ 1,300,000	\$ 105	\$ 1,299,895	\$ -	\$ 1,299,895	-
No. 104-1	Unsecured	2015.05.25-2020.05.25	The bond is 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.	1.39		8,000,000	4,000,000	1,279	3,998,721	-	3,998,721	-
No. 104-2	Unsecured	2015.10.02-2020.10.02	The bond is 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.	1.28		5,200,000	2,600,000	1,571	2,598,429	-	2,598,429	-
No. 104-3	Unsecured	2015.11.16-2020.11.16	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.25		2,800,000	-	984	2,799,016	-	2,799,016	-
No. 105-1-A	Unsecured	2016.04.29-2021.04.29	The bond is 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.	0.88		6,000,000	-	2,585	2,999,360	2,998,055	5,997,415	-
No. 105-1-B	Unsecured	2016.04.29-2021.04.29	The bond is repayable in lump sum at the 104.8411% of total amount on maturity.	-		2,000,000	-	1,673	-	1,998,327	1,998,327	-
No. 105-2	Unsecured	2016.09.20-2021.09.20	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.72		3,800,000	-	2,618	-	3,797,382	3,797,382	-
No. 106-1	Unsecured	2017.05.17-2022.05.17	The bond is 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.	1.15		5,000,000	-	4,754	-	4,995,246	4,995,246	-
No. 106-2	Unsecured	2018.01.08-2023.01.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.95		3,000,000	-	3,628	-	2,996,372	2,996,372	-

(Continued)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
No. 107-1	Unsecured	2018.05.18-2023.05.18	The bond is 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.	0.92		\$ 6,000,000	\$ -	\$ 8,109	\$ -	\$ 5,991,891	\$ 5,991,891	-
No. 107-2	Unsecured	2018.07.18-2023.07.18	The bond is 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.	0.90		8,000,000	-	11,347	-	7,988,653	7,988,653	-
No. 108-1	Unsecured	2019.04.29-2024.04.29	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.93		8,000,000	-	13,846	-	7,986,154	7,986,154	-
No. 108-2	Unsecured	2019.08.08-2024.08.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.79		<u>6,000,000</u>	<u>-</u>	<u>11,048</u>	<u>-</u>	<u>5,988,952</u>	<u>5,988,952</u>	-
						<u>\$ 66,400,000</u>	<u>\$ 7,900,000</u>	<u>\$ 63,547</u>	<u>\$ 13,695,421</u>	<u>\$ 44,741,032</u>	<u>\$ 58,436,453</u>	

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF OPERATING REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Quality	Amount
Sales of goods		
Solid-state polymer	531,651 tones	\$ 19,173,044
Polyester staple fiber	184,806 tones	8,309,477
Knitted fabrics	12,250 tones	3,657,390
Greige yarn	201,698 pieces	2,573,168
Others (Note)		<u>12,764,881</u>
		<u>\$ 46,477,960</u>

Note: The amount of each item does not exceed 5% of total revenue.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF COST OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw materials used	
Balance, beginning of year	\$ 2,352,717
Raw material purchased	29,394,648
Less: Raw materials, end of year	<u>(1,743,190)</u>
Raw materials consumption	<u>30,004,175</u>
Materials consumption	<u>1,303,189</u>
Direct labor	<u>1,700,899</u>
Manufacturing expenses	
Process expense	1,388,873
Depreciation	1,874,138
Electricity	1,404,652
Payroll	1,713,153
Fuel expense	588,761
Others	<u>366,908</u>
	<u>7,336,485</u>
Manufacturing cost	40,344,748
Work in process, beginning of year	2,261,482
Work in process, end of year	<u>(2,021,363)</u>
Cost of finished goods	40,584,867
Finished goods, beginning of year	2,134,153
Finished goods, end of year	<u>(1,544,850)</u>
	41,174,170
Transferred cost to related parties	(4,283)
Reversal of write-down of inventories	(106,178)
Idle capacity	<u>461,108</u>
	<u>\$ 41,524,817</u>

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OPERATING EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Loss (Gain)	Total Amount
Transportation expense	\$ 1,790,527	\$ -	\$ -	\$ -	\$ 1,790,527
Payroll and bonus expense	356,177	728,261	422,242	-	1,506,680
Contract fee	-	208,868	-	-	208,868
Rental expense	-	204,277	-	-	204,277
Expected credit gain	-	-	-	(4,639)	(4,639)
Depreciation expense	-	167,343	118,631	-	285,974
Commission expense	151,721	-	-	-	151,721
Others (Note)	<u>336,115</u>	<u>18,215</u>	<u>318,329</u>	<u>-</u>	<u>672,659</u>
	<u>\$ 2,634,540</u>	<u>\$ 1,326,964</u>	<u>\$ 859,202</u>	<u>\$ (4,639)</u>	<u>\$ 4,816,067</u>

Note: The amount of each item does not exceed 5% of the account balance.

VII. Review and Analysis of the Financial Condition, Performance and Risk Management

1. Review and Analysis of Financial Conditions

Financial Conditions Analysis (on a consolidated basis)

Unit: NT\$ thousands

Item \ Year	2019	2018	Variance	
			Amount	%
Current assets	119,040,383	129,188,871	(10,148,488)	(7.86)
Property, plant and equipment	163,017,162	164,557,019	(1,539,857)	(0.94)
Intangible assets	55,286,152	57,997,019	(2,710,867)	(4.67)
Other assets	238,736,002	213,846,511	24,889,491	11.64
Total assets	576,079,699	565,589,420	10,490,279	1.85
Current liabilities	114,920,194	128,880,103	(13,959,909)	(10.83)
Non-current liabilities	189,838,322	168,979,880	20,858,442	12.34
Total liabilities	304,758,516	297,859,983	6,898,533	2.32
Common stock	53,528,751	53,528,751	-	-
Capital surplus	3,270,355	2,908,631	361,724	12.44
Retained earnings	150,837,528	149,192,149	1,645,379	1.10
Other equity	(3,089,283)	(2,069,331)	(1,019,952)	(49.29)
Treasury stocks	(25,063)	(25,063)	-	-
Total equity attributable to owners of the Company	204,522,288	203,535,137	987,151	0.49
Non-controlling interests	66,798,895	64,194,300	2,604,595	4.06
Total equity	271,321,183	267,729,437	3,591,746	1.34
Analysis of variation exceeding 20% and NT\$10 million of the numbers in the previous year: Other equity decreased: mainly due to the decrease of "Exchange Difference on Translating Foreign Operation"				

2. Review and Analysis of Financial Performances

Unit: NT\$ thousands

Item	Year	2019	2018	Variance	
				Amount	%
Operating revenues		250,146,590	228,661,933	21,484,657	9.40
Operating costs		205,396,660	184,261,821	21,134,839	11.47
Gross profit		44,749,930	44,400,112	349,818	0.79
Realized construction income		555	556	(1)	(0.18)
Operating expenses		30,987,491	29,616,726	1,370,765	4.63
Operating income		13,762,994	14,783,942	(1,020,948)	(6.91)
Nonoperating income (expenses)		5,367,261	6,271,188	(903,927)	(14.41)
Income before income tax		19,130,255	21,055,130	(1,924,875)	(9.14)
Income tax expenses		2,695,092	2,663,528	31,564	1.19
Net income		16,435,163	18,391,602	(1,956,439)	(10.64)
Other comprehensive income (net of income tax)		(455,369)	905,869	(1,361,238)	(150.27)
Total comprehensive income		15,979,794	19,297,471	(3,317,677)	(17.19)
1. Analysis of variance: "Other comprehensive income (net of income tax)": mainly due to the decrease of "Exchange Difference on Translating Foreign Operation"					
2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan: Please refer to the "Letter to Shareholders".					

3. Review and Analysis of Cash Flow

Unit: NT\$ thousands

Cash and cash equivalents - Beginning balance	Total cash inflows from operating activities	Total cash outflows	Cash and cash equivalents - Ending balance	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
35,342,560	43,949,286	(72,335,933)	6,955,913	8,604,099	23,364,576
1. Cash flow analysis for year 2019: (1) Operating activities : mainly due to the inflow of operating activities and cash dividends received from invested companies. (2) Investing activities : mainly due to increasing capital expenditures and equity investments. (3) Financing activities : mainly due to cash dividend payout and repayments of bonds payable.					
2. Remedy plans for insufficient liquidity for year 2019: to issue corporate bonds and borrow from banks.					
Cash and cash equivalents - Beginning balance (1)	Total cash inflows from operating activities (2)	Total cash outflows (3)	Cash and cash equivalents - Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
38,924,588	42,713,178	(104,810,412)	(23,172,646)	—	67,700,000
3. 2020 estimated cash flow analysis of variance in cash flow balance: (1) The Company expects the profit of production business and affiliate earnings booked from each subsidiary through equity method in 2020 could be lower than those in 2019. When including the cash inflow generated from production business and cash dividends received from the aforesaid subsidiaries, the Company expects the net cash inflows from operating activities in 2020 to decrease compared to those in 2019. (2) When taking into consideration of the planned capital expenditures and the proposed cash dividends distribution, as the cash inflows from operating activities could be insufficient to meet the needs, the Company plans to issue corporate bonds to finance the insufficient portion.					

4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations

4.1 Major Capital Expenditures and Sources of Funding

Unit: NT\$ thousands

Plan Item	Actual or estimated source of capital	Actual or estimated project completion date	Total capital needed (Note)	Capital utilization schedule				
				Actual		Estimated		
				Before 2018	2019	2020	2021	2022
Vietnam vertical integration plant	Retained earnings and bank borrowings	Dec 2021	22,396,409	12,864,240	4,324,239	2,829,445	279,034	2,099,451
FIGP 2 nd plant for bottle grade recycled PET resin		Oct 2020	2,553,300	-	2,183,105	370,195	-	-
The 3 rd apparel expansion project in Vietnam		May 2019	895,528	859,246	36,282	-	-	-
Far Eastern New Apparel in-house printing factory		Dec 2020	399,529	-	335,728	63,801	-	-
A new cogeneration plant		Sep 2019	1,880,000	1,086,260	620,125	173,615	-	-
Production line modification for Hycare products in PSF plant 6		Jan 2020	470,460	60,594	355,359	54,507	-	-
Filament grade PET recycled chip project		Mar 2020	138,024	426	94,842	42,756	-	-
Aquafabric production line		Dec 2020	128,194	-	5,260	90,000	32,934	-

Note: Working capital is excluded.

4.2 Expected Benefit

4.2.1 Production Volume, Sales Volume, and Sales Revenue Expected to Increase:

Unit: NT\$ thousands

Year	Item	Unit	Production volume	Sales volume	Revenue
2020	Polyester staple fiber	MT	42,000	36,500	1,224,733
	Polyester filament	MT	1,850	100	6,800
	Knitted fabrics	MT	21,600	19,673	5,053,575
	Apparel	equivalent dozens	653	653	706,494
	Hygiene PSF	MT	25,000	25,000	1,275,000
	Filament grade PET recycled chip	MT	12,750	Internal consumption	Internal consumption
2021	Polyester staple fiber	MT	51,500	48,700	1,950,238
	Polyester filament	MT	61,200	20,250	1,439,726
	Knitted fabrics	MT	22,800	20,400	5,265,550
	Recycled PET resin	MT	50,000	50,000	2,269,600
	Apparel	equivalent dozens	1,380	1,380	1,578,367
	Panel printing fabrics	Dozens	72,000	Internal consumption	Internal consumption
	Hygiene PSF	MT	31,500	31,500	1,606,500
	Filament grade PET recycled chip	MT	18,000	Internal consumption	Internal consumption
	Aquafabric	M ²	150,000	120,000	93,878

4.2.2 Other Expected Benefits:

A new cogeneration plant: Lifting up the reliable access to heat and power in order to lower the cost of fuel and power and to enhance the product competency

5. Investment Policies in Recent Years

5.1 Investment Policies :

The Company co-ordinates all resources in the Far Eastern Group to achieve two targets: 1) explore new business opportunities and extend the business territory of the Group; 2) upgrade and improve the existing affiliates and subsidiaries to achieve a sustainable growth of earnings.

5.2 Reasons for Profit/Loss in Recent Years and Plans for Improvement

The total affiliate earnings booked through equity method by the Company in 2019 was NT\$6.5 billion, and the profit generated by invested subsidiaries remained stable.

5.3 Future Investment Plan : (Please refer to page 76-77)

6. Sources of Risks and Evaluations

6.1 Impacts from Fluctuations of Interest Rate and Currency Exchange Rate and Inflation on the Company in Recent Years, and Measures the Company Undertake to Manage the Risks

6.1.1 The world's economic growth slowed down in 2019 due to trade disputes between the United States and Taiwan, escalating geopolitical risks and lackluster performance of emerging markets. Added to the economic woes were volatile international oil and commodity prices. As a result, the 2019 figures of trade among major countries were weak, and businesses tended to be conservative about investment and operation. According to the report published by the Directorate General of Budget, Accounting and Statistics in February 2020, Taiwan's economy grew at the rate of 2.71% in 2019 with CPI growth at 0.56%. The report estimates Taiwan's economic growth rate in 2020 to be 2.37% and CPI growth rate 0.62%. Growth in the global economy in 2020 is expected to be slower, and remains overshadowed by a wide range of factors, including the effects of COVID-19, concerns over the implementation of the phase one US-China trade deal and progress of subsequent negotiations, volatility of oil and commodity prices, geopolitical conflicts. Taiwan's Central Bank is likely to keep accommodative monetary policies in place in order to pave the way for economic growth by stabilizing prices and financial markets.

While money supply is abundant and interest rates remain low and stable in Taiwan, the global political and economic climate could change dramatically and instantly, in light of which, the Company undertakes short-term operations with investments of various durations. We also keep an eye on mid-term and long-term interest rates and use fixed-rate financing instruments to hedge against potential losses incurred from rising financing rates, thereby preventing fluctuations of interest rates from pushing up the Company's financing costs. The Company will continue to monitor the trend of interest rates, keeping its overall capital cost low with both short- and long-term financial instruments.

6.1.2 Assets and liabilities of the foreign currency portion arising from import and export businesses are affected by spot exchange rate fluctuations relative to their recorded costs, and are hedged by the Finance Department through spot or forward positions to minimize foreign exchange risk. Looking ahead, this policy will continue to be carried out in order to minimize the impact from fluctuations in exchange rates on the profit and loss of the Company and its consolidated subsidiaries.

6.2 Major Reasons for Transaction Policies, Gain or Loss from Engaging in High-risk and Hyper-leveraged Investments, Fund Lending to Others, Endorsement/Guarantee and Derivatives and Correspondent Procedures

- 6.2.1 The Company and subsidiaries did not engage in any high-risk or hyper-leveraged investments. The trading of derivative products is to hedge the risks from fluctuations stemming from our exposure to interest and currency exchange rates. Under this policy, all positions of derivative products are covered by physical holdings of assets and liabilities owned by the Company and subsidiaries; in other words, these positions are not naked positions. Therefore, the risks of trading derivatives are minimized and can be effectively controlled. Gains or losses, if occurred, often resulting from reasons such as investment horizon miss-matches, are therefore, little and negligible. The Company and subsidiaries will maintain this policy, and will not proactively engage in naked positions of high-risk or hyper-leveraged derivative products. All trading of derivative products will be managed in accordance with the "Procedures for Acquisition and Disposition of Assets" approved by the Board of Directors and Shareholders' Meeting.
- 6.2.2 The Company and subsidiaries have established a bylaw on the "Procedures for Lending of Capital to Others" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the regulatory authority, and the said bylaw has been submitted to the Board of Directors and has also received approval from the Shareholders' Meeting. All matters regarding fund lending to others shall comply with the said bylaw to avoid any likely negative impact on the Company and subsidiaries.
- 6.2.3 The Company and subsidiaries have established a bylaw on the "Procedures for Endorsements and Guarantees" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by regulatory authority, and the said bylaw has been submitted to the Board of Directors and has also received approval from the Shareholders' Meeting. All matters regarding making endorsements/guarantees shall comply with the said bylaw to avoid any likely negative impact on the Company and subsidiaries.

6.3 R&D Plans and Estimated Expenses in Coming Years

6.3.1 The R&D projects for the Polyester Material Division :

The projected R&D expenses for 2020 are approximately NT\$ 76.2 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

6.3.2 The R&D projects for the Fibers &Textile Division:

The projected R&D expenses for 2020 are approximately NT\$ 144.653 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

6.3.3 The R&D projects for the New Materials Division:

The projected R&D expenses for 2020 are approximately NT\$ 85.147 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

6.3.4 The R&D projects for the Biotech & Energy Division:

The projected R&D expenses for 2020 are approximately NT\$ 73.189 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

6.4 Impacts and Responses of the Company in Regard to Material Changes of Policies and Regulations in Taiwan and Foreign Countries

The management team closely monitors and evaluates the changes and impacts of policies and regulations in domestic and overseas markets on the Company. Responsive measures will be planned and implemented accordingly.

6.5 Technology Developments and Impacts on the Company

The innovation and breakthrough of technology have changed the world in several ways, be it good or bad. The innovation of plastics is one such example. Plastic products provide convenience in our daily lives, but generate pollution as well, stemming from inappropriate disposals of plastic wastes. Therefore, developing a new material that is as convenient as plastic but more environmentally friendly is one of the most popular research projects in the world, and may also be the most important trend in the future of material development.

Given that the usage of plastic products is constrained by the Taiwanese government while green products are being promoted globally, the Company believes that the applications of conventional petrochemical products will be limited. Therefore, the Company vows to be a pioneer to create more environmentally friendly materials, in hopes of enjoying the first-mover advantages. The Company has already engaged in the production of several bio-based or bio-degradable products such as polylactic acid (PLA), a material made from the fermentation process of corn. A wide range of product mix has been created via this or similar technologies and more applications are currently being innovated.

At this time, non-textile products account for more than 60% of the Company's sales. To name but a few, PLA materials, shoes materials, diapers, bio-degradable heat shrinkable films, bio-degradable shopping bags, bio-medical products, health care products special industrial yarns, PET bottles, and PET packaging sheets are all considered non-textile products. These recycled, bio-based or bio-degradable products are widely used for textile, packaging, bottling, and bio-medical dressing. In the future, the Company aims to be one of the largest providers of these products.

The Company considers information security management system to be very important. It has adopted ISO 27001 since 2014, and ensures that information security engineers' capabilities are consistently up-to-date and ready for their duties. As China's Cyber Security Law came into effect in June 2017, the Company had put together a taskforce in charge of information security management for business operations in China. This team integrates the information security management measures for all the production sites in compliance with the law. They have an IT audit trail system in place, and also promote the management protocol for information security, making the Company's management and maintenance of information security solid and comprehensive. To raise employees' awareness of information security, an introductory course has also been built into the Company's online learning program.

6.6 Changes of Corporate Image and Impacts on the Company's Crisis Management: None

6.7 Expected Benefits and Risks from Mergers and Acquisitions: None

6.8 Expected Benefits and Risks from Plant Expansion: Please refer to page 126

6.9 Risks from Concentration in Supply and Sales and Measures the Company Undertake:

In order to secure the supplies of raw materials, the Company invested in Oriental Petrochemical (Shanghai) Corporation and Oriental Petrochemical (Taiwan) Co., Ltd. and actively integrated upward its production process; the Company's products are sold worldwide with a diversified client portfolio.

6.10 Impacts and Risks from Changes in Directors, Supervisors and Shareholders with Greater than 10% Shareholding or Their Selling of a Large Number of Shares in Recent Years until the Annual Report Being Published: The change is mainly due to the individual financial behaviors of Directors and there is no significant influence on the Company's operations.

6.11 Impact and Risks from Change of Ownership in Recent Year until the Annual Report Being Published: None

6.12 Material Impacts on Shareholders' Equity or Share Price from Litigations, Non-Litigations or Administrative Actions in Directors, Supervisors, Chairman, President, Shareholders with Greater than 10% Shareholding and Subsidiaries in Recent Year until the Annual Report being Published:

None

6.13 Other Major Risks: None

7. Others

7.1 Valuation techniques and Assumptions Applied to Measure Fair Value of the Company and Subsidiaries:

- 7.1.1 The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied.
- 7.1.2 The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- 7.1.3 The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- 7.1.4 Categories of financial instruments:
 - (1) Financial assets: Financial assets at fair value through profit or loss, financial assets for hedging, financial assets at amortized cost, and financial assets at fair value through other comprehensive income
 - (2) Financial liabilities: Financial liabilities at fair value through profit or loss, financial liabilities for hedging, and financial liabilities at amortized cost.

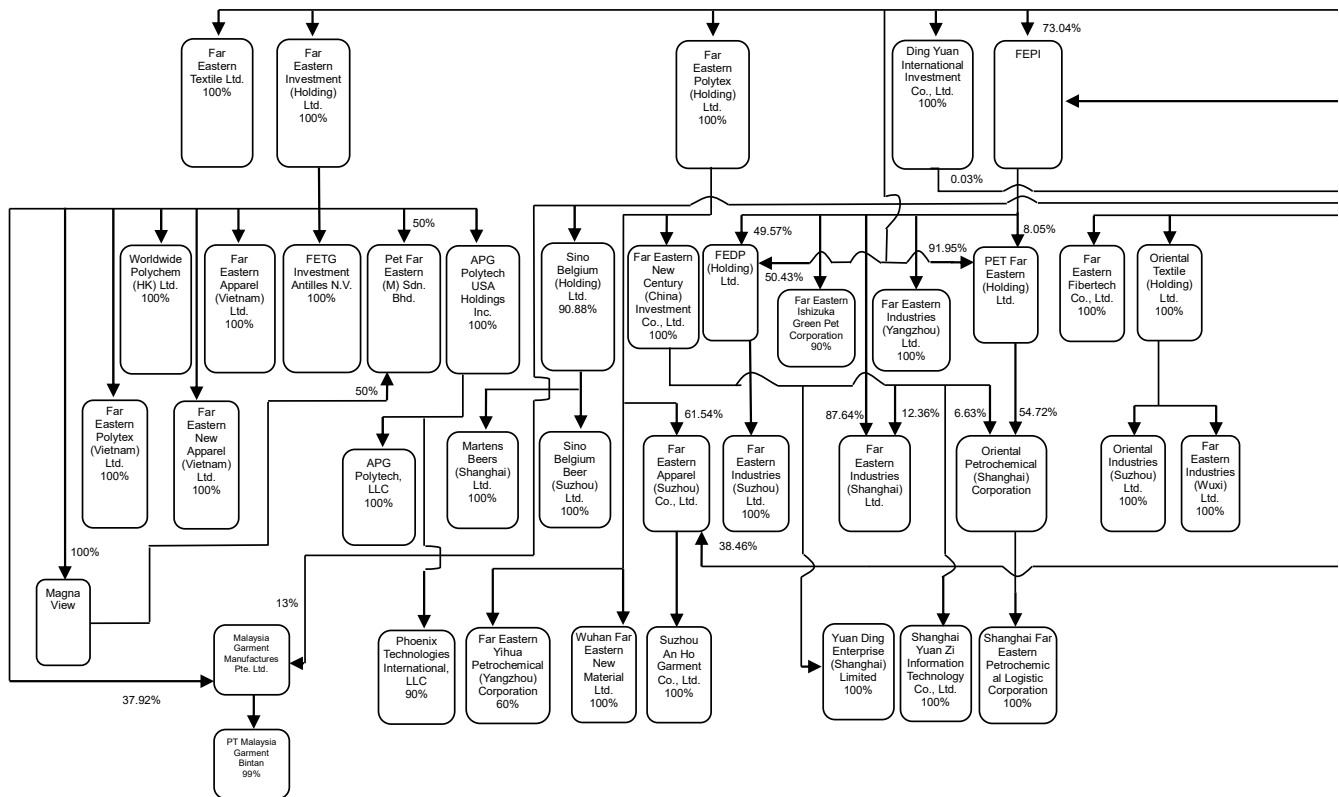
7.2 Estimated Impairment of Notes and Accounts Receivable: When there is objective evidence of impairment loss, the Company and subsidiaries take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount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

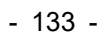
VIII. Special Disclosure

1. Affiliated Companies

1.1 Subsidiaries and Affiliated Companies in the Consolidated Financial Report

1.1.1 Holding Structure of the Organization





Special Disclosure

1.1.2 Information of Far Eastern New Century and Subsidiaries and Affiliates:

Unit: NT\$ thousands, unless stated otherwise

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
0	Far Eastern New Century Corp.	1954/1/13	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	53,528,751	Petrochemical and polyester materials, semi-finished products, finished goods, woven and knitted garments
1	Yuan Ding Investment Co., Ltd.	1986/11/7	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	18,338,262	Investment
2	Oriental Petrochemical (Taiwan) Co., Ltd.	1987/1/26	47, Jinglian 4th Road, Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan	22,660,930	Production and sales of PTA
3	Yuan Tong Investment Co., Ltd.	1999/12/3	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	7,399,529	Investment
4	Far Eastern Resources Development Co., Ltd.	2003/9/30	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	7,758,355	Development, sales and lease of real estates
5	Far Eastern Construction Co., Ltd.	1978/9/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	3,432,414	Construction contractor for residential housings; broker of housing rental and sales service
6	Kai Yuan International Investment Co., Ltd.	1998/10/6	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	3,614,857	Investment
7	Ding Yuan International Investment Co., Ltd.	1998/10/2	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	2,539,773	Investment
8	Far Eastern General Contractor Inc.	1982/10/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	1,489,776	Construction of housing and public infrastructures.
9	Far Eastern Fibertech Co., Ltd.	1995/4/10	17, Gongye 5th Rd., Guanyin Industrial Park, Guanyin, Taoyuan City, Taiwan	910,000	Production of nylon fibers
10	An Ho Garment Co., Ltd.	1977/1/24	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	757,037	Garment and apparel production, and investment
11	Oriental Resources Development Co., Ltd.	1988/6/27	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	10,000	Production and wholesale of medical supplies
12	Oriental Green Materials Ltd.	2019/9/19	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	533,039	Waste recycling and re-processing
13	Far Eastern Apparel Co., Ltd.	1976/2/27	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	247,723	Sales of textile, garments, and clothing
14	Yuan Faun Co., Ltd.	1980/12/13	33F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	50,000	Production management consulting services
15	Fu Kwok Knitting & Garment Co., Ltd.	1971/3/6	110, Neihuan S. Rd., Nanzi District, Kaohsiung City, Taiwan	40,000	Garment production and sales
16	Yuan Cheng Human Resources Consultant Corp.	1999/6/8	18F, No.655, Bannan Rd., Zhonghe Dist, New Taipei City, Taiwan	13,500	Personnel recruitment; temporary employment arrangement
17	Far Eastern Textile Ltd.	2011/12/28	34F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	1,000	Garment production and sales
18	Far Eastern Investment (H) Ltd.	1989/8/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	1,467 USD 49	Investment and sales of petrochemical products
19	Far Eastern Polychem Industries Ltd.	1995/4/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	438 HKD 114	Investment and sales of polyester products
20	FEDP (H) Ltd.	2002/3/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	161 USD 5	Investment
21	PET Far Eastern(H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	123 RMB 29	Investment
22	Far Eastern Polytex (H) Ltd.	2006/3/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	52 USD 1.7	Investment
23	Far Eastern Apparel (H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	33 USD 1.1	Investment and sales of textile products
24	Oriental Textile (H) Ltd.	2001/1/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	33 USD 1.1	Investment and sales of polyester products
25	Sino Belgium (H) Ltd.	2007/8/15	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	12 USD 0.4	Investment

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
26	Magna View Sdn. Bhd	1996/8/9	Suite 6.1A, Level 6, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400, Johor Bahru, Johor	21,099 MYR 3,000	Investment
27	Far Eastern Industries (Shanghai) Ltd.	1996/9/25	198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	8,095,119 RMB 1,880,399	Production and sales of polyester products.
28	Oriental Petrochemical (Shanghai) Corp.	2003/1/21	Suite 3201, 32F, 800, Dongfang Road, Pudong New Area, Shanghai, China	7,721,403 RMB 1,793,590	Production and sales of PTA
29	Far Eastern New Century (China) Investment Co., Ltd.	2007/6/18	Suite 3301, 33F, 800, Dongfang Road, Pudong New Area, Shanghai, China	4,606,572 RMB 1,070,052	Investment
30	Martens Beers (Shanghai) Ltd.	2007/10/26	Suite 2701, 27F, 800, Dongfang Road, Pudong New Area, Shanghai, China	321,396 RMB 74,656	Trading of beer and relevant beverages
31	Shanghai Yuan Hua Logistic Corp.	2006/3/2	198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	81,795 RMB 19,000	Transportation and storage
32	Shanghai Far Eastern IT Corp.	2003/4/15	Suite 1801, 18F, 800, Dongfang Road, Pudong New Area, Shanghai, China	54,717 RMB 12,710	Software development, equipment maintenance and consulting services
33	Yuan Ding Enterprise (Shanghai) Limited	2013/8/20	17, Lane 855, Chengshan Road, Pudong New Area, Shanghai, China	7,591,545 RMB 1,763,425	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses
34	Wuhan Far Eastern New Material Ltd.	2003/7/9	93, Zhushanhu Rd., Wuhan Economical-Technical Development Zone, Hubei, Wuhan, China	736,360 RMB 171,048	Production and sales of PET sheet, chip, filament, staple fibers, and apparel
35	Oriental Industries (Suzhou) Ltd.	2005/6/24	1588, Yin Zhong South Road, HeDong Industrial Park, Wu Zhong Economic Development District, Suzhou, China	4,713,315 RMB 1,094,847	Production and sales of polyester resins and industrial fabrics.
36	Far Eastern Industries (Suzhou) Ltd.	2004/3/22	6, Hengshan Road, New District, Suzhou, China	1,697,761 RMB 394,370	Production and sales of polyester products
37	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	2003/10/22	1588, Yin Zhong South Road, Wu Zhong Economic Development District, Suzhou, China	1,589,721 RMB 369,273	Spinning, weaving and dyeing of high-end apparel, and sales and production of specialty garments
38	Sino-Belgium Beer (Suzhou) Ltd.	2007/9/4	6, Hengshan Road, New District, Suzhou, China	1,640,886 RMB 381,158	Development of beer brewing technology
39	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	2018/5/22	South Zone in Ducun Industrial Park, Linhu Town, Wu Zhong District, Suzhou, China	1,022,948 RMB 237,619	Production of knitted and woven garments and beddings
40	Far Eastern Apparel (Suzhou) Co., Ltd.	1996/10/24	88, Tian ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China	880,705 RMB 204,577	Production of knitted and woven garments and beddings
41	Suzhou An Ho Apparel Ltd.	2008/1/31	88, Tian Ling Rd. Wu Zhong District Economic Development Zone, Suzhou, China	4,305 RMB 1,000	Production and sales of knitting and weaving garments
42	Far Eastern Industries (Wuxi) Ltd.	2002/5/28	Wuxi WNDZ 89 Land, Wuxi, Jiangsu Province, China	2,072,731 RMB 481,471	Production of cotton yarn, other natural fibers, and chemical fibers
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	2011/12/9	3, Yadong Road, Yangzhou Chemical Industry Park, Yangzhou, China	6,256,677 RMB 1,453,351	PTA and its by-product production and sales
44	Far Eastern Industries (Yangzhou) Ltd.	2012/5/10	9, Won Nien South Road, Yangzhou, China	1,329,825 RMB 308,902	Production and sales of polyester products
45	Far Eastern Ishizuka Green PET Corporation.	2012/5/11	880, Aza-Semino, Ohaza-Shimokobashi, Sakaimachi, Sashima-Gun, Ibaraki-Pref. Japan	27,600 JPY 100,000	Recycled PET production and sales
46	Far Eastern Apparel (Vietnam) Ltd.	2007/2/23	46 Dai Lo Tu Do, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	347,768 USD 11,600	Apparel production
47	Far Eastern Polytex (Vietnam) Ltd.	2015/6/23	Land lot B_4B_CN and B_5B_CN, Road DC, Bau Bang Industrial Park, Bau Bang District, Binh Duong Province, Vietnam	7,195,200 USD 240,000	Production of polyester and textile products
48	Far Eastern New Apparel (Vietnam) Ltd.	2016/6/30	D1 Street, Bac Dong Phu Industrial Park, Dong Phu District, Binh Phuoc Province, Vietnam	539,640 USD 18,000	Apparel production

Special Disclosure

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
49	PET Far Eastern (M) Sdn Bhd	1995/7/22	Plot 69 ,Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bohru,Johor Malaysia	112,528 MYR 16,000	Production of PET bottles and preforms
50	Worldwide Polychem (HK) Limited	2011/8/30	11/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	104,930 USD 3,500	Import & export trading
51	FETG Investment Antilles N.V.	1989/10/5	Kaya W.F.G. Mensing 14, Curacao, the Netherlands Antilles	189 USD 6	Investment
52	Malaysia Garment Manufacturers Private Ltd.	1963/8/6	No.9, Little Road #02-02 Singapore 536985	176,279 SGD 7,912	Apparel production and investment
53	PT Malaysia Garment Bintan	1998/8/4	No.9, Little Road #02-02 Singapore 536986	4,743 IDR 2,175,600	Apparel production
54	Far EasTone Telecommunications Co., Ltd.	1997/4/11	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	32,585,008	Wireless telecommunications service, leased circuit service, ISR and internet services and sale of cellular phone equipments and accessories
55	Far Eastern Info Service (H) Ltd.	2002/7/17	Clarendon House 2 Church Street Hamilton HM11 Bermuda	369 USD 12	International investments
56	KGEx.com Co., Ltd.	2000/8/9	4F, 468, Ruei-Guang Rd., Neihsu Dist, Taipei City, Taiwan	689,074	Type II telecommunications service
57	Far Eastern Tech-Info Ltd. (Shanghai)	2002/11/18	3F, Building No. 23, Pudong Software District, 498, Guoshoujing Rd., Jhangjiang High Tech District, Pudong Sin Section, Shanghai, China	181,805 RMB 42,231	Computer software, data processing and internet content providing services
58	Yuan Cing Co., Ltd.	2000/8/5	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	20,000	Phone subscriber service
59	ARCOA Communication Co., Ltd.	1981/5/4	36F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	1,342,800	Sale of cell phones and other telecom equipments
60	Data Express Infotech Co., Ltd.	2004/7/22	2F, 218, Ruei-Guang Rd., Neihsu Dist., Taipei City, Taiwan.	183,805	Sale of communication products
61	Linkwell Tech Co., Ltd.	2005/4/8	2F, 218, Ruei-Guang Rd., Neihsu Dist., Taipei City, Taiwan.	45,804	Sales of communication products
62	Home Master Technology Ltd	2011/8/11	2F, 218, Ruei-Guang Rd., Neihsu Dist., Taipei City, Taiwan.	12,725	Sales of communication products
63	New Century InfoComm Tech Co., Ltd.	2000/6/1	1-11Fl., 218, Ruei-Guang Rd., Neihsu Dist, Taipei City, Taiwan	21,000,000	Type I & II telecom services
64	New Diligent Co., Ltd.	2001/5/2	1F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	540,000	Investment
65	New Diligent Hong Kong Co. Ltd.	2014/12/04	Hong Kong Trade Centre, 7/F 161-167 Des Voeux Road Central, Hong Kong	3,051 USD 100	Investment
66	Sino Lead Enterprise Limited.	2006/4/11	Hong Kong Trade Centre, 7/F 161-167 Des Voeux Road Central, Hong Kong	125 HKD 30	telecommunications services
67	Information Security Service Digital United	2004/12/22	2F, 218, Ruei-Guang Rd., Neihsu Dist, Taipei City, Taiwan	102,490	Security and monitoring services via Internet
68	Digital United (Cayman) Ltd.	2000/8/16	P.O. Box 2681, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies	309,394 USD 10,320	Investment
69	Digital United Information Technology (Shanghai) Ltd.	2000/10/8	Room 22301-918, Building No. 14, Pudong Software District, 498, Guoshoujing Rd., Jhangjiang High Tech District, Pudong Sin Section, Shanghai, China.	101,394 RMB 23,553	Design and research of computer system
70	Far Eastern New Diligence Ltd.	2010/7/27	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	428,714 USD 14,300	Investment
71	Yuanshi Digital Technology Co., Ltd.	2013/8/8	10 F, 220, Gangqian Rd., Neihsu Dist, Taipei City, Taiwan	1,041,675	Electronic information providing services
72	Prime Ecopower Co., Ltd.	2018/8/1	4F-1&2, No. 271, Sec. 4, Ximen Rd., North Dist., Tainan City, Taiwan	160,000	Energy technology services
73	Yuan Bao Fintech Co., Ltd.	2019/11/19	4F, No. 468, Ruei Guang Rd., Nei Hu Dist., Taipei City, Taiwan	60,000	Data processing service and electronic information services
74	Nextlink Technology Co., Ltd.	2006/10/13	5F-8, No. 267, Legun 2nd Rd., Zhongshan Dist., Taipei City, Taiwan	49,000	Electronic information services

	Company	Date of Incorporation	Address	Paid-in Capital	Major Business Activities
75	Microfusion Technology Co., Ltd.	2007/5/7	No. 275, Lequn 2nd Rd., Zhongshan Dist., Taipei City, Taiwan	26,000	Electronic information services
76	Nextlink (HK) Technology Co., Ltd.	2016/5/19	20/F TOWER 535 535 JAFFE ROAD CAUSEWAY BAY	973 HKD 253	Electronic information services
77	Nextlink (Shanghai) Technologies Co., Ltd.	2018/5/24	26F, No. 823-838, Zhangyang Road, China (Shanghai) Pilot Free Trade Zone	2,152 RMB 500	Electronic information services
78	Yuan-Ding Co., Ltd.	1984/10/1	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	5,034,047	Lease of real estates and hotel management
79	Ding Ding Hotel Co., Ltd.	1983/3/22	1-5F, 201&203, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	1,040,470	Hotel management
80	Yuan Hong Electric Co., Ltd.	1999/12/13	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	370,000	Corporate management consulting, pipe & cable installment and replacement
81	Far Eastern Technical Consultants Co., Ltd.	1996/1/17	23F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan	50,000	Construction management and consulting service
82	Ding Ding Integrated Marketing Service Co., Ltd.	2004/10/22	22F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan	363,110	Market research and advertisement
83	YDT Technology International Co., Ltd.	1989/8/4	23F, No.16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan	139,920	Sale of communication products
84	Far Eastern Electronic Toll Collection Co., Ltd.	2004/4/7	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	3,000,000	Information software service, telecom hardware construction, engineering design of auto-controlling system
85	Yuan Hsin Digital Payment Co.,Ltd.	2014/6/27	5F,1, Yuan don Road, Banqiao Dist., New Taipei City, Taiwan	776,737	Digital Payment
86	FETC International Co., Ltd.	2017/5/19	28F, 207, Tun Hwa South Road, Sec.2, Taipei City, Taiwan.	200,000	Dispatched labor, procuring equipment, and sales agent services
87	DDIM (Virgin Islands) Ltd.	2011/08/31	P.O.Box.957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands.	714,954 USD 23,846	Investment
88	YDC (Virgin Islands) Ltd.	1998/2/11	Columbus Centre Building, Wickhams Cay, Road Town, Tortola, British Virgin Islands.	33,877 USD 1,130	Investment
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	2011/8/10	Room 1506, 719, Yan'an West Road, Changning District, Shanghai, China	648,541 RMB 150,648	Software development and internet service design
90	Speedy (Shanghai) digital Tech. Co., Ltd.	2004/4/27	Room 1502, 719, Yan'an West Road, Changning District, Shanghai, China	28,152 RMB 6,539	Intelligent control equipment and security
91	APG Polytech USA Holdings, Inc.	2018/2/9	1209 Orange Street, Wilmington, Delaware, 19801.	2 USD 0.05	Investment
92	APG Polytech, LLC	2018/2/9	1209 Orange Street, Wilmington, Delaware, 19801.	2,698,200 USD 90,000	Production and sales of PET.
93	Phoenix Technologies International, LLC	2003/11/24	1098 Fairview Avenue, Bowling Green, OH 43402, USA	333,111 USD 11,111	Recycled PET production and sales
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.	2019/12/4	No.9, Little Road, Singapore 536986	- (Note)	Investment

Note: Capital payment has not been remitted until 31 Dec 2019.

1.1.3 Companies Presumed to Have a Relationship of Control and Subordination with Far Eastern New Century under Article 369-3 of the R.O.C. Company Act: None

1.1.4 Industries Covered by the Business Operated by the Affiliates and Description of the Mutual Dealings and Division of Work among Such Affiliates:

Petrochemical, Polyester, Textile, Garment and apparel, Investment, Construction, General Contractor, Leasing, Management consulting, Human resources consulting, Wireless telecommunication services, mobile virtual network operator services, wholesale and retail sale of telecom related products and equipments...etc. Please refer the aforesaid table of "Information of Far Eastern New Century and Subsidiaries and Affiliates" for major business activities of the Company's affiliates.

Special Disclosure

1.1.5 Information about Directors, Supervisors, and Managers at Each Subsidiary and Affiliate:

Unit: Number of shares; %

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
0	Far Eastern New Century Corp.	Directors	Douglas Tong Hsu (Chairman)	91,748,698	1.71
			Asia Cement Corp.	1,272,277,085	23.77
			Johnny Hsi, Peter Hsu, Shaw Y. Wang, Raymond Hsu	-	-
			Far Eastern Department Stores Ltd.	19,964,370	0.37
			Richard Yang, Tonia Katherine Hsu	-	-
			U-Ming Marine Transport Corp.	31,181,470	0.58
			Kwan Tao Li, Alice Hsu	-	-
			Yue Ding Industries Co., Ltd.	24,763,781	0.47
		Independent Directors	Champion Lee	-	-
			Bing Shen, Johnsee Lee, Raymond R.M. Tai	-	-
1	Yuan Ding Investment Co., Ltd.	Directors	Y.H. Tseng, Eric Hu, K.S. Wu, Humphrey Cheng	-	-
			Far Eastern New Century Corp.	1,822,822,230	99.40
			Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu, Alan Tsai, David Wang	-	-
		Supervisors	Da Ju Fiber Co., Ltd.	5,502,000	0.30
			Humphrey Cheng, Mark Lu	-	-
2	Oriental Petrochemical (Taiwan) Co., Ltd.	Directors	C.S. Tu	-	-
			Far Eastern New Century Corp.	1,712,218,104	75.56
			Douglas Tong Hsu (Chairman), Johnny Hsi, K.S. Wu, H.D. Zhou, David Shih, Eric Chueh	-	-
		Supervisors	Oriental Union Chemical Corp.	309,334,376	13.65
			Justin Tsai	-	-
3	Yuan Tong Investment Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	117,745,855	5.20
			David Wang, Humphrey Cheng	-	-
			Eric Chueh	-	-
		Supervisors	Far Eastern New Century Corp.	739,952,888	100.00
			David Wang (Chairman), Humphrey Cheng, Allen Sha	-	-
4	Far Eastern Resources Development Co., Ltd.	Directors	Far Eastern New Century Corp.	739,952,888	100.00
			Alan Tsai	-	-
			David Wang	-	-
		Supervisors	Far Eastern New Century Corp.	775,835,546	100.00
			Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu, Shaw Y. Wang, C.S. Tu	-	-
5	Far Eastern Construction Co., Ltd.	Directors	Far Eastern New Century Corp.	775,835,546	100.00
			Humphrey Cheng	-	-
			C.S. Tu	-	-
		Supervisors	Far Eastern New Century Corp.	223,481,293	65.11
			Shaw Y. Wang (Chairman), Douglas Tong Hsu, Peter Hsu, S.F. Cheng, Lin Kuo, D.F. Yang, C.C. Liao, S.Y. Wei, H.R. Gao, C.M. Chen, T.J. Chang	-	-
6	Kai Yuan International Investment Co., Ltd.	Directors	Der Ching Investment Co., Ltd.	115,882,928	33.76
			Charles Wang, S.Y. Gao	-	-
			Far Eastern New Century Corp.	361,485,731	100.00
		Supervisors	Humphrey Cheng (Chairman), David Wang, Allen Sha	-	-
			Far Eastern New Century Corp.	361,485,731	100.00
		President	Alan Tsai	-	-
			Humphrey Cheng	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
7	Ding Yuan International Investment Co., Ltd.	Directors	Far Eastern New Century Corp.	253,977,339	100.00
		Supervisors	Alan Tsai (Chairman), Humphrey Cheng, Allen Sha	-	-
			Far Eastern New Century Corp.	253,977,339	100.00
			David Wang	-	-
8	Far Eastern General Contractor Inc	Directors	Far Eastern Construction Co., Ltd.	147,412,850	98.95
		Supervisors	S.F. Cheng (Chairman), Douglas Tong Hsu, Shaw Y. Wang, Lin Kuo, J.H. Li, Ying Wei, D.F. Yang, W.L. Chen, Z.C. Ku	-	-
			Yuan Ding Investment Co., Ltd.	1,490,174	1.00
			Jackson Wu, Li-Chi Chen	-	-
9	Far Eastern Fibertech Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	91,000,000	100.00
		Supervisors	Douglas Tong Hsu (Chairman), Johnny Hsi, B.C. Chang, Humphrey Cheng, Eric Huang	-	-
			Yuan Ding Investment Co., Ltd.	91,000,000	100.00
			David Wang	-	-
10	An Ho Garment Co., Ltd.	Directors	Far Eastern New Century Corp.	75,703,668	100.00
		Supervisors	Alan Tsai (Chairman), David Wang, Li-Chi Chen	-	-
			Far Eastern New Century Corp.	75,703,668	100.00
			Benjamin Shih	-	-
11	Oriental Resources Development Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	1,000,000	100.00
		Supervisors	Y.H. Tseng (Chairman), Fanny Liao, Li-Chi Chen	-	-
			Yuan Ding Investment Co., Ltd.	1,000,000	100.00
			Davis Dai	-	-
12	Oriental Green Materials Ltd.	Directors	Yuan Ding Investment Co., Ltd.	53,303,900	100.00
		Supervisors	Y.H. Tseng (Chairman), C.T. Peng, Li-Chi Chen	-	-
			Yuan Ding Investment Co., Ltd.	53,303,900	100.00
			Davis Dai	-	-
13	Far Eastern Apparel Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	24,772,263	100.00
		Supervisors	Benjamin Shih (Chairman), Eric Hu, Li-Chi Chen, Y.J. Luo, Jenny Ho	-	-
			Yuan Ding Investment Co., Ltd.	24,772,263	100.00
			Alan Tsai	-	-
14	Yuan Faun Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd.	5,000,000	100.00
		Supervisors	K.S. Wu (Chairman), Y.H. Tseng, Eric Hu, David Wang, Humphrey Cheng	-	-
			Yuan Ding Investment Co., Ltd.	5,000,000	100.00
			Alan Tsai, Emily Wu	-	-
15	Fu Kwok Knitting & Garment Co., Ltd.	Directors	Far Eastern New Century Corp.	4,000,000	100.00
		Supervisors	Alan Tsai (Chairman), Eric Hu, Tony Liang, Jenny Ho	-	-
			Far Eastern New Century Corp.	4,000,000	100.00
			Li-Chi Chen	-	-
16	Yuan Cheng Human Resources Consultant Corp.	Directors	Yuan Faun Co., Ltd.	744,999	55.19
		Supervisors	Benjamin Shih(Chairman), Emily Wu, David Wang, C.Y. Lin	-	-
			Taiwan Chang Cheng (H) Co., Ltd.	600,001	44.44
			J.C. Wang	-	-
		Supervisors	Da Ju Fiber Co., Ltd.	5,000	0.37
			Davis Dai	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
17	Far Eastern Textile Ltd.	Directors	Far Eastern New Century Corp. Douglas Tong Hsu (Chairman), Johnny Hsi, Peter Hsu	100,000	100.00
		Supervisors	Far Eastern New Century Corp. Shaw Y. Wang	-	-
		President	C.S. Tu	100,000	100.00
				-	-
18	Far Eastern Investment (H) Ltd.	Directors	Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	4,894,164	100.00
19	Far Eastern Polychem Industries Ltd.	Directors	Yuan Ding Investment Co., Ltd.	306,643,943	26.96
			Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	830,814,727	73.04
20	FEDP (H) Ltd.	Directors	Far Eastern Polychem Industries Ltd.	240,304	49.57
			Far Eastern New Century Corp.	244,480	50.43
			Shaw Y. Wang, K.S. Wu, Humphrey Cheng	-	-
21	PET Far Eastern (H) Ltd.	Directors	Far Eastern Polychem Industries Ltd.	34,793	8.05
			Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	397,393	91.95
22	Far Eastern Polytex(H) Ltd.	Directors	Far Eastern New Century Corp. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	167,531	100.00
23	Far Eastern Apparel (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	111,200	100.00
24	Oriental Textile (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng	109,620	100.00
25	Sino Belgium (H) Ltd.	Directors	Yuan Tong Investment Co., Ltd.	36,025	90.88
			Shaw Y. Wang, Humphrey Cheng	-	-
			Martens HK Limited Jan Martens	3,615	9.12
26	Magna View Sdn. Bhd	Directors	Far Eastern Investment (H) Ltd. Donald Fan, Daniel Tsai, Leong Siew Foong	3,000,000	100.00
27	Far Eastern Industries (Shanghai) Ltd.	Directors	Far Eastern Polychem Industries Ltd.	-	87.64
			Far Eastern New Century (China) Investment Co., Ltd.	-	12.36
		Supervisors	R.H. Shao (Chairman), C.Y. Dai, K.S. Wu, Humphrey Cheng, Donald Fan	-	-
			Brian Lee	-	-
28	Oriental Petrochemical (Shanghai) Corp.	Directors	C.Y. Dai	-	-
			PET Far Eastern (H) Ltd.	-	54.72
		Supervisors	Pacific Petrochemical (H) Ltd.	-	38.65
			Far Eastern New Century (China) Investment Co., Ltd. R.H. Shao (Chairman), Y.H. Tseng, Paul Chuang, Humphrey Cheng, K.S. Wu, Justin Tsai	-	6.63
29	Far Eastern New Century (China) Investment Co., Ltd.	Directors	Far Eastern Polytex (H) Ltd. R.H. Shao (Chairman), Humphrey Cheng, David Wang, Alan Tsai, Allen Sha	-	100.00
		Supervisors	Charles Wang	-	-
		President	Humphrey Cheng	-	-
30	Martens Beer (Shanghai) Ltd.	Directors	Sino Belgium (H) Ltd. Eric Hu (Chairman), Jan Martens, Alfons Martens, S.Y. Lai, Fanny Liao	-	100.00
		Supervisors	Brian Lee	-	-
		President	S.Y. Lai	-	-
31	Shanghai Yuan Hua Logistic Corp.	Directors	Oriental Petrochemical (Shanghai) Corp. K.S. Wu (Chairman), C.Y. Dai, Paul Chuang, Steve Liu, Li-Chi Chen	-	100.00
		Supervisors	Brian Lee	-	-
		President	Paul Chuang	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
32	Shanghai Far Eastern IT Corp.	Directors	Far Eastern New Century (China) Investment Co., Ltd. Alan Tsai (Chairman), Li-Chi Chen, Mike Wu, Steve Liu, H.L. Yi	-	100.00
		Supervisors	Brian Lee	-	-
		President	H.L. Yi	-	-
33	Yuan Ding Enterprise (Shanghai) Limited	Directors	Far Eastern New Century (China) Investment Co., Ltd. Oriental Holdings Co., Ltd. FEDS Development Ltd. Humphrey Cheng (Chairman), Douglas Tong Hsu, Peter Hsu, David Wang, R.H. Shao, C.L. Wu, S.F. Cheng	-	40.00
		Supervisors	Alan Tsai, James Tang	-	40.00
				-	20.00
34	Wuhan Far Eastern New Material Ltd.	Directors	Far Eastern Polytex (H) Ltd. Donald Fan (Chairman), C.Y. Dai, S.Y. Lai, T.M. Kuo, Y.H. Wang	-	100.00
		Supervisors	Brian Lee	-	-
		President	C.Y. Dai	-	-
35	Oriental Industries (Suzhou) Ltd.	Directors	Oriental Textile (H) Ltd. Eric Hu (Chairman), Brian Lee, M.J. Wu, Eric Huang, Steve Liu	-	100.00
		Supervisors	P.T. Huang	-	-
		President	M.J. Wu	-	-
36	Far Eastern Industries (Suzhou) Ltd.	Directors	FEDP (H) Ltd. Eric Hu (Chairman), S.Y. Lai, Brian Lee, Steve Liu, M.J. Wu	-	100.00
		Supervisors	Davis Dai	-	-
		President	S.Y. Lai	-	-
37	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Directors	Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Mingo A. Chen, Brian Lee, Allen Sha, Steve Liu	-	100.00
		Supervisors	Davis Dai	-	-
		President	Mingo A. Chen	-	-
38	Sino-Belgium Beer (Suzhou) Ltd.	Directors	Sino Belgium (H) Ltd. Eric Hu (Chairman), S.Y. Lai, Brian Lee, Allen Sha, Jenny Ho	-	100.00
		Supervisors	P.T. Huang	-	-
		President	S.Y. Lai	-	-
39	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Directors	Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Judy Lee, Steve Liu, Allen Sha, Jenny Ho	-	100.00
		Supervisors	Davis Dai	-	-
		President	Judy Lee	-	-
40	Far Eastern Apparel (Suzhou) Co., Ltd.	Directors	Far Eastern Polytex (H) Ltd. Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Brian Lee, Allen Sha, Judy Lee, Steve Liu	-	61.54
		Supervisors	Davis Dai	-	38.46
		President	Judy Lee	-	-
41	Suzhou An Ho Apparel Ltd.	Directors	Far Eastern Apparel (Suzhou) Co., Ltd. Eric Hu (Chairman), Judy Lee, Brian Lee, Allen Sha, Steve Liu	-	100.00
		Supervisors	Davis Dai	-	-
		President	Judy Lee	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
42	Far Eastern Industries (Wuxi) Ltd.	Directors	Oriental Textile (H) Ltd. Eric Hu (Chairman), T.K. Wei, Brian Lee, Allen Sha, Mingo A. Chen	-	100.00
		Supervisors	Mike Wu	-	-
		President	Mingo A. Chen	-	-
				-	-
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	Directors	Far Eastern Polytex (H) Ltd. K.S. Wu (Chairman), Humphrey Cheng, H.D. Zhou	-	60.00
			Sinopec Yizheng Chemical Fibre Co. Ltd.	-	40.00
			T. Wan, J.P. Li	-	-
		Supervisors	S.M. Peng, C.P. Lu	-	-
		President	T. Wan	-	-
				-	-
44	Far Eastern Industries (Yangzhou) Ltd.	Directors	Far Eastern Polychem Industries Ltd. Humphrey Cheng (Chairman), Brian Lee, Donald Fan, M. Y. Yeh, Allen Sha	-	100.00
		Supervisors	Davis Dai	-	-
		President	Donald Fan	-	-
				-	-
45	Far Eastern Ishizuka Green PET Corporation	Directors	Far Eastern Polychem Industries Ltd. Y.H. Tseng (Chairman), Humphrey Cheng, Donald Fan, David Wang, Yasuda Shinichi	3,578,040	90.00
			Ishizuka Glass Co., Ltd.	-	-
			Kuroyanagi Hiroshi	397,560	10.00
		Supervisors	Alan Tsai	-	-
		President	Yasuda Shinichi	-	-
				-	-
46	Far Eastern Apparel (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd. Alan Tsai (Chairman), Judy Lee, Tony Liang, Allen Sha, Carol Wang	-	100.00
		Supervisors	Davis Dai	-	-
		President	Tony Liang	-	-
				-	-
47	Far Eastern Polytex (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd. Humphrey Cheng (Chairman), Y.H. Tseng, Judy Lee, M.Y. Yeh, Mingo A. Chen, David Wang, Li-Chi Chen	-	100.00
		Supervisors	Alan Tsai	-	-
		President	Y.H. Tseng	-	-
				-	-
48	Far Eastern New Apparel (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd. Alan Tsai (Chairman), Allen Sha, Judy Lee, Tony Liang, Carol Wang	-	100.00
		Supervisors	Davis Dai	-	-
		President	Tony Liang	-	-
				-	-
49	PET Far Eastern (M) SDN BHD	Directors	Far Eastern Investment (H) Ltd. Magna View Sdn. Bhd	8,000,000	50.00
			Y.H. Tseng (Chairman), Donald Fan, David Wang, S.Y. Lai, Daniel Tsai, Leong Siew Foong	8,000,000	50.00
				-	-
		President	Donald Fan	-	-
50	Worldwide Polychem (HK) Limited	Directors	Far Eastern Investment (H) Ltd. Y.J. Lou, Mike Wu, Alan Tsai	2,700,000	100.00
				-	-
51	FETG Investment Antilles N.V.	Directors	Far Eastern Investment (H) Ltd. Shaw Y. Wang, K.S. Wu, Humphrey Cheng, Orangefield (Caribbean) N.V.	6,000	100.00
				-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
52	Malaysia Garment Manufacturers Private Ltd.	Directors	Da Ju Fiber Co., Ltd.	34,160	43.17
			Humphrey Cheng, Raymond Hsu	-	-
			Yuan Tong Investment Co., Ltd.	10,285	13.00
			Shaw Y. Wang	-	-
			Far Eastern Investment (H) Ltd.	30,000	37.92
			K.L. Li	-	-
			YUE MING CO Ltd.	4,675	5.91
53	PT Malaysia Garment Bintan	Directors	Malaysia Garment Manufacturers Private Ltd.	2,970	99.00
		Supervisors	K.L. Li, Austin Lee, C.T. Hu, M.J. Wang W.H. Wu, C.S. Lin	- 30	- 1.00
54	Far EasTone Telecommunications Co., Ltd.	Directors	Yuan-Ding Investment Co., Ltd.	1,066,657,614	32.73
			Douglas Tong Hsu (Chairman), Peter Hsu (Managing Director), Jan Nilsson (Managing Director)	-	-
			U-Ming Marine Transport Corp.	331,000	0.01
			Nobukata Kurata	-	-
			Yuan Ding Co., Ltd.	4,163,500	0.13
			Champion Lee, Jeff Hsu	-	-
			Asia Investment Corporation	1,426,303	0.04
			Bonnie Peng	-	-
		Ding Yuan International Investment Co., Ltd.	919,653	0.03	
		Toon Lim	-	-	
Independent Directors	Lawrence Juen-Yee Lau, Tim Pan, Chung Laung Liu	-	-		
	Chee Ching	-	-		
55	Far Eastern Info Service (H) Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	1,200	100.00
		President	Chee Ching (Chairman), T.Y. Yin, Sharon Lin Chee Ching	- -	- -
56	KGEx.com Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	68,897,234	99.99
		Supervisors	Philip Tseng (Chairman), Bruce Yu, Vivian Lee, James Lee, Leon Li	-	-
			Sherman Lee	-	-
57	Far Eastern Tech-info Ltd. (Shanghai)	Directors	Philip Tseng	-	-
			Far Eastern Info Service (H) Ltd.	-	41.67
		President	Yvonne Li (Chairman), Eton Shu, Jennifer Liu, Maggie Mei Far Eastern New Diligence Ltd T.Y. Yin	- - -	- 58.33 -
58	Yuan Cing Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	2,000,000	100.00
		Supervisors	Maxwell Cheng (Chairman), Andy Kuo, Vivian Lee	-	-
			Far EasTone Telecommunications Co., Ltd.	2,000,000	100.00
59	ARCOA Communication Co., Ltd.	Directors	Sherman Lee	-	-
			Andy Kuo	-	-
			Far EasTone Telecommunications Co., Ltd.	82,762,221	61.63
		Supervisors	Chee Ching (Chairman), Alan Tsai, T.Y. Yin, Brian Chao, Lopes Lu, Vivan Lee	-	-
			Wan-Shih-Shin Co., Ltd.	457,325	0.34
60	Data Express Infotech Co., Ltd.	Directors	Gary Lin	-	-
			Li-Chi Chen, David Tsai, Sharon Lin	-	-
			Jessica Sung	-	-
		Supervisors	ARCOA Communications Co., Ltd.	12,866,353	70.00
			T.Y. Yin (Chairman), Eric Li, Brian Chao	-	-
	Jing Ho Tech	3,490,724	18.99		

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
61	Linkwell Tech. Co., Ltd.	Directors	Data Express Infotech Co., Ltd. T.Y. Yin	- -	100.00 -
62	Home Master Technology Ltd	Directors	Data Express Infotech Co., Ltd. T.Y. Yin	- -	100.00 -
63	New Century InfoComm Tech Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. Douglas Tong Hsu (Chairman), Chee Ching, Philip Tseng	2,100,000,000 -	100.00 -
		Supervisors	Far EasTone Telecommunications Co., Ltd. Sherman Lee	2,100,000,000 -	100.00 -
		President	Chee Ching	-	-
64	New Diligent Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Eric Li (Chairman), Philip Tseng, James Lee	54,000,000 -	100.00 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sherman Lee	54,000,000 -	100.00 -
65	New Diligent Hong Kong Co. Limited	Directors	New Diligent Co., Ltd. Sherman Lee, T. Y. Yin	- -	100.00 -
66	Sino Lead Enterprise Limited.	Directors	New Diligent Co., Ltd. Philip Tseng	30,000 -	100.00 -
67	Information Security Service Digital United	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Eton Shu, Mark Lee, Eric Li	10,249,047 -	100.00 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sherman Lee	10,249,047 -	100.00 -
		President	Andy Kuo	-	-
68	Digital United (Cayman) Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), T.Y. Yin	10,320,000 -	100.00 -
69	Digital United Information Technology (Shanghai) Ltd.	Directors	Digital United (Cayman) Ltd. Philip Tseng (Chairman), James Lee, Eric Li	- -	100.00 -
		Supervisors	Digital United (Cayman) Ltd. Sherman Lee	- -	100.00 -
70	Far Eastern New Diligence Corporation	Directors	New Diligent Co., Ltd. Jennifer Liu, T.Y. Yin, Mike Lee	- -	100.00 -
71	Yuanshi Digital Technology Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. T. Y. Yin (Chairman), Andy Tu, Charlene Lin, Philby Lee, Sherman Lee	90,014,424 -	86.41 -
		Supervisors	Yuan-Ding Co., Ltd. Sharon Lin	4,994,716 -	4.79 -
		President	Jason Huang	-	-
72	Prime Ecopower Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Philip Tseng (Chairman), Eric Li, Andy Kuo	16,000,000 -	100.00 -
		Supervisors	New Century InfoComm Tech Co., Ltd. Sherman Lee	16,000,000 -	100.00 -
		President	Oliver Liu	-	-
73	Yuan Bao Fintech Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd. Sherman Lee (Chairman), Simon Tai, T.Y. Yin	6,000,000 -	100.00 -
		Supervisors	Far EasTone Telecommunications Co., Ltd. Philby Lee	6,000,000 -	100.00 -
		President	Ben Lin	-	-

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
74	Nextlink Technology Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd.	3,430,000	70.00
			Philip Tseng (Chairman), Eton Shu, Vivian Lee, Mark Lee, Eric Li	-	-
			Avalon Enterprises Ltd.	-	-
			K.S. Ho, Family Chang	1,470,000	30.00
		Supervisors	Sherman Lee	-	-
75	Microfusion Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd.	2,600,000	100.00
			Philip Tseng (Chairman), Mark Lee, K.S. Ho	-	-
			Nextlink Technology Co., Ltd.	2,600,000	100.00
			Sherman Lee	-	-
		Supervisors		-	-
76	Nextlink (HK) Technology Co., Ltd.	Directors	Nextlink Technology Co., Ltd.	-	100.00
			Milly Lin	-	-
77	Nextlink (Shanghai) Technology Co., Ltd.	Directors	Nextlink (HK) Technology Co., Ltd.	-	100.00
			Family Chang	-	-
			Nextlink (HK) Technology Co., Ltd.	-	100.00
			K.S. Ho	-	-
		President	Family Chang	-	-
78	Yuan-Ding Co., Ltd.	Directors	Douglas Tong Hsu (Chairman)	3,144	-
			Far Eastern New Century Corp.	186,928,831	37.13
			Morton Mate Huang, Alan Tsai, Humphrey Cheng	-	-
			Asia Cement Corp.	178,707,648	35.50
			K.Y. Lee, Peter Hsu, X.Y. Kao	-	-
			Far Eastern Department Stores Ltd.	2,796	-
			Nancy Hsu	-	-
			U-Ming Commerce Co., Ltd.	12,585	-
			David Wang	-	-
			Yuan Ding Investment Co., Ltd.	64,758,813	12.86
			Shaw Y. Wang	-	-
			Der Ching Investment Co., Ltd.	72,989,090	14.50
			Y.F. Chang	-	-
79	Ding Ding Hotel Co., Ltd.	Directors	Yuan-Ding Co., Ltd.	102,508,864	98.52
			Douglas Tong Hsu (Chairman), J.W. Huang, T.J. Chang	-	-
			Far Eastern New Century Corp.	769,053	0.74
			Nancy Hsu, F. Hsu	-	-
			Asia Cement Corp.	555,638	0.53
			Humphrey Cheng, Juliana Pidner Hsu	-	-
			Der Ching Investment Co., Ltd.	213,442	0.21
		Supervisors	Charles Wang	-	-
80	Yuan Hong Electric Co., Ltd.	Directors	Randy Zupanski	-	-
			Yuan-Ding Co., Ltd.	37,000,000	100.00
			Humphrey Cheng (Chairman), P.C. Hu, Z.K. Dai	-	-
		Supervisors	Yuan-Ding Co., Ltd.	37,000,000	100.00
81	Far Eastern Technical Consultants Co., Ltd.	Directors	M.G. Chang	-	-
			Yuan-Ding Co., Ltd.	4,550,000	91.00
			Humphrey Cheng (Chairman), T.J. Chang, Z.K. Dai, P.C. Hu, S.J. Lai	-	-
			Far Eastern General Contractor Inc.	450,000	9.00
		Supervisors	S.F. Cheng	-	-
		President	T.J. Chang	-	-

Special Disclosure

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
82	Ding Ding Integrated Marketing Service Co., Ltd.	Directors	Yuan-Ding Co., Ltd.	21,786,577	60.00
			Douglas Tong Hsu (Chairman), Humphrey Cheng, P.C. Hu, T.C. Zhou	-	-
			Far EasTone Telecommunications Co., Ltd.	5,446,644	15.00
			T.Y. Yin	-	-
			Far Eastern Department Stores Ltd.	3,631,096	10.00
			Nancy Hsu	-	-
			Pacific Sogo Co., Ltd.	3,631,096	10.00
		Supervisors	J.W. Huang	-	-
			New Century InfoComm Tech Co., Ltd.	1,815,548	5.00
83	YDT Technology International Co., Ltd.	Directors	Sherman Lee	-	-
			G.L. Liang	-	-
		Supervisors	Yuan-Ding Co., Ltd.	13,992,000	100.00
			Y.S. Yang (Chairman), P.C. Hu, Z.K. Dai	-	-
			Yuan-Ding Co., Ltd.	13,992,000	100.00
		President	H.W. Tu	-	-
			F.H. Ho	-	-
				-	-
				-	-
84	Far Eastern Electronic Toll Collection Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	118,250,967	39.42
			Douglas Tong Hsu (Chairman), T.Y. Yin, Philip Tseng	-	-
			Yuan Tong Investment Co., Ltd.	-	-
			Y.C. Chang	35,933,614	11.98
			SYSTEX Corporation	-	-
			S.C. Yang	25,263,076	8.42
			MITAC Information Technology Corp.	-	-
			Liang Su	27,724,093	9.24
			TECO Electric & Machinery Co., Ltd.	-	-
			S.W. Kao	32,979,907	10.99
		Supervisors	S.J. Hsu	-	-
			S.W. Chao	-	-
			Eton Shu	-	-
			W.C. Yeh	-	-
			Ching Pu Investment Corporation	7,716,831	2.57
			Larry Chung	-	-
			He Li Investment	5,255,813	1.75
		President	B.L. Tsai	-	-
			Y.C. Chang	-	-
85	Yuan Hsin Digital Payment Co., Ltd.	Directors	Far EasTone Telecommunications Co., Ltd.	-	-
			Ding Ding Integrated Marketing Service Co., Ltd.	11,658,823	15.01
			G.L. Liang(Chairman)	-	-
			Yuan Ding Co., Ltd.	15,534,741	20.00
			Y.S. Yang, Y.C. Chang	-	-
			Far EasTone Telecommunications Co., Ltd.	23,302,111	30.00
		Supervisors	Eton Shu	-	-
			Far Eastern Department Stores Ltd.	-	-
			Greg Tseng	11,651,055	15.00
			Pacific Sogo Co., Ltd.	-	-
			H.T. Peng	11,651,055	15.00
			Far Eastern International Bank	-	-
86	FETC International Co., Ltd.	Directors	Far Eastern Electronic Toll Collection Co., Ltd.	3,875,919	4.99
			S.J. Dai	-	-
			S.J. Li	-	-
		Supervisors	Far Eastern Electronic Toll Collection Co., Ltd.	20,000,000	100.00
			Douglas Tong Hsu (Chairman), T.Y. Yin, Philip Tseng, Y.C. Chang, S.C. Yang, S.W. Kao, Liang Su, S.J. Hsu, S.W. Chao	-	-
			Far Eastern Electronic Toll Collection Co., Ltd.	20,000,000	100.00

	Company	Title	Name or representative	Registered shares owned	
				Shares	%
87	DDIM (Virgin Islands) Ltd.	Directors	Yuan Hong Electric Co., Ltd. Humphrey Cheng, P.C. Hu, Z.K. Dai	1,501 -	53.87 -
88	YDC (Virgin Islands) Ltd.	Directors	Yuan-Ding Co., Ltd. Humphrey Cheng, P.C. Hu, Z.K. Dai	200 -	17.70 -
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	Directors	DDIM(Virgin Islands) Ltd. YDC(Virgin Islands) Ltd. R.H. Shao, G.L. Liang, P.C. Hu	- - -	99.54 0.46 -
		Supervisors	Y.Z. Tsai	-	-
		President	R.H. Shao	-	-
				-	-
90	Speedy (Shanghai) digital Tech. Co., Ltd.	Directors	YDC (Virgin Islands) Ltd. F.H. Ho	- -	100.00 -
		Supervisors	P.C. Hu	-	-
		President	F.H. Ho	-	-
				-	-
91	APG Polytech USA Holdings, Inc.	Directors	Far Eastern Investment (H) Ltd. Humphrey Cheng, David Wang, L.C. Kuo Tung, Fanny Liao, Justin Tsai	5,064 -	100.00 -
92	APG Polytech, LLC	Board of Managers	APG Polytech USA Holdings, Inc. Donald Fan, P.T. Huang, C.H. Tseng	- -	100.00 -
93	Phoenix Technologies International, LLC	Board of Managers	APG Polytech USA Holdings, Inc. Donald Fan, C.H. Tseng, Richard Gerardo	- -	90.00 -
			Maack, Carol Wang	-	-
			PCBD Investors, LLC	-	10.00
			Thierry Fabozzi	-	-
94	FE Oriental Investment Holding (Singapore) Pte. Ltd.(Note)	Directors	Far Eastern New Century Corp. Humphrey Cheng, K.S. Wu, L.C. Kuo Tung,	- -	- -
			K.L. Li, C.L. Meng	-	-
				-	-

Note: Capital payment has not been remitted until 31 Dec 2019.

Special Disclosure

Operation Results of Each Subsidiary and Affiliate

Unit: NT\$ thousands, unless stated otherwise
Book closure date: 31 December 2019

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
0	Far Eastern New Century Corp.	53,528,751	576,079,699	304,758,516	271,321,183	250,146,590	13,762,994	10,732,669	2.15
1	Yuan Ding Investment Co., Ltd.	18,338,262	74,527,393	32,836,025	41,691,368	32,189,341	5,319,815	4,785,133	2.61
2	Oriental Petrochemical (Taiwan) Co., Ltd.	22,660,930	37,332,282	23,978,323	13,353,959	39,646,887	(960,114)	(1,095,115)	(0.48)
3	Yuan Tong Investment Co., Ltd.	7,399,529	9,619,610	738,248	8,881,362	574,090	571,725	534,611	0.72
4	Far Eastern Resources Development Co., Ltd.	7,758,355	116,214,016	11,460,021	104,753,995	660,560	(83,512)	1,718,865	2.22
5	Far Eastern Construction Co., Ltd.	3,432,414	20,032,928	5,668,247	14,364,681	580,975	302,233	730,269	2.13
6	Kai Yuan International Investment Co., Ltd.	3,614,857	6,383,449	815,438	5,568,011	413,845	413,396	382,524	1.06
7	Ding Yuan International Investment Co., Ltd.	2,539,773	3,151,903	1,391	3,150,512	227,737	227,270	212,475	0.84
8	Far Eastern General Contractor Inc.	1,489,776	5,197,199	3,001,172	2,196,027	7,342,319	193,556	170,429	1.14
9	Far Eastern Fibertech Co., Ltd.	910,000	2,053,587	919,923	1,133,664	2,033,790	97,916	78,808	0.87
10	An Ho Garment Co., Ltd.	757,037	2,668,270	460,561	2,207,709	220,112	219,691	212,282	2.80
11	Oriental Resources Development Co., Ltd.	10,000	97,064	56,688	40,376	854,054	91,056	71,280	71.28
12	Oriental Green Materials Ltd.	533,039	1,042,480	491,005	551,475	413,212	23,717	22,047	0.41
13	Far Eastern Apparel Co., Ltd.	247,723	736,876	617,869	119,007	1,246,335	(79,528)	(61,921)	(2.50)
14	Yuan Faun Co., Ltd.	50,000	136,605	219	136,386	-	(2,892)	7,225	1.45
15	Fu Kwok Knitting & Garment Co., Ltd.	40,000	383,978	151,617	232,361	926,951	45,036	37,950	9.49
16	Yuan Cheng Human Resources Consultant Corp.	13,500	35,659	11,481	24,178	314,261	2,846	4,002	2.96
17	Far Eastern Textile Ltd.	1,000	1,722	65	1,657	-	(227)	67	0.67
18	Far Eastern Investment (H) Ltd.	1,467 USD 49	26,903,900 897,395	668,640 22,303	26,235,260 875,092	1,368,799 44,281	(444,922) (14,393)	(91,130) (2,948)	(18.62) (0.60)
19	Far Eastern Polychem Industries Ltd.	438 HKD 114	12,480,558 3,242,546	2,175,874 565,309	10,304,684 2,677,237	4,897,450 1,241,501	(125,621) (31,845)	228,582 57,945	0.20 0.05
20	FEDP (H) Ltd.	161 USD 5	1,800,394 60,053	110 4	1,800,284 60,049	23,033 745	21,993 711	21,958 710	45.29 1.47
21	PET Far Eastern(H) Ltd.	123 RMB 29	6,653,046 1,545,423	482,208 112,011	6,170,838 1,433,412	(218,617) (48,884)	(267,951) (59,915)	(311,741) (69,707)	(721.31) (161.29)
22	Far Eastern Polytex (H) Ltd.	52 USD 1.7	9,600,230 320,221	30,943 1,032	9,569,287 319,189	17,958 581	7,607 246	6,574 213	39.24 1.27
23	Far Eastern Apparel (H) Ltd.	33 USD 1.1	5,643,803 188,252	1,789,721 59,697	3,854,082 128,555	9,430,026 305,063	46,355 1,500	456,583 14,771	4,105.96 132.83
24	Oriental Textile (H) Ltd.	33 USD 1.1	10,907,223 363,817	3,159,915 105,401	7,747,308 258,416	4,412,414 142,742	(98,627) (3,191)	70,010 2,265	638.66 20.66
25	Sino Belgium (H) Ltd.	12 USD 0.4	3,686 123	779,169 25,990	(775,483) (25,867)	(106,368) (3,441)	(106,906) (3,458)	(107,328) (3,472)	(2,707.57) (87.59)
26	Magna View Sdn.Bhd	21,099 MYR 3,000	254,150 36,137	1,880 268	252,270 35,869	1,793 250	1,696 236	1,696 236	0.57 0.08
27	Far Eastern Industries (Shanghai) Ltd.	8,095,119 RMB 1,880,399	12,656,634 2,939,985	4,279,788 994,144	8,376,846 1,945,841	23,094,428 5,164,043	261,149 58,394	181,309 40,542	NA NA
28	Oriental Petrochemical (Shanghai) Corp.	7,721,403 RMB 1,793,590	8,672,590 2,014,539	3,044,786 707,267	5,627,804 1,307,272	17,403,348 3,891,486	361,898 80,922	140,622 31,444	NA NA
29	Far Eastern New Century (China) Investment Co., Ltd.	4,606,572 RMB 1,070,052	4,324,604 1,004,554	419,402 97,422	3,905,202 907,132	(18,833) (4,211)	(19,111) (4,273)	(27,389) (6,124)	NA NA
30	Martens Beers (Shanghai) Ltd.	321,396 RMB 74,656	20,746 4,819	6,068 1,409	14,678 3,410	-	(87) (19)	(53) (12)	NA NA
31	Shanghai Yuan Hua Logistic Corp.	81,795 RMB 19,000	120,058 27,888	38,203 8,874	81,855 19,014	144,018 32,203	3,476 777	5,629 1,259	NA NA
32	Shanghai Far Eastern IT Corp.	54,717 RMB 12,710	62,148 14,436	5,699 1,324	56,449 13,112	120,838 27,020	28 6	384 86	NA NA
33	Yuan Ding Enterprise (Shanghai) Limited	7,591,545 RMB 1,763,425	7,160,054 1,663,195	128,932 29,949	7,031,122 1,633,246	192 43	(118,785) (26,561)	(99,577) (22,266)	NA NA
34	Wuhan Far Eastern New Material Ltd.	736,360 RMB 171,048	1,208,561 280,734	293,938 68,278	914,623 212,456	1,351,433 302,188	13,686 3,060	11,919 2,665	NA NA
35	Oriental Industries (Suzhou) Ltd.	4,713,315 RMB 1,094,847	13,549,105 3,147,295	7,695,075 1,787,474	5,854,030 1,359,821	8,274,247 1,850,168	362,374 81,029	149,504 33,430	NA NA
36	Far Eastern Industries (Suzhou) Ltd.	1,697,761 RMB 394,370	1,585,131 368,207	3,854 895	1,581,277 367,312	-	(2,807) (628)	23,033 5,150	NA NA
37	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	1,589,721 RMB 369,273	4,895,974 1,137,276	1,903,452 442,149	2,992,522 695,127	5,811,864 1,299,565	423,353 94,664	335,785 75,083	NA NA
38	Sino-Belgium Beer (Suzhou) Ltd.	1,640,886 RMB 381,158	286,966 66,659	688,430 159,914	(401,464) (93,255)	-	(7,744) (1,732)	(106,315) (23,773)	NA NA
39	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	1,022,948 RMB 237,619	1,043,188 242,320	3,173 737	1,040,015 241,583	-	5,164 1,155	17,730 3,965	NA NA
40	Far Eastern Apparel (Suzhou) Co., Ltd.	880,705 RMB 204,577	2,135,220 495,986	576,594 133,936	1,558,626 362,050	2,925,013 654,049	31,274 6,993	53,813 12,033	NA NA
41	Suzhou An Ho Apparel Ltd.	4,305 RMB 1,000	53,862 12,511	10 2	53,852 12,509	-	6 1	899 201	NA NA

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
42	Far Eastern Industries (Wuxi) Ltd.	2,072,731 RMB 481,471	2,962,668 688,192	118,685 27,569	2,843,983 660,623	3,000,270 670,877	46,970 10,503	30,474 6,814	NA NA
43	Far Eastern Yihua Petrochemical (Yangzhou) Corp.	6,256,677 RMB 1,453,351	6,759,701 1,570,198	463,239 107,605	6,296,462 1,462,593	- -	(49,775) (11,130)	518 116	NA NA
44	Far Eastern Industries (Yangzhou) Ltd.	1,329,825 RMB 308,902	1,375,227 319,449	21,944 5,098	1,353,283 314,351	- -	(18,487) (4,134)	10,090 2,256	NA NA
45	Far Eastern Ishizuka Green PET Corporation.	27,600 JPY 100,000	3,447,905 12,492,409	2,364,531 8,567,141	1,083,374 3,925,268	1,752,007 6,176,215	228,944 807,079	206,548 728,128	51.95 183.15
46	Far Eastern Apparel (Vietnam) Ltd.	347,768 USD 11,600	2,248,154 74,988	1,210,066 40,362	1,038,088 34,626	3,411,494 110,362	69,532 2,249	27,977 905	NA NA
47	Far Eastern Polytex (Vietnam) Ltd.	7,195,200 USD 240,000	22,918,213 764,450	15,870,647 529,374	7,047,566 235,076	14,692,110 475,292	781,146 25,270	433,433 14,022	NA NA
48	Far Eastern New Apparel (Vietnam) Ltd.	539,640 USD 18,000	1,850,262 61,717	1,472,577 49,119	377,685 12,598	2,908,653 94,095	133,452 4,317	103,099 3,335	NA NA
49	PET Far Eastern (M) Sdn Bhd	112,528 MYR 16,000	863,235 122,741	354,936 50,467	508,299 72,274	1,317,071 183,538	25,844 3,601	3,585 500	0.22 0.03
50	Worldwide Polychem (HK) Limited	104,930 USD 3,500	1,569,347 52,346	1,505,536 50,218	63,811 2,128	4,381,444 141,740	(40,997) (1,326)	10,264 332	3.80 0.12
51	FETG Investment Antilles N.V.	189 USD 6	33,565 1,120	108 4	33,457 1,116	- -	(1,789) (58)	(1,788) (58)	(298.00) (9.64)
52	Malaysia Garment Manufacturers Private Ltd.	176,279 SDG 7,912	1,586,316 71,199	326,966 14,675	1,259,350 56,524	- -	(43,201) (1,906)	(10,205) (450)	(128.98) (5.69)
53	PT Malaysia Garment Bintan	4,743 IDR 2,175,600	10 4,587	51 23,394	(41) (18,807)	- -	- -	- -	- -
54	Far EasTone Telecommunications Co., Ltd.	32,585,008	134,162,936	63,556,516	70,606,420	83,865,872	11,925,478	8,734,984	2.68
55	Far Eastern Info Service (H) Ltd.	360 USD 12	4,826 161	-	4,826 161	- -	- -	- -	- -
56	KGEx.com Co., Ltd.	689,074	924,161	48,995	875,166	544,503	135,375	150,084	2.18
57	Far Eastern Tech-Info Ltd. (Shanghai)	181,805 RMB 42,231	11,148 2,589	-	11,148 2,589	- -	(28) (6)	(25) (5)	NA NA
58	Yuan Cing Co., Ltd.	20,000	39,366	8,819	30,547	61,356	8,406	6,843	3.42
59	ARCOA Communication Co., Ltd.	1,342,800	3,613,978	1,788,738	1,825,240	12,102,920	132,725	178,773	1.33
60	Data Express Infotech Co., Ltd.	183,805	1,247,092	926,814	320,278	4,152,990	76,318	100,008	5.44
61	Linkwell Tech Co., Ltd.	45,804	105,766	40,338	65,428	563,663	17,168	15,471	NA
62	Home Master Technology Ltd	12,725	392,513	347,036	45,477	1,759,761	37,233	29,152	NA
63	New Century InfoComm Tech Co., Ltd.	21,000,000	26,828,067	3,033,951	23,794,116	10,444,730	1,799,624	1,432,896	0.68
64	New Diligent Co., Ltd.	540,000	86,548	100	86,448	-	(151)	415	0.01
65	New Diligent Hong Kong Co. Ltd.	3,051 USD 100	2,873 95	164 5	2,709 90	- -	(196) (6)	(226) (7)	NA NA
66	Sino Lead Enterprise Limited.	125 HKD 30	17,241 4,480	16,946 4,403	295 77	112,647 28,556	61 15	53 13	1.78 0.45
67	Information Security Service Digital United	102,490	343,266	209,961	133,305	500,169	23,873	24,205	2.36
68	Digital United (Cayman) Ltd.	309,394 USD 10,320	192,143 6,409	445 15	191,698 6,394	- -	(408) (13)	(1,075) (35)	(0.13) (0.00)
69	Digital United Information Technology (Shanghai) Ltd.	101,394 RMB 23,553	34,720 8,065	35,098 8,153	(378) (88)	6,604 1,477	(2,329) (521)	(2,182) (509)	NA NA
70	Far Eastern New Diligence Ltd.	428,714 USD 14,300	24,248 809	68 2	24,180 807	- -	(147) (5)	306 10	NA NA
71	Yuanshi Digital Technology Co., Ltd.	1,041,675	328,651	1,002,572	(673,921)	1,783,107	(202,997)	(205,230)	(1.97)
72	Prime Ecopower Co., Ltd.	160,000	166,496	26,048	140,448	37,249	(15,221)	(14,868)	(0.93)
73	Yuan Bao Fintech Co., Ltd.	60,000	59,975	295	59,680	-	(328)	(320)	(0.05)
74	Nextlink Technology Co., Ltd.	49,000	227,334	161,273	66,061	661,748	(25,552)	2,999	0.61
75	Microfusion Technology Co., Ltd.	26,000	116,557	100,095	16,462	358,697	10,569	9,093	3.50
76	Nextlink (HK) Technology Co., Ltd.	973 HKD 253	170,381 44,266	164,838 42,826	5,543 1,440	450,303 114,152	(433) (110)	(2,646) (673)	NA NA
77	Nextlink (Shanghai) Technologies Co., Ltd.	2,152 RMB 500	7,452 1,731	6,021 1,399	1,431 332	6,151 1,375	(166) (37)	(637) (143)	NA NA
78	Yuan-Ding Co., Ltd.	5,034,047	12,175,130	2,928,879	9,246,251	1,698,349	407,938	251,052	0.50
79	Ding Ding Hotel Co., Ltd.	1,040,470	1,918,184	1,094,525	823,659	1,846,347	(327,147)	(337,149)	(3.24)
80	Yuan Hong Electric Co., Ltd.	370,000	42,669	45	42,624	-	(61)	(3,403)	(0.09)
81	Far Eastern Technical Consultants Co., Ltd.	50,000	176,156	80,285	95,871	123,849	38,980	33,019	6.60
82	Ding Ding Integrated Marketing Service Co., Ltd.	363,110	874,523	558,314	316,209	367,271	(31,840)	(46,641)	(1.28)
83	YDT Technology International Co., Ltd.	139,920	327,315	39,636	287,679	102,521	6,465	16,033	1.15

Special Disclosure

	Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (loss)	Net Income (loss)	EPS (NT\$)
84	Far Eastern Electronic Toll Collection Co., Ltd.	3,000,000	7,185,993	4,536,169	2,649,824	2,221,644	508,792	401,521	1.34
85	Yuan Hsin Digital Payment Co., Ltd.	776,737	726,947	178,128	548,819	16,824	(224,242)	(227,886)	(2.93)
86	FETC International Co., Ltd.	200,000	183,731	60,343	123,388	157,159	(30,991)	(30,243)	(1.51)
87	DDIM (Virgin Islands) Ltd.	714,954 USD 23,846	56,160 1,873	-	56,160 1,873	-	(84) (3)	(6,368) (206)	(2,448.29) (79.20)
88	YDC (Virgin Islands) Ltd.	33,877 USD 1,130	52,105 1,738	-	52,105 1,738	-	(137) (4)	3,060 99	2,707.96 87.60
89	Yuan Ding Integrated Information Service Inc. (Shanghai)	648,541 RMB 150,648	72,227 16,777	16,077 3,734	56,150 13,043	18,848 4,215	(7,377) (1,650)	(6,315) (1,412)	NA NA
90	Speedy (Shanghai) digital Tech. Co., Ltd.	28,152 RMB 6,539	106,641 24,771	56,133 13,039	50,508 11,732	41,093 9,189	2,684 600	3,221 720	NA NA
91	APG Polytech USA Holdings, Inc.	2 USD 0.05	15,699,405 523,663	642,713 21,438	15,056,692 502,225	(225,598) (7,298)	(254,727) (8,240)	(245,875) (7,954)	(48,553.52) (1,570.71)
92	APG Polytech, LLC	2,698,200 USD 90,000	5,912,851 197,227	3,119,707 104,060	2,793,144 93,167	11,735,208 379,636	104,686 3,387	11,753 380	NA NA
93	Phoenix Technologies International, LLC	333,111 USD 11,111	765,976 25,550	681,529 22,733	84,447 2,817	569,303 18,417	(110,069) (3,561)	(121,845) (3,942)	NA NA
94	FE Oriental Investment Holding (Singapore) Pte. Ltd. (Note)	-	-	-	-	-	-	-	-

Note: Capital payment has not been remitted until 31 Dec 2019.

1.2 Declaration for the Consolidated Financial Statements of Affiliated Enterprises of the Company

REPRESENTATION LETTER

The affiliates that should be included in the combined financial statements of FENC as of and for the year ended December 31, 2019 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" in the Republic of China (ROC) are the same as those prepared under the International Accounting Standard 10 - "Consolidated and Separate Financial Statements." The information required to be disclosed in the combined financial statements has already been disclosed in the consolidated financial report. Thus, FENC and its affiliates do not prepare a separate set of combined financial statements.

Very truly yours,
Far Eastern New Century Corporation
By

Douglas Tong Hsu
Chairman



March 24, 2020

1.3 Affiliation Report: Not applicable

2. Private Placement Securities in the Latest Year

None

3. The Company's Shares Held or Disposed by Subsidiaries in Recent Years until the Annual Report being Published

Name	Paid-in Capital (NT\$ million)	Source of funding	Holdings percentage	Date of acquisition or disposal	Number & amount of shares acquired	Number & amount of shares disposed	Investment income (loss)	Number & amount of shares held until the annual report being published	Creation of pledge	Amount of loan guaranteed by the Company	Amount of loan lent by the Company
Yuan-Ding Co., Ltd.	5,034,047	-	37.13%	-	-	-	-	Shares: 779,000 Amount: NT\$ 25.063 million	-	-	-

4. Other Supplementary Information

None

5. Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published

None.



FAR EASTERN NEW CENTURY

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