

**Far Eastern New Century Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2020 and 2019 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Far Eastern New Century Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Far Eastern New Century Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2020 and 2019, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and joint operations included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2020 and 2019, combined total assets of these non-significant subsidiaries and joint operations were NT\$272,149,559 thousand and NT\$277,292,870 thousand, respectively, representing 43.88% and 48.24%, respectively, of the consolidated total assets, and combined total liabilities of these non-significant subsidiaries and joint operations were NT\$120,723,264 thousand and NT\$126,728,656 thousand, respectively, representing 34.68% and 42.50%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2020 and 2019, the amounts of combined comprehensive income of these non-significant subsidiaries and joint operations were NT\$(2,871,198) thousand and NT\$1,868,094 thousand, respectively, representing (384.84%) and 33.11%, respectively, of the consolidated total comprehensive income. In addition, as stated in Note 14 to the consolidated financial statements, the investments accounted for using equity-method as of March 31, 2020 and 2019, with carrying values of NT\$41,678,515 thousand and NT\$40,032,662 thousand, respectively, and the related shares of the comprehensive income of associates amounting to NT\$(676,437)

thousand and NT\$586,224 thousand, respectively. These amounts referring to the investments accounted for using equity-method were based on unreviewed financial statements of associates. Related information on subsidiaries, joint operations and associates stated above and investments shown in Note 40 to the consolidated financial statements was also unreviewed.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries, joint operations, and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 12, 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 review such consolidated financial statements are those generally applied in the Republic of China.*

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

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 35)	\$ 43,006,635	7	\$ 38,924,588	7	\$ 33,304,741	6
Financial assets at fair value through profit or loss - current (Notes 4, 7, 35 and 36)	4,552,394	1	5,053,716	1	6,156,793	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	63,116	-	80,853	-	72,542	-
Financial assets at amortized cost - current (Notes 4, 9 and 35)	1,973,874	-	1,792,168	-	1,410,113	-
Contract assets - current (Notes 4 and 27)	5,764,005	1	6,398,973	1	5,620,260	1
Notes and accounts receivable, net (Notes 4, 11 and 35)	26,321,030	4	26,932,881	5	29,750,054	5
Other receivables (Note 35)	3,361,741	1	4,209,711	1	2,456,606	1
Current tax assets (Note 4)	16,815	-	34,616	-	28,433	-
Inventories (Notes 4, 12 and 36)	23,545,107	4	27,117,492	5	31,720,662	5
Prepayments	3,416,324	1	1,957,909	-	6,082,133	1
Other financial assets - current (Notes 35 and 36)	2,701,045	-	3,079,224	-	4,797,787	1
Refundable deposits - current	66,497	-	105,305	-	66,105	-
Other current assets	3,547,405	1	3,352,947	1	3,273,814	1
Total current assets	<u>118,335,988</u>	<u>20</u>	<u>119,040,383</u>	<u>21</u>	<u>124,740,043</u>	<u>22</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,486,601	-	2,076,085	-	2,014,521	-
Financial assets at amortized cost - non-current (Notes 4, 9, 35 and 36)	534,300	-	519,921	-	499,707	-
Investments accounted for using the equity method (Notes 4, 14 and 36)	71,155,515	12	71,266,263	13	68,485,904	12
Contract assets - non-current (Notes 4 and 27)	2,735,335	-	2,333,037	-	1,708,328	-
Property, plant and equipment (Notes 4, 14 and 36)	160,244,479	26	163,017,162	28	162,465,042	28
Right-of-use assets (Notes 4 and 17)	18,878,352	3	18,692,472	3	18,731,797	3
Investment properties (Notes 4, 18 and 36)	134,544,813	22	127,633,553	22	125,792,605	22
Concessions (Notes 20 and 36)	80,309,900	13	38,069,295	7	40,381,864	7
Goodwill (Notes 4, 19 and 31)	12,290,692	2	12,290,228	2	12,717,757	2
Other intangible assets (Notes 4 and 20)	4,748,026	1	4,926,629	1	5,226,862	1
Deferred tax assets (Note 4)	3,077,629	-	3,117,532	1	3,211,695	1
Prepayments for equipment (Note 16)	2,091,929	-	2,150,572	-	1,728,103	-
Refundable deposits - non-current	1,454,996	-	1,478,369	-	1,064,071	-
Long-term other receivables (Note 35)	94,534	-	100,125	-	521,594	-
Incremental costs of obtaining a contract - non-current (Notes 4 and 27)	3,446,074	1	3,398,107	1	2,384,140	1
Net defined benefit assets - non-current (Note 24)	623,541	-	487,009	-	53,112	-
Other financial assets - non-current (Notes 35 and 36)	2,590,235	-	3,882,293	1	2,451,969	1
Other non-current assets (Note 20)	548,708	-	1,600,664	-	641,539	-
Total non-current assets	<u>501,855,659</u>	<u>80</u>	<u>457,039,316</u>	<u>79</u>	<u>450,080,610</u>	<u>78</u>
<b>TOTAL</b>	<u>\$ 620,191,647</u>	<u>100</u>	<u>\$ 576,079,699</u>	<u>100</u>	<u>\$ 574,820,653</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 21 and 35)	\$ 58,861,058	9	\$ 35,429,586	6	\$ 44,420,002	7
Short-term bills payable (Note 21)	11,434,870	2	8,125,603	1	5,111,316	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 35)	20,890	-	1,861	-	1,818	-
Contract liabilities - current (Notes 4 and 27)	5,159,640	1	4,535,792	1	5,242,734	1
Notes and accounts payable (Note 4)	14,695,268	3	17,704,125	3	19,400,003	3
Notes and accounts payable to related parties (Note 35)	207,092	-	336,261	-	351,494	-
Payables to suppliers of machinery and equipment	3,048,000	-	2,570,620	-	4,861,771	1
Lease liabilities - current (Notes 4 and 17)	3,463,434	1	3,187,540	1	3,302,178	1
Other payables	14,294,464	2	14,844,133	3	14,169,419	3
Current tax liabilities (Note 4)	2,682,188	-	1,693,953	-	4,082,232	1
Provisions - current (Notes 4 and 23)	248,241	-	250,396	-	291,227	-
Guarantee deposits received - current (Note 35)	220,786	-	233,022	-	291,687	-
Current portion of long-term liabilities (Notes 21 and 22)	21,980,723	4	23,071,439	4	19,446,065	3
Other current liabilities	2,712,781	-	2,988,273	1	3,434,979	1
Total current liabilities	<u>139,029,435</u>	<u>22</u>	<u>114,972,604</u>	<u>20</u>	<u>124,406,925</u>	<u>22</u>
<b>NON-CURRENT LIABILITIES</b>						
Financial liabilities for hedging - non-current	24,100	-	31,087	-	24,701	-
Contract liabilities - non-current (Notes 4 and 27)	204,888	-	210,600	-	229,418	-
Lease liabilities - non-current (Notes 4 and 17)	7,319,803	1	7,376,771	1	7,462,289	1
Bonds payable (Note 22)	88,399,174	14	83,398,393	15	77,611,010	13
Long-term borrowings (Note 21)	92,123,928	15	78,289,832	14	67,765,580	12
Provisions - non-current (Notes 4 and 23)	970,658	-	961,398	-	919,320	-
Deferred tax liabilities (Note 4)	18,211,589	3	17,761,929	3	17,485,098	3
Net defined benefit liabilities - non-current (Note 24)	930,049	-	959,416	-	1,672,227	1
Guarantee deposits received - non-current (Note 35)	755,814	-	635,451	-	480,646	-
Deferred credit-gains on related-party transactions (Note 35)	122,526	-	122,526	-	123,081	-
Other non-current liabilities	38,141	-	38,509	-	33,708	-
Total non-current liabilities	<u>209,100,670</u>	<u>33</u>	<u>189,785,912</u>	<u>33</u>	<u>173,807,078</u>	<u>30</u>
Total liabilities	<u>348,130,105</u>	<u>55</u>	<u>304,758,516</u>	<u>53</u>	<u>298,214,003</u>	<u>52</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)</b>						
Share capital						
Common stock	53,528,751	9	53,528,751	9	53,528,751	9
Capital surplus	3,270,359	1	3,270,355	1	3,255,083	1
Retained earnings						
Legal reserve	17,955,250	3	17,955,250	3	16,752,421	3
Special reserve	115,505,874	19	115,505,874	20	114,443,170	20
Unappropriated earnings	18,856,195	3	17,376,404	3	19,723,649	3
Total retained earnings	<u>152,317,319</u>	<u>25</u>	<u>150,837,528</u>	<u>26</u>	<u>150,919,240</u>	<u>26</u>
Other equity	(5,048,195)	(1)	(3,089,283)	(1)	61,211	-
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	<u>204,043,171</u>	<u>34</u>	<u>204,522,288</u>	<u>35</u>	<u>207,739,222</u>	<u>36</u>
<b>NON-CONTROLLING INTERESTS (Note 26)</b>	<u>68,018,371</u>	<u>11</u>	<u>66,798,895</u>	<u>12</u>	<u>68,867,428</u>	<u>12</u>
Total equity	<u>272,061,542</u>	<u>45</u>	<u>271,321,183</u>	<u>47</u>	<u>276,606,650</u>	<u>48</u>
<b>TOTAL</b>	<u>\$ 620,191,647</u>	<u>100</u>	<u>\$ 576,079,699</u>	<u>100</u>	<u>\$ 574,820,653</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 12, 2020)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
<b>OPERATING REVENUES (Notes 4, 27 and 35)</b>				
Net sales	\$ 36,196,960	69	\$ 45,172,824	73
Telecommunications service revenue	11,467,860	22	11,904,188	19
Construction revenue	835,944	2	1,040,790	2
Other operating revenue	<u>3,735,547</u>	<u>7</u>	<u>3,802,115</u>	<u>6</u>
Total operating revenues	<u>52,236,311</u>	<u>100</u>	<u>61,919,917</u>	<u>100</u>
<b>OPERATING COSTS (Notes 4, 12, 28 and 35)</b>				
Cost of goods sold	33,884,431	65	41,795,905	68
Loss on disposal of investments, net	3,586	-	1,785	-
Cost of telecommunications services	5,812,181	11	6,202,994	10
Construction costs	781,054	2	1,007,909	2
Other operating cost	<u>2,253,230</u>	<u>4</u>	<u>2,037,592</u>	<u>3</u>
Total operating costs	<u>42,734,482</u>	<u>82</u>	<u>51,046,185</u>	<u>83</u>
<b>GROSS PROFIT</b>	<u>9,501,829</u>	<u>18</u>	<u>10,873,732</u>	<u>17</u>
<b>OPERATING EXPENSES (Notes 4, 11, 27, 28 and 35)</b>				
Selling and marketing	4,948,596	10	4,270,356	7
General and administrative	2,531,617	5	2,838,223	5
Research and development	218,343	-	250,613	-
Expected credit loss	<u>71,633</u>	<u>-</u>	<u>79,199</u>	<u>-</u>
Total operating expenses	<u>7,770,189</u>	<u>15</u>	<u>7,438,391</u>	<u>12</u>
<b>OPERATING INCOME</b>	<u>1,731,640</u>	<u>3</u>	<u>3,435,341</u>	<u>5</u>
<b>NON-OPERATING INCOME AND EXPENSES</b>				
Interest income	72,701	-	80,265	-
Other income - other	445,927	1	203,790	-
(Loss) gain on financial (liabilities) assets at fair value through profit or loss, net	(206,547)	-	113,402	-
Gain on change in fair value of investment properties (Note 18)	2,892,803	5	148,398	-
Share of the profit or loss of associates	(52,293)	-	1,362,800	2
Interest expense (Notes 28 and 35)	(761,108)	(2)	(810,993)	(1)
Other expense	(217,797)	-	(185,600)	-
Loss on disposal of property, plant and equipment (Note 16)	(114,945)	-	(218,637)	-
Gain on disposal of concessions (Note 20)	-	-	100	-

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
Loss on disposal of intangible properties (Note 20)	\$ -	-	\$ (472)	-
Exchange gain, net (Note 4)	102,712	-	35,538	-
Impairment loss (Note 16)	<u>(2,097)</u>	<u>-</u>	<u>(43,804)</u>	<u>-</u>
Total non-operating incomes and expenses	<u>2,159,356</u>	<u>4</u>	<u>684,787</u>	<u>1</u>
INCOME BEFORE INCOME TAX	3,890,996	7	4,120,128	6
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(1,007,533)</u>	<u>(2)</u>	<u>(678,439)</u>	<u>(1)</u>
NET INCOME	<u>2,883,463</u>	<u>5</u>	<u>3,441,689</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Gains on property revaluation (Note 16)	67,461	-	331,557	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income	(106,740)	-	(12,134)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(1,496,305)	(3)	480,805	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(13,541)</u>	<u>-</u>	<u>(34,947)</u>	<u>-</u>
	<u>(1,549,125)</u>	<u>(3)</u>	<u>765,281</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(450,562)	(1)	1,184,297	2
Loss on hedging instruments	6,042	-	(90,057)	-
Share of the other comprehensive income of associates accounted for using the equity method	<u>(143,743)</u>	<u>-</u>	<u>340,913</u>	<u>1</u>
	<u>(588,263)</u>	<u>(1)</u>	<u>1,435,153</u>	<u>3</u>
Total other comprehensive income, net	<u>(2,137,388)</u>	<u>(4)</u>	<u>2,200,434</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 746,075</u>	<u>1</u>	<u>\$ 5,642,123</u>	<u>9</u>

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,503,076	3	\$ 2,015,787	3
Non-controlling interests	<u>1,380,387</u>	<u>2</u>	<u>1,425,902</u>	<u>2</u>
	<u>\$ 2,883,463</u>	<u>5</u>	<u>\$ 3,441,689</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ (473,459)	(1)	\$ 4,143,368	7
Non-controlling interests	<u>1,219,534</u>	<u>2</u>	<u>1,498,755</u>	<u>2</u>
	<u>\$ 746,075</u>	<u>1</u>	<u>\$ 5,642,123</u>	<u>9</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 30)				
Basic	<u>\$ 0.30</u>		<u>\$ 0.40</u>	
Diluted	<u>\$ 0.30</u>		<u>\$ 0.40</u>	

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

(With Deloitte & Touche review report dated May 12, 2020)

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company													
	Common Stock (Note 26)	Capital Surplus (Notes 4 and 26)	Retained Earnings			Exchange Differences on Translating Foreign Operations (Notes 4 and 26)	Other Equity				Treasury Shares (Note 26)	Total Equity Attributable to Owners of the Company	Non-controlling Interests (Note 26)	Total Equity
			Legal Reserve (Note 26)	Special Reserve (Note 26)	Unappropriated Earnings (Note 26)		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 26)	Gain/(loss) on Hedging Instruments (Notes 4 and 26)	Unrealized Revaluation Increments (Notes 4 and 26)					
BALANCE AT JANUARY 1, 2019	\$ 53,528,751	\$ 2,908,631	\$ 16,752,421	\$ 114,443,170	\$ 17,996,558	\$ (3,589,901)	\$ 771,912	\$ 45,880	\$ 702,778	\$ (25,063)	\$ 203,535,137	\$ 64,194,300	\$ 267,729,437	
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)	-	-	-	-	-	(331,352)	(94,653)	(426,005)	
BALANCE AT JANUARY 1, 2019 AS RESTATED	53,528,751	2,908,631	16,752,421	114,443,170	17,665,206	(3,589,901)	771,912	45,880	702,778	(25,063)	203,203,785	64,099,647	267,303,432	
Net income for the three months ended March 31, 2019	-	-	-	-	2,015,787	-	-	-	-	-	2,015,787	1,425,902	3,441,689	
Other comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	-	1,445,984	466,500	(81,959)	297,056	-	2,127,581	72,853	2,200,434	
Total comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	2,015,787	1,445,984	466,500	(81,959)	297,056	-	4,143,368	1,498,755	5,642,123	
Changes in associates accounted for using the equity method	-	3	-	-	45,617	-	-	-	-	-	45,620	475	46,095	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	180,000	180,000	
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(2,961)	-	2,961	-	-	-	-	-	-	
Changes in percentage of ownership interests in subsidiaries	-	346,449	-	-	-	-	-	-	-	-	346,449	3,088,551	3,435,000	
BALANCE, MARCH 31, 2019	\$ 53,528,751	\$ 3,255,083	\$ 16,752,421	\$ 114,443,170	\$ 19,723,649	\$ (2,143,917)	\$ 1,241,373	\$ (36,079)	\$ 999,834	\$ (25,063)	\$ 207,739,222	\$ 68,867,428	\$ 276,606,650	
BALANCE AT JANUARY 1, 2020	\$ 53,528,751	\$ 3,270,355	\$ 17,955,250	\$ 115,505,874	\$ 17,376,404	\$ (6,545,706)	\$ 2,439,965	\$ 11,700	\$ 1,004,758	\$ (25,063)	\$ 204,522,288	\$ 66,798,895	\$ 271,321,183	
Net income for the three months ended March 31, 2020	-	-	-	-	1,503,076	-	-	-	-	-	1,503,076	1,380,387	2,883,463	
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	(468,435)	(1,563,067)	998	53,969	-	(1,976,535)	(160,853)	(2,137,388)	
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	1,503,076	(468,435)	(1,563,067)	998	53,969	-	(473,459)	1,219,534	746,075	
Change in associates accounted for using the equity method	-	4	-	-	(5,662)	-	-	-	-	-	(5,658)	(58)	(5,716)	
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(17,623)	-	17,623	-	-	-	-	-	-	
BALANCE, MARCH 31, 2020	\$ 53,528,751	\$ 3,270,359	\$ 17,955,250	\$ 115,505,874	\$ 18,856,195	\$ (7,014,141)	\$ 894,521	\$ 12,698	\$ 1,058,727	\$ (25,063)	\$ 204,043,171	\$ 68,018,371	\$ 272,061,542	

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

(With Deloitte & Touche review report dated May 12, 2020)



# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 3,890,996	\$ 4,120,128
Adjustments for:		
Depreciation	5,133,116	5,480,325
Amortization	1,144,305	1,106,517
Expected credit loss	71,633	79,199
Interest expense	761,108	810,993
Interest income	(72,701)	(80,265)
Dividend income	(7,158)	(5,728)
Share of the loss (profit) of associates	52,293	(1,362,800)
Loss on disposal of property, plant and equipment	114,945	218,637
Loss on disposal of intangible assets	-	472
Gain on disposal of concessions	-	(100)
Impairment loss	2,097	43,804
Write-down (reversal) of inventory	158,184	(694,247)
Gain on change in fair value of investment properties	(2,892,803)	(148,398)
Gain on modifications of lease	(1,430)	(859)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	501,322	(81,189)
Financial liabilities or assets for hedging	(945)	1,868
Contract assets	232,670	35,810
Notes and accounts receivable	94,101	(308,613)
Other receivables	(333,621)	267,294
Inventories	2,032,181	2,992,572
Prepayments	(1,458,415)	(1,588,601)
Other current assets	(194,458)	(331,561)
Incremental cost of obtaining a contract	(47,967)	(581,977)
Financial liabilities at fair value through profit or loss	19,029	(5,030)
Contract liabilities	618,136	563,737
Notes and accounts payable	(3,008,857)	2,422,101
Notes and accounts payable to related parties	(129,169)	(14,023)
Other payables	(669,155)	(2,674,575)
Provisions	7,105	5,850
Other current liabilities	(275,492)	28,269
Net defined benefit liabilities	(165,899)	(196,320)
Cash generated from operations	5,575,151	10,103,290
Interest received	89,717	129,887
Dividend received	3,662	3,139
Interest paid	(661,513)	(700,022)
Income tax received (paid)	920,816	(189,937)
Net cash generated from operating activities	5,927,833	9,346,357

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ (400,000)	\$ (5,207)
(Increase) decrease in financial assets at amortized cost	(196,085)	611,825
Acquisition of investments accounted for using the equity method	(1,618,571)	(19,520)
Acquisition of property, plant, equipment and prepayments for equipment	(3,709,428)	(6,099,633)
Proceeds from disposal of property, plant and equipment	67,595	28,774
Decrease in refundable deposits	62,181	66,935
Decrease (increase) in other receivables	1,184,359	(800,200)
Acquisition of intangible assets	(139,531)	(147,884)
Acquisition of investment properties	-	(10,273)
Proceeds from disposal of investment properties	-	540,000
Acquisition of right-of-use assets	(154,366)	(168,472)
Increase in concessions	(42,053,025)	(27,562)
Proceeds from disposal of concessions	-	7,988
Decrease in other financial assets	1,670,237	1,215,234
Net cash outflow on acquisition of a subsidiary	-	(351,804)
Increase in other non-current assets	(49,013)	(238,992)
	(45,335,647)	(5,398,791)
<b>Net cash used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	23,431,472	(3,413,443)
Increase (decrease) in short-term bills payables	3,321,000	(1,607,000)
Proceeds from issue of bonds	5,000,000	-
Repayments of bonds payables	(1,300,000)	(1,300,000)
Proceeds from long-term borrowings	77,691,472	65,345,759
Repayments of long-term borrowings	(63,666,859)	(67,507,835)
Repayment of the principal portion of lease liabilities	(846,935)	(981,096)
Increase (decrease) in guarantee deposits received	108,127	(15,540)
Decrease in other non-current liabilities	(368)	(865)
Increase in non-controlling interests	-	3,435,000
	43,737,909	(6,045,020)
<b>Net cash generated (used in) from financing activities</b>		
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(248,048)	59,635

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2020	2019
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 4,082,047	\$ (2,037,819)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>38,924,588</u>	<u>35,342,560</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 43,006,635</u>	<u>\$ 33,304,741</u>

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

(With Deloitte & Touche review report dated May 12, 2020)

(Concluded)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

---

### 1. GENERAL INFORMATION

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

On October 13, 2009, the shareholders resolved to change the Company 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.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors on May 12, 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), IFRS and Interpretations of IAS (SIC) (collectively, the IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies.

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

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note)</u>
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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

##### **a. Statement of compliance**

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

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties that are measured at fair value, and net defined benefit 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. 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 if the Group had directly disposed of the related assets or liabilities.

See Note 13, Table 12 and Table 13 for the detailed information of subsidiaries (including the percentage of ownership and main business).

The Group's investment in Corpus Christi Polymers LLC complies with the joint operations. Therefore, the Group recognized its share of the assets, liabilities, revenues and expenses of the joint operation.

d. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2019. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

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

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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

For the critical accounting judgments and key sources of estimation uncertainty of the consolidated financial statements, refer to the consolidated financial statements for the year ended December 31, 2019.

**6. CASH AND CASH EQUIVALENTS**

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Cash			
Cash on hand and petty cash	\$ 31,631	\$ 34,263	\$ 49,872
Demand and checking accounts	<u>33,876,485</u>	<u>33,004,579</u>	<u>24,655,540</u>
	<u>33,908,116</u>	<u>33,038,842</u>	<u>24,705,412</u>

(Continued)

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	\$ 2,079,288	\$ 2,062,519	\$ 3,941,814
Commercial paper and corporate bonds purchased under resale agreements	<u>6,877,117</u>	<u>3,741,139</u>	<u>4,486,811</u>
	<u>8,956,405</u>	<u>5,803,658</u>	<u>8,428,625</u>
Management discretionary accounts			
Demand accounts	<u>142,114</u>	<u>82,088</u>	<u>170,704</u>
	<u>\$ 43,006,635</u>	<u>\$ 38,924,588</u>	<u>\$ 33,304,741</u> (Concluded)

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 NT\$142,114 thousand, NT\$82,088 thousand and NT\$170,704 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Time deposits	0.67%-1.89%	0.10%-2.90%	0.55%-2.86%
Commercial paper and corporate bonds purchased under resale agreements	0.33%-1.06%	0.48%-2.15%	0.38%-2.60%

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Financial assets mandatorily classified as at fair value through profit or loss (FVTPL)</u>			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts	\$ 403	\$ 11,479	\$ 2,226
Non-derivative financial assets			
Mutual funds - beneficial certificates	4,454,742	4,653,960	5,965,290
Listed shares	<u>97,249</u>	<u>388,277</u>	<u>189,277</u>
	<u>\$ 4,552,394</u>	<u>\$ 5,053,716</u>	<u>\$ 6,156,793</u>
<u>Financial liabilities held for trading - current</u>			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts	<u>\$ 20,890</u>	<u>\$ 1,861</u>	<u>\$ 1,818</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 March 31, 2020, December 31, 2019 and March 31, 2019, the Group had outstanding forward exchange contracts, which were stated as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>March 31, 2020</u>			
Sell	USD/NTD	2020.04.07-2020.06.17	USD35,110/NTD1,052,856
Sell	EUR/USD	2020.04.28-2020.05.27	EUR10,000/USD10,992
Buy	USD/JPY	2020.04.27-2020.06.17	USD7,000/JPY766,785
Buy	USD/RMB	2020.04.27-2020.04.28	USD11,000/RMB77,890
Sell	USD/JPY	2020.04.26-2020.05.28	USD6,950/JPY746,894
Sell	JPY/NTD	2020.04.17-2020.05.26	JPY1,213,000/NTD335,643
Buy	USD/NTD	2020.04.08-2020.04.20	USD2,000/NTD60,045
Sell	USD/RMB	2020.04.14-2020.07.22	USD25,000/RMB175,188
Sell	SGD/MYR	2020.04.27-2020.06.26	SGD890/MYR2,666
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.01.06-2020.04.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.01.31-2020.02.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.01.08-2020.03.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.01.31-2020.02.26	USD12,000/RMB84,204
Sell	USD/JPY	2020.01.28-2020.02.26	USD6,000/JPY649,146
Buy	USD/NTD	2020.01.07-2020.01.16	USD2,300/NTD70,199
Sell	USD/RMB	2020.01.14-2020.02.24	USD17,000/JPY119,713
Sell	SGD/MYR	2020.01.30-2020.03.26	SGD500/MYR1,534
<u>March 31, 2019</u>			
Buy	USD/NTD	2019.04.02	USD13,400/NTD413,422
Sell	USD/NTD	2019.04.01-2019.05.07	USD35,000/NTD1,077,829
Sell	EUR/USD	2019.04.26-2019.06.26	EUR5,000/USD5,714
Buy	USD/JPY	2019.04.09-2019.05.07	USD22,000/JPY2,434,980
Buy	USD/RMB	2019.05.29-2019.06.26	USD3,000/RMB20,199
Buy	USD/NTD	2019.04.02-2019.04.19	USD3,500/NTD107,738
Sell	USD/JPY	2019.04.26-2019.07.27	USD11,400/JPY1,257,492
Sell	USD/RMB	2019.04.11-2019.05.22	USD20,000/RMB134,283
Sell	USD/CAD	2019.04.25	USD2,000/CAD2,683

b. Option contracts

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

The Group had no outstanding option contracts as of March 31, 2020, December 31, 2019 and March 31, 2019.



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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets at fair value through other comprehensive income (FVTOCI)</u>			
Domestic listed shares	\$ 311,955	\$ 403,142	\$ 372,547
Domestic unlisted shares	1,425,853	937,065	923,328
Real estate investment trust mutual funds - beneficial certificates	299,400	307,500	300,000
Oversea shares	<u>512,509</u>	<u>509,231</u>	<u>491,188</u>
	<u>\$ 2,549,717</u>	<u>\$ 2,156,938</u>	<u>\$ 2,087,063</u>
Current	\$ 63,116	\$ 80,853	\$ 72,542
Non-current	<u>2,486,601</u>	<u>2,076,085</u>	<u>2,014,521</u>
	<u>\$ 2,549,717</u>	<u>\$ 2,156,938</u>	<u>\$ 2,087,063</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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months (a)	<u>\$ 1,973,874</u>	<u>\$ 1,792,168</u>	<u>\$ 1,410,113</u>
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months (a)	\$ 34,300	\$ 19,921	\$ 96,907
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>500,000</u>	<u>-</u>
	<u>\$ 534,300</u>	<u>\$ 519,921</u>	<u>\$ 499,707</u>

- a. The interest rates for time deposits with original maturity of more than 3 months were from 0.16% to 3.20%, 0.60% to 3.20% and 0.60% to 3.10% as of March 31, 2020, December 31, 2019 and March 31, 2019.
- b. In November 2018, the Group purchased corporate bonds which were issued by Taiwan Life Insurance Co., Ltd. The coupon rate is 4.000%, and the effective interest rate is 3.972%. In addition, for the 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.
- c. In June 2019, the Group purchased corporate bonds which were issued by Cathay Life Insurance Co., Ltd. the coupon rate and the effective interest rate are both 3.000%.
- d. Refer to Note 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.

March 31, 2020

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

December 31, 2019

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

March 31, 2019

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

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

## 11. NOTES AND ACCOUNTS RECEIVABLE

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Notes and accounts receivable</u>			
At amortized cost			
Notes and accounts receivable	\$ 27,500,671	\$ 28,116,742	\$ 30,898,583
Less: Allowance for doubtful accounts	(1,177,168)	(1,181,254)	(1,147,401)
Less: Unrealized interest income	<u>(2,473)</u>	<u>(2,607)</u>	<u>(1,128)</u>
	<u>\$ 26,321,030</u>	<u>\$ 26,932,881</u>	<u>\$ 29,750,054</u>

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Gross amounts of accounts receivable	\$ 123,867	\$ 130,025	\$ 88,765
Unrealized interest income	<u>(7,171)</u>	<u>(7,873)</u>	<u>(4,866)</u>
	<u>\$ 116,696</u>	<u>\$ 122,152</u>	<u>\$ 83,899</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.

March 31, 2020

	<b>1 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 25,135,200	\$ 1,713,653	\$ 260,344	\$ 389,001	\$ 27,498,198
Loss allowance (Lifetime ECL)	<u>(523,865)</u>	<u>(271,804)</u>	<u>(57,177)</u>	<u>(324,322)</u>	<u>(1,177,168)</u>
Amortized cost	<u>\$ 24,611,335</u>	<u>\$ 1,441,849</u>	<u>\$ 203,167</u>	<u>\$ 64,679</u>	<u>\$ 26,321,030</u>

December 31, 2019

	<b>1 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 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>

March 31, 2019

	<b>1 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 28,118,697	\$ 2,303,007	\$ 109,457	\$ 366,294	\$ 30,897,455
Loss allowance (Lifetime ECL)	<u>(496,966)</u>	<u>(301,147)</u>	<u>(29,922)</u>	<u>(319,366)</u>	<u>(1,147,401)</u>
Amortized cost	<u>\$ 27,621,731</u>	<u>\$ 2,001,860</u>	<u>\$ 79,535</u>	<u>\$ 46,928</u>	<u>\$ 29,750,054</u>

The above aging schedule was based on the invoice date.

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 1,181,254	\$ 1,110,203
Add: Acquisitions through business combinations	-	5,205
Add: Bad debt recovered	47,546	55,700
Add: Impairment losses recognized on receivables	71,633	79,199
Less: Amounts written off	(123,225)	(103,990)
Foreign exchange gains and losses	<u>(40)</u>	<u>1,084</u>
Balance at March 31	<u>\$ 1,177,168</u>	<u>\$ 1,147,401</u>

## 12. INVENTORIES

	March 31, 2020	December 31, 2019	March 31, 2019
Merchandise inventories	\$ 2,773,428	\$ 4,584,520	\$ 4,832,277
Finished goods	6,735,246	6,136,283	9,709,851
Work in progress	2,953,443	3,313,982	3,890,307
Raw materials	6,229,934	6,935,598	7,653,821
Supplies	1,227,516	1,308,865	1,153,958
Available-for-sale - buildings and land	928,483	989,163	1,172,413
Available-for-construction - land	208,384	208,384	208,384
Construction in progress	<u>2,488,673</u>	<u>3,640,697</u>	<u>3,099,651</u>
	<u>\$ 23,545,107</u>	<u>\$ 27,117,492</u>	<u>\$ 31,720,662</u>

The cost of inventories recognized as cost of good sold for the three months ended March 31, 2020 and 2019 were \$33,884,431 thousand and \$41,795,905 thousand, respectively. The cost of goods sold included (inventory write-downs) reversal of write-downs \$(158,184) thousand and \$694,247 thousand for the three months ended March 31, 2020 and 2019. 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		
				March 31, 2020	December 31, 2019	March 31, 2019
Far Eastern New Century Corporation	1	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29	38.29
	2	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70	99.70
	3	Far Eastern Resources Development Co., Ltd	Real estate leasing and development service	100.00	100.00	100.00
	4	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00	100.00
	5	Far Eastern Polychem Industries Ltd. (FEPI)	Investment and chemical fiber sales	100.00	100.00	100.00
	6	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76	80.76
	7	Far Eastern Investment (Holding) Ltd.	Investment and chemical fiber sales	100.00	100.00	100.00
	8	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00	100.00
	9	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00
	10	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00	100.00
	11	Yuan Ding Co., Ltd. (Note 2)	Real estate leasing and hotel	49.99	49.99	49.99
	12	Far Eastern Construction Co., Ltd.	Real estate construction and sale	65.11	65.11	65.11
	13	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00	100.00
	14	An Ho Garment Co., Ltd.	Garment production and investment	100.00	100.00	100.00
	15	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00	100.00
	16	Fu Kwok Knitting & Garment Co., Ltd.	Garment production	100.00	100.00	100.00
	17	Far Eastern Textile Ltd.	Textile production	100.00	100.00	100.00
	18	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33	66.33
	19	Yuan Hsin Digital Payment Co., Ltd.	Digital payment	65.01	65.01	65.01
	20	Malaysia Garment Manufactures Pte. Ltd.	Clothing production and investment	50.92	50.92	50.92
21	FE Oriental Investment Holding (Singapore) Pte. Ltd. (Note 11)	Investment	100.00	100.00	-	

(Continued)

Investor	No	Investee	Nature of Activities	Proportion of Ownership		
				March 31, 2020	December 31, 2019	March 31, 2019
Yuan Ding Investment Co., Ltd.	22	Oriental Textile (Holding) Ltd. (OTTI)	Investment and textile sales	100.00	100.00	100.00
	23	Far Eastern Apparel (Holding) Ltd. (FEAH)	Investment and textile sales	100.00	100.00	100.00
	24	Far Eastern Fibertech Ltd.	Nylon production	100.00	100.00	100.00
Far Eastern Investment (Holding) Ltd. (FEIH)	25	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00	100.00
	26	Oriental Resources Development Co., Ltd. (Note 8)	Production and wholesale of medical supplies	100.00	100.00	100.00
	27	Oriental Green Materials Limited (Note 8)	Waste recycling and re-processing	100.00	100.00	-
	28	Yuan Faun Co., Ltd.	Consulting	100.00	100.00	100.00
	29	FETG Investment Antilles N.V.	Investment	100.00	100.00	100.00
	30	PET Far Eastern (M) Sdn. Bhd.	Bottle production	100.00	100.00	100.00
	31	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	32	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00	100.00
	33	Far Eastern Polytex (Vietnam) Ltd.	Chemical fiber and textile production	100.00	100.00	100.00
	34	Far Eastern New Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00	100.00
	Far Eastern Polychem Industries Ltd. (FEPI)	35	Magna View Sdn. Bhd.	Investment	100.00	100.00
36		APG Polytech USA Holdings, Inc.	Investment	100.00	100.00	100.00
37		Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00	100.00
38		Far Eastern Industries (Yangzhou) Ltd.	Production and sales of polyester products	100.00	100.00	100.00
Far Eastern Construction Co., Ltd.	40	Far Eastern General Contractor Inc.	Construction	99.95	99.95	99.95
Far Eastern Apparel (Holding) Ltd. (FEAH)	41	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	42	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Garment production	100.00	100.00	100.00
FETG Investment Antilles N.V.	43	Waldorf Services B.V. (Note 3)	Investment	-	-	-
Yuan Faun Co., Ltd.	44	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19	55.19
Yuan Tong Investment Co., Ltd.	45	Sino Belgium (Holding) Ltd.	Investment	90.88	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	100.00
Far Eastern Apparel (Suzhou) Co., Ltd.	47	Suzhou An Ho Apparel Ltd.	Garment production	100.00	100.00	100.00
PET Far Eastern (Holding) Ltd. (PETH)	48	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35	61.35
Oriental Textile (Holding) Ltd. (OTTI)	49	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00	100.00
	50	Oriental Industries (Suzhou) Ltd.	Production and sales of polyester resins and industrial fabrics	100.00	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	51	Far Eastern Industries (Suzhou) Ltd.	Production and sales of polyester products	100.00	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	100.00
	53	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00	100.00
	54	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00	60.00
	55	Far Eastern New Century (China) Investment Co., Ltd.	Investment	100.00	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	100.00
	57	Yuan Ding Enterprise (Shanghai) Limited (Note 4)	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses	40.00	40.00	40.00
Sino Belgium (Holding) Ltd.	58	Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	100.00	100.00	100.00
	59	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	60	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00	100.00

(Continued)

Investor	No	Investee	Nature of Activities	Proportion of Ownership		
				March 31, 2020	December 31, 2019	March 31, 2019
Yuan Ding Co., Ltd.	61	Ding Ding Hotel Co., Ltd.	Hotel	99.26	99.26	99.26
	62	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00	100.00
	63	Far Eastern Technical Consultants Co., Ltd.	Real estate development business consulting and management	100.00	100.00	100.00
FET Consulting Engineers Co., Ltd.	64	FET Consulting Engineers Co., Ltd.	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00	100.00
	65	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00	80.00
	66	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00	100.00
YDT Technology International Co., Ltd.	67	YDC (Virgin Islands) Ltd.	Investment	100.00	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	100.00
DDIM (Virgin Islands) Ltd.	69	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	70	PT Malaysia Garment Bintan (PTMG)	Clothing production	99.00	99.00	99.00
APG Polytech USA Holdings, Inc.	71	APG Polytech, LLC	Chemical fiber production	100.00	100.00	100.00
	72	Phoenix Technologies International, LLC (Note 7)	Recycled PET production	90.00	90.00	-
FE Oriental Investment Holding (Singapore) Pte. Ltd.	73	Oriental Investment Holding (Netherlands) B.V.(Note 12)	Investment	100.00	-	-
Oriental Investment Holding (Netherlands) B.V.	74	Oriental Martens (Netherlands) B.V.(Note 13)	Investment	100.00	-	-
Far EasTone Telecommunications Co., Ltd.	75	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	-	-
	76	ARCOA Communication Co., Ltd.	Sale of communications products and office equipment	100.00	-	-
ARCOA Communication Co., Ltd.	77	KGEx.com Co., Ltd.	Type II telecommunications services	100.00	100.00	100.00
	78	Yuan Cing Co., Ltd.	Call center services	61.63	61.63	61.63
	79	Far Eastern Info Service Holding Ltd. (FEIS)	Investment	99.99	99.99	99.99
New Century InfoComm Tech Co., Ltd.	80	O-music Co., Ltd. (Note 6)	Electronic information providing services	100.00	100.00	100.00
	81	Yuanshi Digital Technology Co., Ltd.	Electronic information providing services	-	-	50.00
	82	Yuan Bao (Note 10)	Data processing services and electronic information services	93.62	93.62	93.62
New Century InfoComm Tech Co., Ltd.	83	FarEas Tone Property Insurance Agent Co., Ltd.	Property insurance agent	100.00	-	-
	84	DataExpress Infotech Co., Ltd. (Note 14)	Sale of communications products	70.00	70.00	70.00
	85	New Diligent Co., Ltd.	Investment	100.00	100.00	100.00
Digital United (Cayman) Ltd.	86	Information Security Service Digital United Inc.	Security and monitoring service via Internet	100.00	100.00	100.00
	87	Digital United (Cayman) Ltd.	Investment	100.00	100.00	100.00
	88	Prime EcoPower	Energy technology services	100.00	100.00	100.00
New Diligent Co., Ltd.	89	Nextlink Technology Co., Ltd. (Note 5)	Electronic information services	70.00	70.00	70.00
	90	Digital United Information Technology (Shanghai) Ltd.	Design and research of computer system	100.00	100.00	100.00
Far Eastern New Diligent Company Ltd.	91	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00	100.00
	92	Far East New Diligent Company Ltd.	Investment	100.00	100.00	100.00
	93	New Diligent Hong Kong Co., Ltd.	Investment	100.00	100.00	100.00
DataExpress Infotech Co., Ltd.	94	Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	100.00	100.00	100.00
	95	Linkwell Tech. Co., Ltd. (Note 18)	Sale of communications products	100.00	100.00	100.00
	96	Home Master Technology Ltd.	Sale of communications products	100.00	100.00	100.00

(Continued)

Investor	No	Investee	Nature of Activities	Proportion of Ownership		
				March 31, 2020	December 31, 2019	March 31, 2019
Nextlink Technology Co., Ltd.	97	Microfusion Technology Co., Ltd. (Note 5)	Electronic information service	100.00	100.00	100.00
	98	Nextlink (HK) Technology Co., Ltd. (Note 5)	Electronic information service	100.00	100.00	100.00
Microfusion Technology Co., Ltd.	99	Microfusion Technology (HK) Co., Ltd (Note 5 and Note 9)	Electronic information service	-	-	-
Nextlink (HK) Technology Co., Ltd.	100	Nextlink (SH) Technology Co., Ltd. (Note 5)	Electronic information service	100.00	100.00	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 Group completed the liquidation on January 3, 2019. FETG Investment Antilles N.V will be responsible for the subsequent obligations.

Note 4: 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 5: 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 6: 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.

Note 7: 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.

Note 8: 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 9: The subsidiary was dissolved on November 8, 2019 which is approved by local government.

Note 10: The new subsidiary was established on November 19, 2019 for NT\$60,000 thousand.



Note 11: On December 4, 2019, the Group established a 100% holding subsidiary, FE Oriental Investment Holding (Singapore) Pte., Ltd. However, there is no actual cash outflow until March 31, 2020.

Note 12: On January 23, 2020, the Group established a 100% holding subsidiary, Oriental Investment Holding (Netherlands) B.V. However, there is no actual cash outflow until March 31, 2020.

Note 13: On February 12, 2020, the Group established a 100% holding subsidiary, Oriental Martens (Netherlands) B.V. However, there is no actual cash outflow until March 31, 2020.

Note 14: In order to cooperate the corporate organizational strategies, reduce management costs and improve operating effectiveness, DataExpress Infotech Co., Ltd.'s board of directors resolved on February 17, 2020 to proceed a merge with its 100% subsidiary, Linkwell Tech Co., Ltd. DataExpress Infotech Co., Ltd became the surviving company and Linkwell Tech Co., Ltd. merged into DataExpress Tech Co., Ltd. The surviving company's name is DataExpress Infotech Co., Ltd after the merger. The merger was set on April 1, 2020.

Note 15: On February 21, 2020, the Group established a new subsidiary for NT\$5,000 thousand.

Except for the financial statements of Far EasTone Telecommunications Co., Ltd. (Far EasTone), New Century InfoComm Tech Co., Ltd. (NCIC) and ARCOA Communication Co., Ltd. (ARCOA) for the three months ended March 31, 2020 and 2019, all the financial statements of insignificant subsidiaries were unreviewed.

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended		March 31, 2020	December 31, 2019	March 31, 2019
	2020	2019			
Far EasTone	<u>\$ 1,353,479</u>	<u>\$ 1,396,540</u>	<u>\$ 45,241,353</u>	<u>\$ 43,893,802</u>	<u>\$ 47,485,822</u>
			<b>December 31, 2019</b>	<b>March 31, 2019</b>	
			<b>March 31, 2020</b>		
Current assets	\$ 23,141,157	\$ 27,257,217	\$ 24,118,711		
Non-current assets	147,431,558	106,905,719	109,566,973		
Current liabilities	(39,651,697)	(22,132,215)	(25,835,906)		
Non-current liabilities	<u>(58,139,012)</u>	<u>(41,424,301)</u>	<u>(31,469,055)</u>		
Equity	<u>\$ 72,782,006</u>	<u>\$ 70,606,420</u>	<u>\$ 76,380,723</u>		
Equity attributable to:					
Owners of the Group	\$ 27,540,653	\$ 26,712,618	\$ 28,894,901		
Non-controlling interests of Far EasTone	44,385,838	43,051,337	46,568,408		
Non-controlling interests of Far EasTone's subsidiaries	<u>855,515</u>	<u>842,465</u>	<u>917,414</u>		
	<u>\$ 72,782,006</u>	<u>\$ 70,606,420</u>	<u>\$ 76,380,723</u>		

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Revenue	<u>\$ 19,388,840</u>	<u>\$ 20,819,459</u>
Net income for the period	\$ 2,185,213	\$ 2,250,997
Other comprehensive income for the period	<u>(9,627)</u>	<u>(31,112)</u>
Total comprehensive income for the period	<u>\$ 2,175,586</u>	<u>\$ 2,219,885</u>
Net income attributable to:		
Owners of the Group	\$ 831,734	\$ 854,457
Non-controlling interests of Far EasTone	1,340,462	1,377,085
Non-controlling interests of Far EasTone's subsidiaries	<u>13,017</u>	<u>19,455</u>
	<u>\$ 2,185,213</u>	<u>\$ 2,250,997</u>
Total comprehensive income attributable to:		
Owners of the Group	\$ 828,035	\$ 842,608
Non-controlling interests of Far EasTone	1,334,501	1,357,988
Non-controlling interests of Far EasTone's subsidiaries	<u>13,050</u>	<u>19,289</u>
	<u>\$ 2,175,586</u>	<u>\$ 2,219,885</u>
Net cash flow from:		
Operating activities	\$ 8,121,074	\$ 8,007,722
Investing activities	(43,285,132)	(1,843,273)
Financing activities	32,857,574	(4,004,234)
Effect of exchange rate changes	<u>(616)</u>	<u>1,808</u>
Net cash inflow (outflow)	<u>\$ (2,307,100)</u>	<u>\$ 2,162,023</u>

#### 14. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

##### Investments in Associates

	<u>March 31, 2020</u>		<u>December 31, 2019</u>		<u>March 31, 2019</u>	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Material associate						
Listed company						
Asia Cement Corporation	<u>\$ 24,416,863</u>	27	<u>\$ 24,627,983</u>	26	<u>\$ 23,265,206</u>	26
Associate that are not individually material						
Listed companies						
Far Eastern Department Stores Co., Ltd.	8,743,175	28	8,229,421	25	7,420,052	24
Far Eastern International Bank	6,998,424	16	6,942,480	16	6,687,692	16
Oriental Union Chemical Corporation	5,419,535	31	5,647,218	31	6,234,754	31
Everest Textile Corporation	<u>1,032,821</u>	26	<u>1,104,322</u>	26	<u>1,205,555</u>	26
	<u>22,193,955</u>		<u>21,923,441</u>		<u>21,548,053</u>	

(Continued)

	March 31, 2020		December 31, 2019		March 31, 2019	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Unlisted companies						
Oriental Securities Corporation	\$ 4,624,212	47	\$ 4,868,187	47	\$ 4,797,034	47
Pacific Liu Tong Investment Co., Ltd.	4,330,800	40	4,317,863	40	4,284,955	40
Yu Yuan Investment Co., Ltd.	3,123,049	44	3,128,822	44	2,214,359	44
Liquid Air Far East Co., Ltd.	2,307,113	35	2,135,073	35	2,151,898	35
Da Ju Fiber Co., Ltd.	2,261,145	42	2,259,130	42	2,036,267	42
Far Eastern Union Petrochemical (Yangzhou) Corporation	1,898,949	50	2,038,169	50	2,537,421	50
Far Eastern International Leasing Corporation	1,879,542	34	1,869,536	34	1,864,133	34
Tong Da Air Industry (Yangzhou) Co., Ltd.	1,165,085	50	1,169,018	50	1,206,132	50
Yu Ding Industry Co., Ltd.	887,971	31	891,164	31	801,131	31
Freudenberg Far Eastern Spunweb Co., Ltd	528,735	30	503,208	30	475,105	30
Kowloon Cement Corporation	447,638	49	449,658	49	446,383	49
Yuan Ding Leasing Corporation	395,767	46	394,072	46	389,680	46
Drive Catalyst SPC-SP Tranche One	243,628	50	242,551	50	247,060	50
Drive Catalyst SPC-SP Tranche Three	239,372	50	238,348	50	-	-
FEDS Asia Pacific Development Co., Ltd.	134,264	5	132,517	5	133,776	5
Yue Ming Corporation	75,227	47	75,347	47	72,783	47
Opas Fund Segregated Portfolio Company	1,677	34	1,656	34	1,675	34
Drive Catalyst SPC	523	34	520	34	528	34
Com 2B	-	20	-	20	12,325	20
	<u>24,544,697</u>		<u>24,714,839</u>		<u>23,672,645</u>	
	<u>\$ 71,155,515</u>		<u>\$ 71,266,263</u>		<u>\$ 68,485,904</u>	

(Concluded)

Material associates:

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			March 31, 2020	December 31, 2019	March 31, 2019
Asia Cement Corporation	Cement production	Taiwan	26.83%	26.14%	25.70%

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

Name of Associate	March 31, 2020	December 31, 2019	March 31, 2019
	Asia Cement Corporation	<u>\$ 35,520,416</u>	<u>\$ 42,323,806</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.

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.

The calculation of the investments which were accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' unreviewed financial statements, except those of Asia Cement Corporation (ACC), Far Eastern Department Stores Co., Ltd., Far Eastern International Bank, Oriental Union Chemical Corporation, Everest Textile Corporation and Pacific Liu Tong Investment Co., Ltd. for the three months ended March 31, 2020 and 2019 and Far Eastern Union Petrochemical (Yangzhou) Corporation for the three months ended March 31, 2020. The independent auditors expressed a qualified reviewed report on the financial statements of the associates above because the financial statements of some of the investees of these associates are unreviewed.

## 15. JOINT OPERATION

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 ventures 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 asset in Texas, USA, and the acquisition was approved by the US Federal Trade Commission. The main operations for Corpus Christi Polymers LLC is going to be petrochemical materials and chemical fiber productions. The identified assets and liabilities relating to the Group's interest in the joint operation was as follow:

	March 31, 2020	December 31, 2019	March 31, 2019
Assets			
Current assets	\$ 503,725	\$ 783,332	\$ 2,416,085
Non-current assets	12,489,751	12,132,352	12,399,044
Liabilities			
Current liabilities	(217,257)	(223,081)	(2,073,695)
Non-current liabilities	<u>(114,140)</u>	<u>(114,253)</u>	<u>-</u>
Net assets	<u>\$ 12,662,079</u>	<u>\$ 12,578,350</u>	<u>\$ 12,741,434</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Expenses and losses		<u>\$ 18,988</u>	<u>\$ 73,018</u>
The interest in the joint operation		33.33%	33.33%

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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Carrying amount</u>			
Property, plant and equipment	\$ 160,244,479	\$ 163,017,162	\$ 162,465,042
Prepayments for equipment	<u>2,091,929</u>	<u>2,150,572</u>	<u>1,728,103</u>
	<u>\$ 162,336,408</u>	<u>\$ 165,167,734</u>	<u>\$ 164,193,145</u>

	Land	Buildings	Machinery and Equipment	Telecommunications Equipment	Computer Equipment	Leasehold Improvements	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
<b>Cost</b>									
Balance at January 1, 2020	\$ 20,061,400	\$ 37,512,980	\$ 148,743,860	\$ 81,464,024	\$ 15,371,587	\$ 6,231,251	\$ 21,378,723	\$ 34,151,473	\$ 364,915,298
Additions	-	2,134	105,121	-	1,483	960	122,861	3,954,249	4,186,808
Disposals	-	(15,292)	(990,204)	(331,404)	(123,188)	(30,839)	(148,963)	(3,058)	(1,642,948)
Reclassification	-	528,012	1,272,043	874,727	50,972	57,257	331,695	(5,759,440)	(2,644,734)
Effect of exchange rate differences	(50,682)	(79,199)	(419,230)	-	8,622	500	(28,234)	102,521	(465,702)
Balance at March 31, 2020	<u>\$ 20,010,718</u>	<u>\$ 37,948,635</u>	<u>\$ 148,711,590</u>	<u>\$ 82,007,347</u>	<u>\$ 15,309,476</u>	<u>\$ 6,259,129</u>	<u>\$ 21,656,082</u>	<u>\$ 32,445,745</u>	<u>\$ 364,348,722</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2020	\$ (95,894)	\$ (16,869,686)	\$ (88,498,294)	\$ (59,940,554)	\$ (13,278,224)	\$ (4,880,766)	\$ (16,184,146)	\$ -	\$ (199,747,564)
Disposals	-	15,292	946,977	188,197	122,292	30,164	146,655	-	1,449,577
Depreciation expense	-	(250,504)	(1,362,968)	(1,818,821)	(193,791)	(51,971)	(367,588)	-	(4,045,643)
Impairment loss	-	-	(1,128)	-	-	-	-	-	(1,128)
Reclassification	-	(5,582)	390	-	-	-	(304)	-	(5,496)
Effect of exchange rate differences	-	46,444	274,978	-	(640)	(222)	17,380	-	337,940
Balance at March 31, 2020	<u>\$ (95,894)</u>	<u>\$ (17,064,036)</u>	<u>\$ (88,640,045)</u>	<u>\$ (61,571,178)</u>	<u>\$ (13,350,363)</u>	<u>\$ (4,902,795)</u>	<u>\$ (16,288,003)</u>	<u>\$ -</u>	<u>\$ (202,012,314)</u>
<b>Cost</b>									
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
Adjustment on initial application of IFRS 16	-	-	-	(281,281)	-	(68,892)	(214,020)	-	(564,193)
Balance at January 1, 2019 (restated)	20,320,013	35,367,004	142,989,148	80,425,187	15,012,127	4,634,765	21,908,433	34,740,587	355,397,264
Additions	-	26,797	128,722	-	7,831	3,801	82,419	3,120,853	3,370,423
Disposals	-	(24,420)	(1,358,746)	(467,334)	(497,444)	(129,868)	(100,711)	(7,710)	(2,586,233)
Acquisitions through business combinations	-	-	-	-	1,192	5,395	874	-	7,461
Reclassification	(304,462)	1,346,861	4,011,565	1,091,239	545,883	19,580	426,720	(8,247,864)	(1,110,478)
Effect of exchange rate differences	13,986	213,115	987,446	-	593	-	86,268	219,600	1,521,008
Balance at March 31, 2019	<u>\$ 20,029,537</u>	<u>\$ 36,929,357</u>	<u>\$ 146,758,135</u>	<u>\$ 81,049,092</u>	<u>\$ 15,070,182</u>	<u>\$ 4,533,673</u>	<u>\$ 22,404,003</u>	<u>\$ 29,825,466</u>	<u>\$ 356,599,445</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2019	\$ (95,894)	\$ (16,063,508)	\$ (86,311,873)	\$ (53,749,336)	\$ (13,389,707)	\$ (4,083,176)	\$ (16,304,363)	\$ -	\$ (189,997,857)
Adjustment on initial application of IFRS 16	-	-	-	188,608	-	40,004	116,913	-	345,525
Balance at January 1, 2019 (restated)	(95,894)	(16,063,508)	(86,311,873)	(53,560,728)	(13,389,707)	(4,043,172)	(16,187,450)	-	(189,652,332)
Disposals	-	24,244	1,310,257	294,930	497,337	113,721	98,333	-	2,338,822
Depreciation expense	-	(245,277)	(1,322,499)	(2,146,720)	(253,729)	(66,700)	(366,749)	-	(4,401,674)
Acquisitions through business combinations	-	-	-	-	(908)	(1,940)	(268)	-	3,116
Impairment loss	-	-	(42,377)	-	-	-	-	-	(42,377)
Reclassification	-	(13,654)	277	-	(681)	-	14,978	-	920
Effect of exchange rate differences	-	(73,815)	(528,067)	-	(75)	-	(44,586)	-	(646,543)
Balance at March 31, 2019	<u>\$ (95,894)</u>	<u>\$ (16,372,010)</u>	<u>\$ (86,894,282)</u>	<u>\$ (55,412,518)</u>	<u>\$ (13,147,763)</u>	<u>\$ (3,998,091)</u>	<u>\$ (16,485,742)</u>	<u>\$ -</u>	<u>\$ (192,406,300)</u>

The Group expects that there are no future cash flows of the machinery equipment which produced certain products from the chemical fiber department. As a result, the recoverable amount was less than the carrying amount. For the three months ended March 31, 2020 and 2019, the Group recognized the impairment loss amounting to \$1,128 thousand and \$42,377 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. Therefore, the Group recognized gains on property revaluation amounted to \$331,557 thousand for the three months ended March 31, 2019.

The Group construction project of a building (Telecom Park) located in Banqiao (recognized as construction-in-progress amounting to 2,566,457 thousand) was completed and leased to non-consolidated entities for the three months ended March 31, 2020, it was reclassified to investment properties according to fair value and recognized gains on property revaluation \$67,461 thousand, refer to Note 18.

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	1-15 years
Machinery and equipment	1-20 years
Leasehold improvements and operating and miscellaneous equipment	1-31 years

As of March 31, 2020, December 31, 2019 and March 31, 2019, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$43,104 thousand, NT\$39,489 thousand and NT\$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 farmlands belongs to the Group or have pledged the land to the Group.

## 17. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Carrying amounts</u>			
Land	\$ 8,318,423	\$ 8,192,579	\$ 8,045,840
Buildings	9,664,207	9,733,637	9,975,671
Machinery	18,739	19,413	15,940
Operating and other equipment	<u>876,983</u>	<u>746,843</u>	<u>694,346</u>
	<u>\$ 18,878,352</u>	<u>\$ 18,692,472</u>	<u>\$ 18,731,797</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Additions to right-of-use assets		<u>\$ 1,343,679</u>	<u>\$ 973,088</u>
Depreciation charge for right-of-use assets			
Land		\$ 61,558	\$ 63,264
Buildings		950,310	957,145
Machinery		848	824
Operating and other equipment		<u>74,757</u>	<u>57,418</u>
		<u>\$ 1,087,473</u>	<u>\$ 1,078,651</u>

Except for addition and recognition of depreciation expenses above-mentioned, the Group right-of-use assets did not have significant sublease and impairment for the three months ended March 31, 2020 and 2019.

### b. Lease liabilities

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Carrying amounts</u>			
Current	<u>\$ 3,463,434</u>	<u>\$ 3,187,540</u>	<u>\$ 3,302,178</u>
Non-current	<u>\$ 7,319,803</u>	<u>\$ 7,376,771</u>	<u>\$ 7,462,289</u>

Range of discount rate for lease liabilities was as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Land	0.76%-2.63%	0.76%-2.63%	0.76%-2.63%
Buildings	0.62%-4.35%	0.71%-4.35%	0.73%-4.35%
Machinery	0.76%-1.08%	0.76%-1.08%	0.76%-1.08%
Operating and other equipment	0.62%-8.00%	0.71%-8.00%	0.73%-4.27%

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Interest expense from lease liabilities	<u>\$ 35,172</u>	<u>\$ 11,037</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 Note 18.

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Expenses relating to short-term leases	<u>\$ 68,980</u>	<u>\$ 80,867</u>
Expenses relating to low-value asset leases	<u>\$ 423</u>	<u>\$ 667</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 168</u>	<u>\$ 874</u>
Total cash outflow for leases	<u>\$ (947,715)</u>	<u>\$ (1,075,132)</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.

## 18. INVESTMENT PROPERTIES

	<b>Completed Investment Properties</b>
Balance at March 31, 2020	<u>\$ 134,544,813</u>
Balance at December 31, 2019	<u>\$ 127,633,553</u>
Balance at March 31, 2019	<u>\$ 125,792,605</u>

The abovementioned investment properties were leased out for 3 to 35 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 March 31, 2020, December 31, 2019 and March 31, 2019 was as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Year 1	\$ 878,948	\$ 913,168	\$ 898,843
Year 2	1,065,196	903,137	1,182,556
Year 3	933,198	776,796	754,600
Year 4	885,561	686,526	672,708
Year 5	837,227	659,977	617,906
Year 6 onwards	<u>1,419,878</u>	<u>1,338,147</u>	<u>1,450,889</u>
	<u>\$ 6,020,008</u>	<u>\$ 5,277,751</u>	<u>\$ 5,577,502</u>

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

	<b>Completed Investment Properties</b>
Balance at January 1, 2020	\$ 127,633,553
Reclassification	5,485,904
Recognized in profit (gain arising from the change in fair value of investment property)	1,427,975
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>(2,619)</u>
Balance at March 31, 2020	<u>\$ 134,544,813</u>
Balance at January 1, 2019	\$ 124,816,527
Additions	10,273
Reclassification	925,075
Recognized in profit (gain arising from the change in fair value of investment property)	31,976
Recognized in other comprehensive income (exchange differences on translating foreign operations)	<u>8,754</u>
Balance at March 31, 2019	<u>\$ 125,792,605</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 Group set up right of superficies on land located on Shulin District in New Taipei City and Zhongli District, Bade District in Taoyuan City for the 30-year and 35-year, to other related parties Oriental Institute of Technology and Mr. Xu Yuanzhi Memorial Foundation, respectively.



The construction of a building (Mega City) located in the Banqiao district, Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the first half year of 2015 and recognized as inventories (available-for-sale - buildings and land). For the three months ended March 31, 2020, a portion of floors which had been rented out to others were reclassified from inventories to investment properties at the fair value of \$105,643 thousand, and a gain on the transfers from inventories to investment properties amounting to \$58,119 thousand (recognized as gain on change in fair value of investment properties), was recognized. For the three month ended March 31, 2019, were reclassified of \$211,473 thousand, and a gain on the transfers from inventories to investment properties amounting to \$116,422 thousand (recognized as gain on change in fair value of investment properties), was recognized.

The Groups' properties located in the Xidun district, Taichung City (recognized as inventories-construction in progress) was completed and leased to other related party Far Eastern Ai Mai Co., Ltd. for the three months ended March 31, 2020. The properties was reclassified from inventories to investment properties at their fair value of \$2,744,407 thousand and a gain on transfers from inventories to investment properties amounting to \$1,406,709 thousand was recognized.

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 Group construction project of a building (Telecom Park) located in the Banqiao district was completed for the three months ended March 31, 2020 and reclassified from property, plant, and equipment to investment properties at their fair value of \$2,633,918 thousand, refer to note 16.

The fair values of investment properties were as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Independent valuation	<u>\$ 134,544,813</u>	<u>\$ 127,633,553</u>	<u>\$ 125,792,605</u>

The fair value of the main investment properties as of March 31, 2020, December 31, 2019 and March 31, 2019 was based on the valuations carried out at April 27, 2020, January 31, 2020 and April 26, 2019, respectively, by independent qualified professional valuers, Mr. Chia-ho Tsai and Ms. Chun-Chun Hu, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

In consultation with the appraisers, except for some investment properties were adjusted in accordance with fair value movement, the Group determined that the fair values reported as of December 31, 2019 and January 1, 2019 were still valid as of March 31, 2020 and 2019.

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Expected future cash inflows	\$ 69,675,148	\$ 61,343,277	\$ 60,548,768
Expected future cash outflows	<u>(3,067,916)</u>	<u>(2,306,872)</u>	<u>(2,277,813)</u>
Expected future cash inflows, net	<u>\$ 66,607,232</u>	<u>\$ 59,036,405</u>	<u>\$ 58,270,955</u>
Discount rate intervals	1.845%-2.38%	1.845%-2.38%	1.845%-2.37%

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

Part of the investment properties had been leased out under operating leases. The rental income generated for the three months ended March 31, 2020 and 2019 were \$316,476 thousand and \$290,801 thousand, respectively.

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

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

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Estimated total sale price	<u>\$ 23,371,495</u>	<u>\$ 23,371,495</u>	<u>\$ 20,971,566</u>
Rate of return	15%	15%	15%
Overall capital interest rate	2.72%-4.66%	2.72%-4.66%	1.04%-2.41%

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

## 19. GOODWILL

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Cost</u>		
Balance at January 1, 2020	\$ 12,290,228	\$ 11,862,742
Acquisitions through business combinations (Note 31)	-	373,298
Reclassification	-	481,848
Effect of exchange rate differences	<u>464</u>	<u>(131)</u>
Balance at March 31, 2020	<u>\$ 12,290,692</u>	<u>\$ 12,717,757</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.

For related information on goodwill. Refer to Note 18 of the consolidated financial statements for the year ended December 31, 2019.

## 20. CONCESSIONS AND OTHER INTANGIBLE ASSETS

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Carrying amounts</u>			
Concessions	<u>\$ 80,309,900</u>	<u>\$ 38,069,295</u>	<u>\$ 40,381,864</u>
Other intangible assets			
Computer software	3,293,221	3,357,779	3,485,383
Others	<u>1,454,805</u>	<u>1,568,850</u>	<u>1,741,479</u>
	<u>4,748,026</u>	<u>4,926,629</u>	<u>5,226,862</u>
	<u>\$ 85,057,926</u>	<u>\$ 42,995,924</u>	<u>\$ 45,608,726</u>

	<b>Concessions</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2020	\$ 38,069,295	\$ 3,357,779	\$ 1,568,850	\$ 42,995,924
Additions	42,053,025	137,703	1,828	42,192,556
Amortization	(838,246)	(277,881)	(28,178)	(1,144,305)
Reclassifications	1,025,826	76,309	(96,676)	1,005,459
Effect of exchange rate differences	<u>-</u>	<u>(689)</u>	<u>8,981</u>	<u>8,292</u>
Balance at March 31, 2020	<u>\$ 80,309,900</u>	<u>\$ 3,293,221</u>	<u>\$ 1,454,805</u>	<u>\$ 85,057,926</u>

(Continued)

	<b>Concessions</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2019	\$ 41,136,801	\$ 3,595,018	\$ 1,402,458	\$ 46,134,277
Additions	27,562	144,551	3,333	175,446
Amortization	(797,945)	(257,343)	(51,229)	(1,106,517)
Disposals	(7,888)	(472)	-	(8,360)
Acquisitions through business combinations	-	406	159,985	160,391
Reclassifications	23,334	2,233	222,462	248,029
Effect of exchange rate differences	<u>-</u>	<u>990</u>	<u>4,470</u>	<u>5,460</u>
Balance at March 31, 2019	<u>\$ 40,381,864</u>	<u>\$ 3,485,383</u>	<u>\$ 1,741,479</u>	<u>\$ 45,608,726</u> (Concluded)

The above other 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 Polymers 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.

The deposit for the bidding price amounting to \$1,000,000 thousand that the FENC's subsidiary, Far Eastern Telecommunications Co., Ltd used to bid for a 5G wireless communication license in September 2019 was included in other noncurrent assets on December 31, 2019. In February 2020, the deposit was used to pay for a portion of the bidding price and was reclassified as intangible assets-concessions.

## 21. BORROWINGS

### a. Short-term borrowings

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Bank credit loans	\$ 58,527,199	\$ 34,724,450	\$ 42,886,698
Secured and pledged bank loans	333,859	705,136	773,000
Loans from related parties	<u>-</u>	<u>-</u>	<u>760,304</u>
	<u>\$ 58,861,058</u>	<u>\$ 35,429,586</u>	<u>\$ 44,420,002</u>

- 1) The range of interest rates for bank loans were from 0.57% to 3.85%, 0.60% to 4.57% and 0.50% to 4.36% as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively
- 2) Loans from related parties were the Group's repayments to related parties. Interest rates were all 0% as of March 31, 2019.

b. Short-term bills payable

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Commercial paper	\$ 11,451,000	\$ 8,130,000	\$ 5,114,000
Less: Unamortized discount on commercial paper	<u>16,130</u>	<u>4,397</u>	<u>2,684</u>
	<u>\$ 11,434,870</u>	<u>\$ 8,125,603</u>	<u>\$ 5,111,316</u>

The short-term bills payable outstanding were issued at interest rates ranging from 0.63% to 1.60%, 0.70% to 1.60% and 0.75% to 1.538% as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

c. Long-term borrowings

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Bank loans	<u>\$ 70,460,163</u>	<u>\$ 68,003,780</u>	<u>\$ 63,973,357</u>
Long-term commercial paper	24,400,000	12,800,000	5,450,000
Less: Unamortized discount on commercial paper	<u>52,198</u>	<u>36,171</u>	<u>7,117</u>
	<u>24,347,802</u>	<u>12,763,829</u>	<u>5,442,883</u>
	94,807,965	80,767,609	69,416,240
Less: Current portion	<u>2,684,037</u>	<u>2,477,777</u>	<u>1,650,660</u>
Long-term borrowings	<u>\$ 92,123,928</u>	<u>\$ 78,289,832</u>	<u>\$ 67,765,580</u>

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Maturity	September 2020- April 2031	September 2020- April 2031	May 2019- April 2031
Bank interest rate intervals	0.38%-2.73%	0.42%-3.00%	0.32%-3.44%

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's 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:

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

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathy United Bank were accounted for under other financial assets - non-current (Note 36). The terms of 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 March 31, 2020, December 31, 2019 and March 31, 2019, the amount of operating assets with pledged rights was \$3,850,000, \$3,850,000 and \$3,756,000, respectively (refer to Note 36). ETC had repaid the credit line A \$31,693 thousand on February 10, 2019, and canceled the credit line A amount \$2,906,000 thousand

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

## 22. BONDS PAYABLE

	March 31, 2020	December 31, 2019	March 31, 2019
Nonconvertible domestic bonds	\$ 107,800,000	\$ 104,100,000	\$ 95,500,000
Discount of domestic nonconvertible bonds	<u>(104,140)</u>	<u>(107,945)</u>	<u>(93,585)</u>
	107,695,860	103,992,055	95,406,415
Less: Current portion	<u>19,296,686</u>	<u>20,593,662</u>	<u>17,795,405</u>
	<u>\$ 88,399,174</u>	<u>\$ 83,398,393</u>	<u>\$ 77,611,010</u>

### Bonds

Period	Maturity	Annual Rate (%)	Issued Amount	Outstanding Balance			Repayment
				March 31, 2020	December 31, 2019	March 31, 2019	
<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	1,300,000	(Note 1)
104-1	2015.05.25-2020.05.25	1.39	8,000,000	4,000,000	4,000,000	8,000,000	(Note 1)
104-2	2015.10.02-2020.10.02	1.28	5,200,000	2,600,000	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	2,800,000	(Note 2)
105-1-A	2016.04.29-2021.04.29	0.88	6,000,000	6,000,000	6,000,000	6,000,000	(Note 1)
105-1-B	2016.04.29-2021.04.29	-	2,000,000	2,000,000	2,000,000	2,000,000	(Note 4)
105-2	2016.09.20-2021.09.20	0.72	3,800,000	3,800,000	3,800,000	3,800,000	(Note 2)
106-1	2017.05.17-2022.05.17	1.15	5,000,000	5,000,000	5,000,000	5,000,000	(Note 1)
106-2	2018.01.08-2023.01.08	0.95	3,000,000	3,000,000	3,000,000	3,000,000	(Note 2)
107-1	2018.05.18-2023.05.18	0.92	6,000,000	6,000,000	6,000,000	6,000,000	(Note 1)
107-2	2018.07.18-2023.07.18	0.90	8,000,000	8,000,000	8,000,000	8,000,000	(Note 1)
108-1	2019.04.29-2024.04.29	0.93	8,000,000	8,000,000	8,000,000	-	(Note 2)
108-2	2019.08.08-2024.08.08	0.79	6,000,000	6,000,000	6,000,000	-	(Note 2)
<u>Subsidiary Yuan Ding Investment</u>							
Unsecured bonds							
103-1	2014.05.26-2019.05.26	1.35	3,000,000	-	-	1,500,000	(Note 1)
104-1	2015.07.10-2020.07.10	1.43	3,000,000	1,500,000	1,500,000	3,000,000	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	1,000,000	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	3,800,000	(Note 1)
106-1	2017.06.30-2022.06.30	1.15	3,000,000	3,000,000	3,000,000	3,000,000	(Note 2)
107-1	2018.06.29-2023.06.29	0.92	3,000,000	3,000,000	3,000,000	3,000,000	(Note 2)
108-1	2019.10.03-2024.10.03	0.77	3,000,000	3,000,000	3,000,000	-	(Note 2)
<u>Subsidiary Far EasTone</u>							
Unsecured bonds							
102-4	2013.06.27-2020.06.27	1.33	5,000,000	2,500,000	2,500,000	2,500,000	(Note 3)
102-6-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	5,200,000	(Note 2)
106-1	2017.04.26-2022.04.26	1.17	4,500,000	4,500,000	4,500,000	4,500,000	(Note 2)
106-2	2017.09.04-2024.09.04	1.17	2,000,000	2,000,000	2,000,000	2,000,000	(Note 2)
106-3-A	2017.12.20-2023.06.20	0.95	1,500,000	1,500,000	1,500,000	1,500,000	(Note 2)
106-3-B	2017.12.20-2024.12.20	1.09	1,500,000	1,500,000	1,500,000	1,500,000	(Note 2)
107-1-A	2018.05.07-2023.05.07	0.85	1,500,000	1,500,000	1,500,000	1,500,000	(Note 2)
107-2-B	2018.05.07-2025.05.07	1.01	3,500,000	3,500,000	3,500,000	3,500,000	(Note 2)
108-1-A	2019.06.25-2024.06.25	0.75	3,200,000	3,200,000	3,200,000	-	(Note 3)
108-1-B	2019.06.25-2026.06.25	0.81	1,800,000	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	2,600,000	-	(Note 5)
108-2-B	2019.12.20-2029.12.20	0.85	500,000	500,000	500,000	-	(Note 6)
109-1-A	2020.03.16-2025.03.16	0.67	1,500,000	1,500,000	-	-	(Note 2)
109-1-B	2020.03.16-2027.03.16	0.70	2,500,000	2,500,000	-	-	(Note 2)
109-1-C	2020.03.16-2030.03.16	0.77	1,000,000	<u>1,000,000</u>	<u>-</u>	<u>-</u>	(Note 2)
Total outstanding balance				<u>\$ 107,800,000</u>	<u>\$ 104,100,000</u>	<u>\$ 95,500,000</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: These 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. The interest is calculated by the simple interest method and is payable annually.

### 23. PROVISIONS

	March 31, 2020	December 31, 2019	March 31, 2019
Dismantling obligation	\$ 1,103,962	\$ 1,094,702	\$ 1,046,523
Warranties	88,065	88,320	102,296
Onerous contract	<u>26,872</u>	<u>28,772</u>	<u>61,728</u>
	<u>\$ 1,218,899</u>	<u>\$ 1,211,794</u>	<u>\$ 1,210,547</u>
Current	\$ 248,241	\$ 250,396	\$ 291,227
Non-current	<u>970,658</u>	<u>961,398</u>	<u>919,320</u>
	<u>\$ 1,218,899</u>	<u>\$ 1,211,794</u>	<u>\$ 1,210,547</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2020	\$ 1,094,702	\$ 88,320	\$ 28,772	\$ 1,211,794
Additions	10,875	4,062	26,872	41,809
Reductions	<u>(1,615)</u>	<u>(4,317)</u>	<u>(28,772)</u>	<u>(34,704)</u>
Balance at March 31, 2020	<u>\$ 1,103,962</u>	<u>\$ 88,065</u>	<u>\$ 26,872</u>	<u>\$ 1,218,899</u>
Balance at January 1, 2019	\$ 1,036,544	\$ 101,757	\$ 66,396	\$ 1,204,697
Additions	16,305	6,069	61,728	84,102
Reductions	<u>(6,326)</u>	<u>(5,530)</u>	<u>(66,396)</u>	<u>(78,252)</u>
Balance at March 31, 2019	<u>\$ 1,046,523</u>	<u>\$ 102,296</u>	<u>\$ 61,728</u>	<u>\$ 1,210,547</u>



## 24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months ended March 31, 2020 and 2019 were calculated as \$19,578 thousand and \$25,325 thousand by the actuarially determined pension cost discount rate as of December 31, 2019 and 2018. The Group transferred defined benefit costs \$33 thousand and \$47 thousand to related parties for the three months ended March 31, 2020 and 2019.

## 25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities from subsidiaries, Far Eastern Construction Co., Ltd. (FECC), and Far Eastern General Contractor Inc. (FEGC) are classified as current or non-current depending on the operating cycle. Amounts expected to be received or paid within one year or over one year were as follows:

	<b>March 31, 2020</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 698,639	\$ 20,071	\$ 718,710
Inventories - construction and real estate	928,483	2,697,057	3,625,540
Contract assets - current	135,686	1,091,405	1,227,091
Other financial assets - current	11,758	1,052,972	1,064,730
Refundable deposits - current	5,794	5,592	11,386
<u>Liabilities</u>			
Notes and accounts payable	808,029	13,798	821,827
Notes and accounts payable to related parties	54,730	-	54,730
Contract liabilities - current	770,493	566,439	1,336,932
Provisions - current	7,792	60,312	68,104
	<b>December 31, 2019</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<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	1,283,751	929,016	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

	<b>March 31, 2019</b>		
	<b>Within One Year</b>	<b>Over One Year</b>	<b>Total</b>
<u>Assets</u>			
Notes and accounts receivable	\$ 372,687	\$ 137,612	\$ 510,299
Inventories - construction and real estate	2,168,015	2,312,433	4,480,448
Contract assets - current	290,070	1,516,621	1,806,691
Other financial assets - current	-	812,101	812,101
Refundable deposits - current	1,058	13,839	14,897
<u>Liabilities</u>			
Notes and accounts payable	556,199	-	556,199
Notes and accounts payable to related parties	111,930	-	111,930
Contract liabilities - current	206,701	1,028,278	1,234,979
Provisions - current	1,208	115,536	116,744

## 26. EQUITY

### a. Share capital

#### 1) Common stock

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Number of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Shares authorized	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,352,875</u>	<u>5,352,875</u>	<u>5,352,875</u>
Shares issued	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>	<u>\$ 53,528,751</u>

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

#### 2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of March 31, 2020, December 31, 2019 and March 31, 2019, there are 76 thousand units, 6 thousand units and 6 thousand units outstanding, which were equal to 761 thousand, 59 thousand and 59 thousand common stock of the Company.

b. Capital surplus

	March 31, 2020	December 31, 2019	March 31, 2019
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	495,232	495,232	495,232
Treasury shares transactions	15,469	15,469	14,066
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>104,726</u>	<u>104,722</u>	<u>90,853</u>
	<u>\$ 3,270,359</u>	<u>\$ 3,270,355</u>	<u>\$ 3,255,083</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for 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 28, 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 2019 and 2018 earnings were proposed and approved by the Company's board of directors and in the shareholders' meeting on March 24, 2020 and June 28, 2019, respectively. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share</b>	
			<b>(NT\$)</b>	
	<b>For Year 2019</b>	<b>For Year 2019</b>	<b>For Year 2019</b>	<b>For Year 2018</b>
Legal reserve	\$ 1,073,267	\$ 1,202,829		
Special reserve	1,839,196	1,089,437		
Reversals of special reserve	(2,710)	(858)		
Cash dividends	8,029,313	9,635,175	\$ 1.5	\$ 1.8

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

d. Special reserves

The Group's appropriated special reserves 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:

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1 and March 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.

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1 and March 31	<u>\$ 90,776,716</u>	<u>\$ 89,713,160</u>

e. Other equity items

The changes in other equity items were as follow:

	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	(Loss) Gain on Hedging Instruments	Gain on Property Revaluation	Total
Balance at January 1, 2020	\$ (6,545,706)	\$ 2,439,965	\$ 11,700	\$ 1,004,758	\$ (3,089,283)
Exchange differences on translating foreign operations	(315,623)	-	-	-	(315,623)
Unrealized loss on financial assets at FVTOCI	-	(89,364)	-	-	(89,364)
Loss on hedging instruments	-	-	998	-	998
Gain on property revaluation	-	-	-	53,969	53,969
Associate disposed the investment in equity instruments designated as at FVTOCI	-	17,623	-	-	17,623
Share of the other comprehensive gain (loss) of associates	(152,812)	(1,473,703)	-	-	(1,626,515)
Balance at March 31, 2020	<u>\$ (7,014,141)</u>	<u>\$ 894,521</u>	<u>\$ 12,698</u>	<u>\$ 1,058,727</u>	<u>\$ (5,048,195)</u>
Balance at January 1, 2019	\$ (3,589,901)	\$ 771,912	\$ 45,880	\$ 702,778	\$ (2,069,331)
Exchange differences on translating foreign operations	1,057,423	-	-	-	1,057,423
Unrealized loss on financial assets at FVTOCI	-	(10,362)	-	-	(10,362)
Loss on hedging instruments	-	-	(31,033)	-	(31,033)
Gain on property revaluation	-	-	-	297,056	297,056
Associate disposed the investment in equity instruments designated as at FVTOCI	-	2,961	-	-	2,961
Share of the other comprehensive gain (loss) of associates	388,561	476,862	(50,926)	-	814,497
Balance at March 31, 2019	<u>\$ (2,143,917)</u>	<u>\$ 1,241,373</u>	<u>\$ (36,079)</u>	<u>\$ 999,834</u>	<u>\$ 61,211</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 66,798,895	\$ 64,194,300
Effect of retrospective application of IFRS 9	-	(94,653)
Balance at January 1 per IFRS 9	66,798,895	64,099,647
Attributable to non-controlling interests:		
Net Income	1,380,387	1,425,902
Exchange differences on translating foreign operations	(134,939)	126,874
Unrealized (loss) gain on financial assets at FVTOCI	(17,425)	(2,218)
Loss on hedging instruments	5,044	(59,024)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(13,533)	7,221
Changes in unappropriated earnings of associates accounted for using the equity method	(58)	475
Non-controlling interests arising from subsidiaries' issuance of new share capital for cash	-	3,088,551
Non-controlling interests arising from acquisition of a subsidiary	-	180,000
Balance at March 31	<u>\$ 68,018,371</u>	<u>\$ 68,867,428</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>March 31, 2020</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 17,575</u>
<u>December 31, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 23,265</u>
<u>March 31, 2019</u>			
Yuan Ding	779	<u>\$ 25,063</u>	<u>\$ 23,732</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.

**27. REVENUE**

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 36,196,960	\$ 45,172,824
Telecommunications service revenue	11,467,860	11,904,188
Construction contract revenue	835,944	1,040,790
Other operating revenues	<u>3,735,547</u>	<u>3,802,115</u>
	<u>\$ 52,236,311</u>	<u>\$ 61,919,917</u>

a. Description of customer contract

Refer to Note 4 revenue recognition from the summary of significant accounting policies.

b. Contact balances

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>	<b>January 1, 2019</b>
<b>Contract assets</b>				
Bundle sale of goods	\$ 6,653,375	\$ 6,655,168	\$ 5,657,822	\$ 5,433,852
Construction of properties	982,287	1,876,768	1,482,752	1,760,390
Retentions receivable	244,804	335,999	323,939	306,081
Other	754,799	-	-	-
Less: Allowance for impairment loss	<u>(135,925)</u>	<u>(135,925)</u>	<u>(135,925)</u>	<u>(135,925)</u>
	<u>\$ 8,499,340</u>	<u>\$ 8,732,010</u>	<u>\$ 7,328,588</u>	<u>\$ 7,364,398</u>
Current	\$ 5,764,005	\$ 6,398,973	\$ 5,620,260	\$ 5,828,641
Non-current	<u>2,735,335</u>	<u>2,333,037</u>	<u>1,708,328</u>	<u>1,535,757</u>
	<u>\$ 8,499,340</u>	<u>\$ 8,732,010</u>	<u>\$ 7,328,588</u>	<u>\$ 7,364,398</u>
<b>Contract liabilities</b>				
Sale of goods and services	\$ 4,027,596	\$ 3,653,556	\$ 4,233,033	\$ 3,821,027
Sale of properties	6,286	4,652	4,140	19,886
Construction of properties	291,706	74,874	356,269	114,423
Retention payable	<u>1,038,940</u>	<u>1,013,310</u>	<u>878,710</u>	<u>900,146</u>
	<u>\$ 5,364,528</u>	<u>\$ 4,746,392</u>	<u>\$ 5,472,152</u>	<u>\$ 4,855,482</u>
Current	\$ 5,159,640	\$ 4,535,792	\$ 5,242,734	\$ 4,647,210
Non-current	<u>204,888</u>	<u>210,600</u>	<u>229,418</u>	<u>208,272</u>
	<u>\$ 5,364,528</u>	<u>\$ 4,746,392</u>	<u>\$ 5,472,152</u>	<u>\$ 4,855,482</u>

For notes and accounts receivable, refer to Note 11.

The changes in the contract asset and the contract liability primarily result from the timing difference between the Group's performance and the customer's payment, and there do not have other significant changes other than above for the three months ended March 31, 2020 and 2019.

c. Assets related to contract costs

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<b>Non-current</b>			
Incremental costs of obtaining a contract	<u>\$ 3,446,074</u>	<u>\$ 3,398,107</u>	<u>\$ 2,384,140</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 ended March 31, 2020 and 2019 are \$717,820 thousand and \$532,932 thousand.

d. Disaggregation of revenue

Refer to Note 41 for information about disaggregation of revenue.

## 28. NET PROFIT FROM CONTINUING OPERATIONS

### a. Interest expenses

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Capitalized interests on properties	\$ 39,883	\$ 34,360
Capitalization rates	0.36%-4.51%	0.50%-4.51%

### b. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Property, plant and equipment	\$ 4,045,643	\$ 4,401,674
Right-of-use assets	1,087,473	1,078,651
Intangible assets	<u>1,144,305</u>	<u>1,106,517</u>
	<u>\$ 6,277,421</u>	<u>\$ 6,586,842</u>
 An analysis of deprecation by function		
Operating costs	\$ 4,545,120	\$ 4,841,937
Operating expenses	568,280	630,409
Other expenses	<u>19,716</u>	<u>7,979</u>
	<u>\$ 5,133,116</u>	<u>\$ 5,480,325</u>
 An analysis of amortization by function		
Operating costs	\$ 896,883	\$ 863,616
Operating expenses	<u>247,422</u>	<u>242,901</u>
	<u>\$ 1,144,305</u>	<u>\$ 1,106,517</u>

### c. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Post-employment benefits		
Defined contribution plans	\$ 162,188	\$ 193,609
Defined benefit plans	19,545	25,278
Other employee benefits	<u>5,478,114</u>	<u>5,251,201</u>
Total employee benefit expense	<u>\$ 5,659,847</u>	<u>\$ 5,470,088</u>
 Analysis of employee benefit expense by function		
Operating costs	\$ 2,823,158	\$ 2,682,240
Operating expenses	<u>2,836,689</u>	<u>2,787,848</u>
	<u>\$ 5,659,847</u>	<u>\$ 5,470,088</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 three months ended March 31, 2020 and 2019 which have been approved by the Company's board of directors were as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	3.44%	3.24%
Remuneration of directors	2.46%	2.32%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	<u>\$ 54,540</u>	<u>\$ 71,436</u>
Remuneration of directors	<u>\$ 38,957</u>	<u>\$ 51,026</u>

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

The appropriations employees' compensation and remuneration of directors for 2019 and 2018 that were resolved by the board of directors on March 24, 2020 and March 22, 2019, respectively, are stated below:

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

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, 2019 and 2018. 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.

## 29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. Major components of tax expense recognized in profit or loss

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Current tax	\$ 531,511	\$ 674,291
Deferred tax		
In respect of the current period	<u>476,022</u>	<u>4,148</u>
Income tax expense recognized in profit or loss	<u>\$ 1,007,533</u>	<u>\$ 678,439</u>

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. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

- b. Income tax recognized in other comprehensive income

	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of financial assets at FVTOCI	\$ (49)	\$ (446)
Gains on property revaluation	<u>(13,492)</u>	<u>(34,501)</u>
	<u>\$ (13,541)</u>	<u>\$ (34,947)</u>

- c. Income tax assessments

	<b>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</b>
Far Eastern New Century Corporation	2015
Far Eastern Resources Development Co., Ltd.	2015
Oriental Petrochemical (Taiwan) Co., Ltd.	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.	2018
An Ho Garment Co., Ltd.	2018
Far Eastern Textile Ltd.	2018
Far Eastern Construction Co., Ltd.	2018
Far Eastern General Contractor Inc.	2017
Yuan Ding Investment Co., Ltd.	2018
Far Eastern Fibertech Co., Ltd.	2018
Oriental Resources Development Co., Ltd.	2018
Far Eastern Apparel Co., Ltd.	2018

(Continued)

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

Yuan Faun Co., Ltd.	2018
Yuan Cheng Human Resources Consultant Corporation	2017
Yuan Ding Co., Ltd.	2018
Far Eastern Technical Consultants Co., Ltd.	2018
YDT Technology International Co., Ltd.	2018
FET Consulting Engineers Co., Ltd.	2018
Ding Ding Integrated Marketing Service Co., Ltd.	2018
Ding Ding Hotel Co., Ltd.	2018
Far Eastern Electronic Toll Collection Co., Ltd.	2018
Yuan Hsin Digital Payment Co., Ltd.	2017
ARCOA Communication Co., Ltd.	2017
Information Security Service Digital United Inc.	2018
Linkwell Tech. Co., Ltd.	2017
DataExpress Infotech Co., Ltd.	2017
Yuan Cing Co., Ltd.	2018
New Diligent Co., Ltd.	2018
KGEx.com Co., Ltd.	2017
Home Master Technology Ltd.	2017
Yuanshi Digital Technology Co., Ltd.	2017
New Century InfoComm Tech Corporation	2018
Nextlink Technology Co., Ltd.	2017
Microfusion Technology Co., Ltd.	2018

(Concluded)

Far EasTone Telecommunications Co., Ltd.

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

### 30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Basic earnings per share	<u>\$ 0.30</u>	<u>\$ 0.40</u>
Diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.40</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 Period

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Net income for the period attributable to owners of the Company	<u>\$ 1,503,076</u>	<u>\$ 2,015,787</u>

## Weighted Average Number of Common Stock Outstanding

Unit: In Thousand Shares

	For the Three Months Ended March 31	
	2020	2019
Weighted average number of common stock used in the computation of basic earnings per share	4,991,967	4,998,166
Effect of potentially dilutive common stock:		
Employees' compensation	<u>22,617</u>	<u>15,714</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,014,584</u>	<u>5,013,880</u>

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the three months ended March 31, 2020 and 2019, the Company's EPS were NT\$0.28 and NT\$0.38, respectively.

### 31. 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>

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.

b. Consideration transferred

**Nextlink  
Technology  
Co., Ltd.**

Cash \$ 420,000

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

**Nextlink  
Technology  
Co., Ltd.**

Current assets	\$ 314,100
Non-current assets	190,957
Current liabilities	(267,471)
Non-current liabilities	<u>(10,884)</u>
	<u>\$ 226,702</u>

d. Non-controlling interests

The fair value of the noncontrolling interest of Nextlink Technology Co., Ltd. (30% of total equity of Nextlink Technology Co., Ltd.) was measured using the market approach by reference to the fair value of the noncontrolling interest on the date of acquisition, which was \$180,000 thousand.

e. Goodwill recognized on acquisitions

**Nextlink  
Technology  
Co., Ltd.**

Consideration transferred	\$ 420,000
Plus: Noncontrolling interests (30% in Nextlink Technology Co., Ltd.)	180,000
Less: Fair value of identifiable net assets acquired	<u>(226,702)</u>
Goodwill recognized on acquisitions	<u>\$ 373,298</u>

The goodwill generated from the acquisition of Nextlink Technology Co., Ltd. mainly represents benefits of expected synergies of mergers, revenue growth, future market developments and the assembled workforces of Nextlink Technology. 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.**

Consideration paid in cash	\$ 420,000
Less: Cash and cash equivalent balances acquired	<u>(68,196)</u>
	<u>\$ 351,804</u>

g. Impact of acquisitions on the results of the Group

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

	<b>Nextlink Technology Co., Ltd.</b>
Operating revenue	<u>\$ 109,324</u>
Net income	<u>\$ 1,882</u>

Had the business combination been in effect at the beginning of the reporting period, the Group's operating revenue and net income for the three months ended March 31, 2019 would have been \$62,085,958 thousand and \$3,445,203 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.

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

For the three months ended March 31, 2019

On February 13, 2019, the Group subscribed for additional new shares of Yuan Ding Enterprise (Shanghai) Limited in cash at a percentage different from its existing ownership percentage, decreasing its continuing interest from 100% to 40%. As the Group still maintain over half of the board of directors of Yuan Ding Enterprise (Shanghai) Limited, the Group does not lose control of Yuan Ding Enterprise (Shanghai) Limited.

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

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

### 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 liabilities which have significant difference from their far values

	<u>March 31, 2020</u>		<u>December 31, 2019</u>		<u>March 31, 2019</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>						
Financial liabilities measured at amortized cost						
Bonds payable	<u>\$ 107,695,860</u>	<u>\$ 108,147,743</u>	<u>\$ 103,992,055</u>	<u>\$ 104,463,768</u>	<u>\$ 95,406,415</u>	<u>\$ 95,822,671</u>

2) Fair value hierarchy

March 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 108,147,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,147,743</u>

December 31, 2019

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

March 31, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 95,822,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,822,671</u>

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

1) Fair value hierarchy

March 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Open-end mutual funds - beneficial certificates	\$ 2,839,361	\$ -	\$ -	\$ 2,839,361
Oversea mutual funds-benefit certificates	-	1,615,381	-	1,615,381
Domestic listed shares	97,249	-	-	97,249
Forward exchange contracts	-	-	403	403
	<u>\$ 2,936,610</u>	<u>\$ 1,615,381</u>	<u>\$ 403</u>	<u>\$ 4,552,394</u>

(Continued)

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTOCI				
Domestic listed shares	\$ 311,955	\$ -	\$ -	\$ 311,955
Domestic unlisted shares	-	-	1,425,853	1,425,853
Real estate investment trust mutual funds - beneficial certificates	299,400	-	-	299,400
Oversea unlisted shares	<u>-</u>	<u>-</u>	<u>512,509</u>	<u>512,509</u>
	<u>\$ 611,355</u>	<u>\$ -</u>	<u>\$ 1,938,362</u>	<u>\$ 2,549,717</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,890</u>	<u>\$ 20,890</u>
Financial assets for hedging				
Cash flow hedges - interest rate swaps contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,100</u>	<u>\$ 24,100</u> (Concluded)

December 31, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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	<u>-</u>	<u>-</u>	<u>11,479</u>	<u>11,479</u>
	<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
Domestic unlisted shares	-	-	937,065	937,065
Real estate investment trust mutual funds - beneficial certificates	307,500	-	-	307,500
Oversea unlisted shares	<u>-</u>	<u>-</u>	<u>509,231</u>	<u>509,231</u>
	<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 assets for hedging				
Cash flow hedges - interest rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,087</u>	<u>\$ 31,087</u>



March 31, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 2,993,107	\$ -	\$ -	\$ 2,993,107
Oversea mutual funds - benefit certificates	-	2,972,183	-	2,972,183
Domestic listed shares	189,277	-	-	189,277
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>2,226</u>	<u>2,226</u>
	<u>\$ 3,182,384</u>	<u>\$ 2,972,183</u>	<u>\$ 2,226</u>	<u>\$ 6,156,793</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 372,547	\$ -	\$ -	\$ 372,547
Domestic unlisted shares	-	-	923,328	923,328
Real estate investment trust mutual funds - beneficial certificates	300,000	-	-	300,000
Oversea unlisted shares	<u>-</u>	<u>-</u>	<u>491,188</u>	<u>491,188</u>
	<u>\$ 672,547</u>	<u>\$ -</u>	<u>\$ 1,414,516</u>	<u>\$ 2,087,063</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,818</u>	<u>\$ 1,818</u>
Financial liabilities for hedging				
Cash flow hedges - interest rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,701</u>	<u>\$ 24,701</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2020 and 2019.

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

For the three months ended March 31, 2020

	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>	<b>Financial Instruments for Hedging</b>	<b>Total</b>
Balance at January 1, 2020	\$ 9,618	\$ 1,446,296	\$ (31,087)	\$ 1,424,827
Additions	-	500,000	-	500,000
Recognized in profit or loss	(24,949)	-	-	(24,949)
Recognized in other comprehensive income	-	(7,960)	6,042	(1,918)
Settlements and effect of exchange rate differences	<u>(5,156)</u>	<u>26</u>	<u>945</u>	<u>(4,185)</u>
Balance at March 31, 2020	<u>\$ (20,487)</u>	<u>\$ 1,938,362</u>	<u>\$ (24,100)</u>	<u>\$ 1,893,775</u>

For the three months ended March 31, 2019

	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>	<b>Financial Instruments for Hedging</b>	<b>Total</b>
Balance at January 1, 2019	\$ (4,738)	\$ 1,407,217	\$ 67,224	\$ 1,469,703
Recognized in profit or loss				
Realized	2,319	-	-	2,319
Unrealized	408	-	-	408
Recognized in other comprehensive income	-	3,456	(90,057)	(86,601)
Settlements and effect of exchange rate differences	<u>2,419</u>	<u>3,843</u>	<u>(1,868)</u>	<u>4,394</u>
Balance at March 31, 2019	<u>\$ 408</u>	<u>\$ 1,414,516</u>	<u>\$ (24,701)</u>	<u>\$ 1,390,223</u>

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

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

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Unlisted shares	<p>a) Asset-based approach. Valuation is based on the fair value of an investee, calculated through each investment of the investee using the income approach, market approach or a combination of the two approaches, while also taking the liquidity premium into consideration.</p> <p>b) Transaction method of market approach. The approach is a valuation strategy that adopts market ratios of companies with similar profitability at the end of the reporting period, while taking the liquidity premium into consideration.</p>
Forward exchange contracts, foreign exchange swap contracts and interest rate swap contracts	<p>Cash flow is discounted.</p> <p>Future cash flows are estimated based on observable spot exchange rates at the end of the reporting period and contract rates, discounted at a 0% rate; the counterparties' high credit ratings and short contract terms indicate a low credit risk of counterparties.</p>

c. Categories of financial instruments

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 4,552,394	\$ 5,053,716	\$ 6,156,793
Financial assets at amortized cost (Note 1)	82,104,887	81,024,585	76,322,747
Financial assets at FVTOCI	2,549,717	2,156,938	2,087,063
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	20,890	1,861	1,818
Financial liabilities for hedging	24,100	31,087	24,701
Amortized cost (Note 2)	307,240,076	265,797,849	255,063,325

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, other receivables (including those from related parties), long-term 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, 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 (including current portion), bonds payable (including current portion), 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 the U.S. dollars.

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
5% change in profit or loss			
USD	\$ (217,496)	\$ (220,689)	\$ (227,618)

b) Interest rate risk

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

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Fair value interest rate risk			
Financial assets	\$ 16,860,934	\$ 16,107,962	\$ 15,359,738
Financial liabilities	247,526,537	204,549,298	184,947,592
Cash flow interest rate risk			
Financial assets	14,511,003	12,675,075	11,830,576
Financial liabilities	36,080,553	34,360,953	39,410,544

Sensitivity analysis

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

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate as of March 31, 2020, December 31, 2019 and March 31, 2019 would have decreased/increase by \$42,047 thousand, \$40,169 thousand and \$38,304 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$36,278 thousand, \$31,600 thousand and \$29,576 thousand, respectively.

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate as of March 31, 2020, December 31, 2019 and March 31, 2019 would have decreased/increase by \$617,273 thousand, \$510,098 thousand and \$461,216 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increase by \$90,201 thousand, \$85,902 thousand and \$98,526 thousand, respectively.

### Hedge accounting

#### For the three months ended March 31, 2020

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.

#### March 31, 2020

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates 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 10, 2025	0%-4.8%	0.60%-4.90%	Financial liabilities for hedging	\$ -	\$ 24,100	\$ -

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 Long-term debt in floating rate	\$ -	\$ (24,100)	\$ -

For the three months ended March 31, 2020

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffectiveness Is Included	Amount Reclassified to P/L and the Adjusted Line Item Due to Hedged Item Affecting P/L
Cash flow hedge				
Interest expense from long-term debt	\$ (6,042)	\$ -	-	\$6,857 Increase in interest expense

December 31, 2019

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates 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 assets 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)	\$ -

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	Amount Reclassified to P/L and the Adjusted Line Item 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 three months ended March 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.

March 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	\$ -	\$ 24,701	\$ -

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

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges	Carrying Amount Hedge Accounting No Longer Applied
Cash flow hedge Interest expense from long term debt	\$ -	\$ (24,701)	\$

For the three months ended March 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
Cash flow hedge Interest expense from long-term debt	\$ (90,057)	\$ -	-	\$1,919 Increase in interest expense

c) Other price risks

The Group was exposed to equity price risk because of its investments in 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 March 31, 2020, December 31, 2019 and March 31, 2019, would have decreased by NT\$355,085 thousand, NT\$359,959 thousand and NT\$412,082 thousand.

## 2) Credit risk

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

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

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

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

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

	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>Over 3 Years</b>	<b>Total</b>
<u>March 31, 2020</u>				
Long-term borrowings	\$ 14,857,347	\$ 53,499,553	\$ 23,767,028	\$ 92,123,928
Bonds payable	<u>18,400,000</u>	<u>20,000,000</u>	<u>50,100,000</u>	<u>88,500,000</u>
	<u>\$ 33,257,347</u>	<u>\$ 73,499,553</u>	<u>\$ 73,867,028</u>	<u>\$ 180,623,928</u>
<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>
<u>March 31, 2019</u>				
Long-term borrowings	\$ 33,191,117	\$ 13,409,575	\$ 21,164,888	\$ 67,765,580
Bonds payable	<u>19,300,000</u>	<u>18,400,000</u>	<u>40,000,000</u>	<u>77,700,000</u>
	<u>\$ 52,491,117</u>	<u>\$ 31,809,575</u>	<u>\$ 61,164,888</u>	<u>\$ 145,465,580</u>



Additional information about the maturity analysis for lease liabilities:

	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>Over 20 Years</b>
<u>March 31, 2020</u>					
Lease liabilities	<u>\$ 6,704,765</u>	<u>\$ 680,087</u>	<u>\$ 107,496</u>	<u>\$ 84,793</u>	<u>\$ 209,163</u>
<u>December 31, 2019</u>					
Lease liabilities	<u>\$ 6,686,931</u>	<u>\$ 700,748</u>	<u>\$ 108,607</u>	<u>\$ 83,995</u>	<u>\$ 210,173</u>
<u>March 31, 2019</u>					
Lease liabilities	<u>\$ 4,937,928</u>	<u>\$ 5,898,071</u>	<u>\$ 93,731</u>	<u>\$ 56,853</u>	<u>\$ 70,119</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 three months ended March 31, 2020 and 2019 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.

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Financial assets at FVTPL - current	\$ -	\$ -	\$ 26,271
Other financial assets - current	1,634,399	1,809,900	1,737,124
Inventories - available-for-construction	200,654	200,654	200,654
Inventories - construction in progress	-	492,503	492,503
Financial assets at amortized cost - non-current	500,000	500,000	400,000
Property, plant and equipment, net	27,920,886	28,287,683	29,144,424
Investment properties	36,653,640	35,802,323	37,243,066
Investments accounted for using the equity method	3,097,894	3,183,595	2,940,430
Concessions - cost	3,850,000	3,850,000	3,756,000
Other financial assets - non-current	<u>2,285,131</u>	<u>3,553,636</u>	<u>2,413,969</u>
	<u>\$ 76,142,604</u>	<u>\$ 77,680,294</u>	<u>\$ 78,354,441</u>

As of March 31, 2020, December 31, 2019 and March 31, 2019, FENC and some of its subsidiaries had provided 55,972 thousand shares, 47,522 thousand shares and 61,622 thousand shares, respectively, of common stock of Far EasTone Telecommunications Co., Ltd. and 10,000 thousand shares, of common stock of Yuan Ding Co., Ltd. as of all date as collaterals 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 March 31, 2020, December 31, 2019 and March 31, 2019 were as follows:

- a. The Group issued but unused letters of credit aggregated at approximately \$528,806 thousand, \$399,158 thousand and \$300,910 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.
- b. The Group (except for Far EasTone Telecommunications Co., Ltd. and its subsidiaries) had unpaid construction contracts and property, plant, and equipment amounting to \$7,495,838 thousand, NT\$7,941,293 thousand and \$3,148,948 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Acquisition of property, plant and equipment and intangible asset under contracts	<u>\$ 3,537,887</u>	<u>\$ 4,241,999</u>	<u>\$ 2,812,259</u>
Acquisition of inventories under contract	<u>\$ 2,729,391</u>	<u>\$ 3,895,806</u>	<u>\$ 4,982,226</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:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Lease commitments	<u>\$ 186,228</u>	<u>\$ 258,789</u>	<u>\$ 200,867</u>

- d. The letters of bank guarantees issued for importing from manufactures all amounted to \$100,000 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019.
- e. There were undelivered cotton contracts which were unable to be cancelled amounting to \$163,007 thousand, \$138,054 thousand and \$234,897 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.
- f. Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$47,109,476 thousand, \$46,350,772 thousand and \$46,404,869 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.
- g. Far Eastern Electronic Toll Collection Co., Ltd. (FETC) was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement amounted to \$3,932,871 thousand, \$3,859,807 thousand and \$3,897,817 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, 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 January 10, 2020, the result of the lawsuit was settled by both parties after mediation by the court.

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

On January 10, 2020, after the settlement of the lawsuit, FEGC received \$39,406 thousand from the previous payment of breach penalty and recognized as debits to construction costs. In addition, the construction revenue of the project was added by \$20,566 thousand, and the construction revenue received by the previously was \$28,875 thousand, the sum of them was \$49,441 thousand.

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

On April 22, 2020, the parent company resolved to issue unsecured corporate bonds. The bonds were issued with 5 years period, and the total amount issued \$6,000,000 thousand with a par value of \$1,000 thousand; bonds were issued with coupon rate 0.66%.

On May 8, 2020, a subsidiary of FENC, Yuan Ding Investment Co., Ltd. issued domestic unsecured corporate bonds. The bonds was issued with 3 years period, and the total amount \$5,000,000 thousand with a par value of \$1,000 thousand; bonds were issued with Coupon Rate 0.70%.

### 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:

March 31, 2020

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 269,323	30.225 (USD:NTD)	\$ 8,140,288
USD	90,503	7.103 (USD:RMB)	2,735,453
USD	12,440	7.800 (USD:HKD)	375,999
USD	4,382	4.499 (USD:MYR)	<u>132,446</u>
			<u>\$ 11,384,186</u>
<u>Financial liabilities</u>			
Monetary items			
USD	179,355	30.225 (USD:NTD)	\$ 5,421,005
USD	30,329	7.103 (USD:RMB)	916,694
USD	19,870	7.800 (USD:HKD)	600,571
USD	3,176	4.499 (USD:MYR)	<u>95,995</u>
			<u>\$ 7,034,265</u>

December 31, 2019

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 301,266	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)	<u>126,666</u>
			<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)	<u>87,692</u>
			<u>\$ 7,830,177</u>

March 31, 2019

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 368,943	30.820 (USD:NTD)	\$ 11,370,823
USD	94,463	6.729 (USD:RMB)	2,911,350
USD	34,155	7.800 (USD:HKD)	1,052,657
USD	4,273	4.237 (USD:MYR)	<u>131,694</u>
			<u>\$ 15,466,524</u>
<u>Financial liabilities</u>			
Monetary items			
USD	276,361	30.820 (USD:NTD)	\$ 8,517,446
USD	13,652	6.729 (USD:RMB)	420,755
USD	64,113	7.800 (USD:HKD)	1,975,963
USD	-	4.237 (USD:MYR)	<u>-</u>
			<u>\$ 10,914,164</u>

For the three months ended March 31, 2020 and 2019, (realized and unrealized) net foreign exchange gains were \$102,712 thousand and \$35,538 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the functional currencies of the Group entities.

#### **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 and 11 (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.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 14)

## **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, gain or loss on disposal of intangible assets, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance.

a. 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 Three Months Ended March 31		For the Three Months Ended March 31	
	2020	2019	2020	2019
Petrochemical business			\$ (1,444,513)	\$ (41,106)
Revenue generated from external customers	\$ 4,231,956	\$ 7,367,366		
Intersegment revenue	<u>6,076,869</u>	<u>8,578,711</u>		
	<u>10,308,825</u>	<u>15,946,077</u>		
Chemical fiber business			571,686	655,796
Revenue generated from external customers	18,944,037	21,844,922		
Intersegment revenue	<u>340,139</u>	<u>574,144</u>		
	<u>19,284,176</u>	<u>22,419,066</u>		
Textile business			(82,990)	158,242
Revenue generated from external customers	7,370,204	9,106,665		
Intersegment revenue	<u>19,730</u>	<u>8,171</u>		
	<u>7,389,934</u>	<u>9,114,836</u>		
Telecommunication services business			2,967,642	3,068,215
Revenue generated from external customers	19,343,518	20,786,338		
Intersegment revenue	<u>45,322</u>	<u>33,121</u>		
	<u>19,388,840</u>	<u>20,819,459</u>		
Real estate development			243,252	203,940
Revenue generated from external customers	1,208,661	1,425,856		
Intersegment revenue	<u>186,540</u>	<u>190,008</u>		
	<u>1,395,201</u>	<u>1,615,864</u>		
Investment and other			(580,220)	724,035
Revenue generated from external customers	1,092,105	2,740,276		
Intersegment revenue	<u>83,577</u>	<u>81,332</u>		
	<u>1,175,682</u>	<u>2,821,608</u>		
Adjustment and elimination	<u>(6,751,482)</u>	<u>(9,448,465)</u>	<u>11,648</u>	<u>34,747</u>
	<u>\$ 52,191,176</u>	<u>\$ 63,288,445</u>	<u>1,686,505</u>	<u>4,803,869</u>
Interest revenue			72,701	80,265
Exchange gain			102,712	35,538
Interest expense			(761,108)	(810,993)
Other revenue and income (other expenses and losses)			<u>2,790,186</u>	<u>11,449</u>
Profit before tax			<u>\$ 3,890,996</u>	<u>\$ 4,120,128</u>

Note: For the three months ended March 31, 2020 and 2019, 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 \$(52,293) thousand and \$1,362,800 thousand, respectively, and dividend income from associates, which amounted to \$7,158 thousand and \$5,728 thousand, respectively.

b. Segment total assets and liabilities

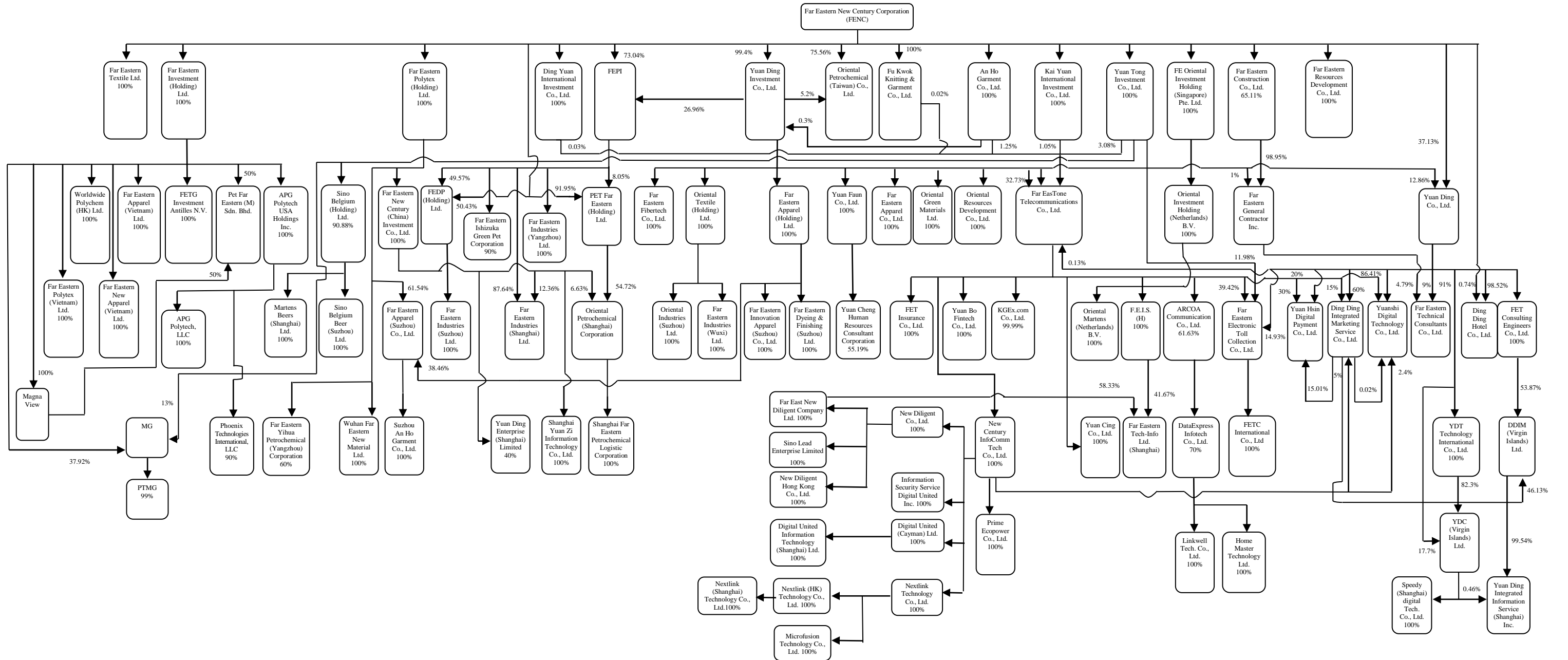
Segment total assets and liabilities was not disclosed due to this information was not reviewed by or regularly provided to the chief operating decision maker.



**TABLE 1**

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP  
MARCH 31, 2020**



**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAME AND CATEGORIES  
MARCH 31, 2020**

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
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
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's associate)
Pacific Petrochemical (holding) Ltd. (PPL)	Other related party (the subsidiary of FENC's associate)
Shanghai Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific Dept Stores (Dalian) Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific SOGO Department Stores Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Beicheng FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Quanxing Masion Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Bai-Ding Investment Corporation	Other related party (the subsidiary of FENC's associate)
Shanghai Bai Ding Business Management Consulting Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chubei New Century Shopping Mall Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Everest Textile (Shanghai) Ltd.	Other related party (the subsidiary of FENC's associate)
Shanghai Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yali Concrete Produce 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 Concrete Produce 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)

(Continued)

Related Party Name	Related Party Categories
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)
Nanchang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yangzhou Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Hubei Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Huanggang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Oriental Petrochemical (YangZhou) Corporation	Other related party (the subsidiary of FENC's associate)
Ya Tung Department Store Ltd.	Other related party (the subsidiary of FENC's associate)
Ya Tung Ready-mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Securities Investment Consultant Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Cement (China) Holdings Corporation	Other related party (the subsidiary of FENC's associate)
Asia Cement (Singapore) Private Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Investment Corporation	Other related party (the subsidiary of FENC's associate)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Wuhan Yaxin Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
FEDS Development Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's associate)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's associate)
Chiahui Power Co., Ltd	Other related party (the subsidiary of FENC's associate)
Far Eastern Ai Mai Co., Ltd	Other related party (the subsidiary of FENC's associate)
Far Eastern Big City Shopping Malls Co., Ltd	Other related party (the subsidiary of FENC's associate)
Chengdu FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yuan Bo Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Yuan Long Stainless Steel Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Der Ching Investment Corporation	Other related party (the subsidiary of FENC's associate)
Sony Music Entertainment Taiwan Ltd.	Other related party (corporate director of the subsidiary)
Universal Music Taiwan Ltd.	Other related party (corporate director of the subsidiary)
Forward Music Co., Ltd.	Other related party (corporate director of the subsidiary)
Him International Music Incorporated	Other related party (Supervisor of the subsidiary)
Telecommunication & Transportation Foundation	Other related party (Far EasTone's donation is over one third of the foundation's fund)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's investment accounted for using the equity method)
Yuan Ze University	Other related party (the same chairman)

(Continued)

Related Party Name	Related Party Categories
Yu Chang Technical & Commercial Vocational Senior High School	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)
Mr. Xu Yuanzhi Memorial Foundation	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)
U-Ming Marine (Hong Kong) Transport Corporation	Other related party (the same chairman)
TECO Electric & Machinery Co., Ltd.	Other related party (related party in substance)
Opas Fund Segregated Portfolio Company	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)
Far Eastern Polyclinic	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)
Tranquil Enterprise Ltd.	Other related party (related party in substance)

(Concluded)

**TABLE 3****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31 2020 AND 2019  
(In Thousands of New Taiwan Dollars)**

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Operating revenue		
Associates	\$ 305,522	\$ 518,404
Other related parties	<u>170,261</u>	<u>159,073</u>
	<u>\$ 475,783</u>	<u>\$ 677,477</u>
Operating cost		
Associates	\$ 271,097	\$ 297,193
Other related parties	<u>157,772</u>	<u>180,103</u>
	<u>\$ 428,869</u>	<u>\$ 477,296</u>
Operating expense		
Associates	\$ 8,208	\$ 10,178
Other related parties	<u>205,544</u>	<u>198,803</u>
	<u>\$ 213,752</u>	<u>\$ 208,981</u>

## Note:

The Group had purchased the software equipment, other equipment and construction contracts from the other related parties amounted to \$37,745 thousand for the three months ended March 31, 2020. The Group had purchased software equipment, construction contracts, and construction in process from the other related parties amounted to \$40,033 thousand for the three months ended March 31, 2019.

The fund transaction between the Group and Opas Fund Segregated Portfolio Company (“Opas Company”) was carrying out investment to acquisition the overseas fund including Opas Fund Segregated Portfolio Tranche “D”, through the trading platform of Opas Company. The decisions on overseas mutual funds with different tranches were made by the investment committee which is formed with the Group and other investors. For the three months ended March 31, 2019, the Group acquired funds with carrying amounts of \$1,123 thousand.

For the three months ended March 31, 2019, the Group sold other equipments to other related parties at book value for \$17,299 thousand.

(Continued)

Lease arrangements - Group is lessee

		<b>For the Three Months Ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Acquisitions of right-of-use assets			
Associates		<u>\$ 9,135</u>	<u>\$ 4,691</u>
		<b>December 31,</b>	
	<b>March 31, 2020</b>	<b>2019</b>	<b>March 31, 2019</b>
Lease liabilities			
Associates	\$ 723,679	\$ 764,327	\$ 901,976
Other related parties			
Yuan Bo Asset Management Corporation	1,044,110	1,072,258	1,156,164
Others	<u>7,618</u>	<u>30,821</u>	<u>39,401</u>
	<u>\$ 1,775,407</u>	<u>\$ 1,867,406</u>	<u>\$ 2,097,541</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Interest expense			
Associates		\$ 2,226	\$ 2,740
Other related parties		<u>3,423</u>	<u>3,818</u>
		<u>\$ 5,649</u>	<u>\$ 6,558</u>
Lease expense			
Associates		\$ 1,734	\$ 683
Other related parties		<u>8,927</u>	<u>326</u>
		<u>\$ 10,661</u>	<u>\$ 1,009</u>

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

(Continued)

Lease arrangement - Group is lessor

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Operating lease receivable			
Associates	\$ 99,980	\$ 114,385	\$ 114,713
Other related parties	<u>110,661</u>	<u>72,907</u>	<u>109,936</u>
	<u>\$ 210,641</u>	<u>\$ 187,292</u>	<u>\$ 224,649</u>
Future lease receivable			
Associates	\$ 1,530,488	\$ 1,611,712	\$ 1,797,300
Other related parties	<u>1,569,548</u>	<u>1,634,761</u>	<u>1,827,669</u>
	<u>\$ 3,100,036</u>	<u>\$ 3,246,473</u>	<u>\$ 3,624,969</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2020</b>	<b>2019</b>
Lease revenue			
Associates		\$ 87,421	\$ 80,460
Other related parties		<u>64,044</u>	<u>64,188</u>
		<u>\$ 151,465</u>	<u>\$ 144,648</u>

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

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

Compensation of key management personnel:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Short-term employee benefits	\$ 85,613	\$ 96,625
Post-employment benefits	<u>259</u>	<u>398</u>
	<u>\$ 85,872</u>	<u>\$ 97,023</u>

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

(Concluded)

**TABLE 4****FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF MARCH 31, 2020 AND 2019****(In Thousands of New Taiwan Dollars)**

	March 31, 2020	December 31, 2019	March 31, 2019
Notes and accounts receivable			
Associates	\$ 412,728	\$ 427,211	\$ 528,305
Other related parties	<u>261,978</u>	<u>375,503</u>	<u>300,172</u>
	<u>\$ 674,706</u>	<u>\$ 802,714</u>	<u>\$ 828,477</u>
Notes and accounts payable - related parties (Note 1)			
Associates	\$ 67,763	\$ 113,722	\$ 157,424
Other related parties	<u>143,008</u>	<u>226,218</u>	<u>200,666</u>
	<u>\$ 210,771</u>	<u>\$ 339,940</u>	<u>\$ 358,090</u>
Progress billings (Note 2)			
Associates	\$ 1,610,277	\$ 1,610,277	\$ 1,317,358
Other related parties	<u>517,463</u>	<u>479,031</u>	<u>244,593</u>
	<u>\$ 2,127,740</u>	<u>\$ 2,089,308</u>	<u>\$ 1,561,951</u>
Guarantee deposits received			
Associates	\$ 64,515	\$ 53,760	\$ 54,872
Other related parties	<u>66,882</u>	<u>69,420</u>	<u>68,296</u>
	<u>\$ 131,397</u>	<u>\$ 123,180</u>	<u>\$ 123,168</u>
Deferred credit - gains on related parties transactions			
Associate			
Oriental Securities Corporation	\$ 110,594	\$ 110,594	\$ 111,149
Others	2,810	2,810	2,810
Other related parties	<u>9,122</u>	<u>9,122</u>	<u>9,122</u>
	<u>\$ 122,526</u>	<u>\$ 122,526</u>	<u>\$ 123,081</u>

Note 1: Including retentions payable of \$3,679 thousand, \$3,679 thousand and \$6,596 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively, which was recognized as contract liabilities.

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

(Continued)



Financing to related parties

Loans to related parties (recognized as other receivables):

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Associates			
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 1,148,850	\$ 1,162,350	\$ 549,600
Da Ju Fiber Co., Ltd.	-	795,000	-
Other	30,225	369,980	-
Other related parties	<u>297,850</u>	<u>301,350</u>	<u>320,600</u>
	<u>\$ 1,476,925</u>	<u>\$ 2,628,680</u>	<u>\$ 870,200</u>

Interests income from loans to related parties:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Associates	\$ 11,651	\$ 3,308
Other related parties	<u>2,982</u>	<u>938</u>
	<u>\$ 14,633</u>	<u>\$ 4,246</u>

Loans from related parties:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Other related parties (recognized as short-term borrowings - loans from related parties)	\$ -	\$ -	\$ 760,304
Other related parties (recognized as long-term borrowings - bank loans)	<u>-</u>	<u>1,500,000</u>	<u>200,000</u>
	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 960,304</u>

Interests expense from loans from related parties:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Associates	<u>\$ 163</u>	<u>\$ 994</u>

(Continued)

Bank deposits, time deposits and other financial assets

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Far Eastern International Bank	<u>\$ 9,506,915</u>	<u>\$ 8,882,512</u>	<u>\$ 9,015,078</u>

The Group had bank deposits and time deposits (recognized as cash and cash equivalents and 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 highway toll fees which were consigned to Far Eastern International Bank as trust assets, were recognized as other financial assets. The interests income were \$15,438 thousand and \$13,732 thousand for the three months ended March 31, 2020 and 2019, respectively.

Financial assets (liabilities) at FVTPL - current

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Associates			
Far Eastern International Bank	<u>\$ (1,849)</u>	<u>\$ (4,114)</u>	<u>\$ 1,564</u>

The Group signed forward exchange contracts and option contracts with Far Eastern International Bank. The gain of financial assets (liabilities) at FVTPL were \$7,554 thousand and \$2,363 thousand for the three months ended March 31, 2020 and 2019, respectively.

Note:

1. The terms of sales to and purchases from other related parties were based on the agreements.
2. The Group had sold investment properties - land to Far Eastern Medical Foundation in 2015. As of March 31, 2019, the unreceived amount which recognized as other receivables from related parties was \$450,000 thousand, respectively. And other receivables from related parties - non-current was \$450,000 thousand, respectively.
3. The Group purchased the materials and other inventories for an associate, Far Eastern Union Petrochemical (Yangzhou) Corporation. As of March 31, 2020, December 31, 2019 and March 31, 2019, the amount which recognized as other receivable was \$4,076 thousand, \$28,862 thousand and \$51,226 thousand.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(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			
1	Yuan Ding Investment Co., Ltd.	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 E); maximum amounts allowed for the period (Note I)
		Oriental Resources Development Co., Ltd.	Receivables from related parties	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		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 E); maximum amounts allowed for the period (Note I)
		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 E); maximum amounts allowed for the period (Note I)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	680,000	510,000	-	1.05	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,060,000	530,000	-	1.05	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		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 E); maximum amounts allowed for the period (Note I)
		Oriental Green Materials Limited	Receivables from related parties	Yes	600,000	600,000	-	1.05	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	750,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	350,000	350,000	80,000	1.05	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	800,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)

(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			
2	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	\$ 181,500	\$ 181,350	\$ 163,215	2.09922	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 888,136	\$ 4,440,678	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
3	Far Eastern Resources Development Co., Ltd.	Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	250,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,700,136	13,500,680	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	250,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,700,136	13,500,680	Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note I)
4	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Receivables from related parties	Yes	300,000	300,000	300,000	1.28-1.53	2	-	For revolving fund	-	-	-	8,470,166	12,100,238	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	1,500,000	1,500,000	1,500,000	0.58-0.83	1	-	-	-	-	-	2,274,532	12,100,238	Amounts allowed for ending period (Note P); maximum amounts allowed for the period (Note C)
		Far EasTone Telecommunications Co., Ltd.	Receivables from related parties	Yes	7,500,000	7,500,000	6,500,000	0.58-0.83	2	-	For revolving fund	-	-	-	8,470,166	12,100,238	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note C)
5	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Receivables from related parties	Yes	400,000	400,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,601,525	4,003,812	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note I)
6	Far Eastern Investment (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	1,511,250	1,511,250	1,511,250	2.67173	2	-	For revolving fund	-	Promissory note	-	13,348,490	40,045,469	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
7	Oriental Textile (Holding) Ltd	Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	-	-	-	2.09922	2	-	For revolving fund	-	Promissory note	-	3,809,524	11,428,571	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L)
8	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	151,125	151,125	-	-	2	-	For revolving fund	-	Promissory note	-	6,087,640	6,087,640	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
9	Malaysia Garment Manufactures Pte. Ltd.	Arpeggio International Resources Corporation	Receivables from affiliates	Yes	75,563	75,563	30,225	2.09922	2	-	For revolving fund	-	Promissory note	-	100,994	100,994	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
10	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,127,500	2,127,500	1,145,203	3.75-3.94	2	-	For revolving fund	-	Promissory note	-	2,661,990	5,915,532	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 1,191,400	\$ 1,191,400	\$ 455,213	3.1	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,386,471	\$ 3,081,047	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
12	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,276,500	1,276,500	1,239,528	3.1	2	-	For revolving fund	-	Promissory note	-	1,406,620	3,125,822	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
13	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	212,750	212,750	-	-	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	212,750	212,750	-	3.9098	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	425,500	425,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	425,500	425,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,276,500	1,276,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	851,000	851,000	-	-	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,063,750	1,063,750	714,802	3.79-3.91	2	-	For revolving fund	-	Promissory note	-	5,207,435	11,572,077	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	297,850	297,850	297,850	3.91	2	-	For revolving fund	-	Promissory note	-	2,314,415	2,314,415	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)
14	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	851,000	851,000	-	3.47-4.31	2	-	For revolving fund	-	Promissory note	-	2,529,856	5,621,903	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
15	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	38,295	38,295	38,295	3.1	2	-	For revolving fund	-	Promissory note	-	47,903	106,452	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note	
													Item	Value				
16	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	\$ 425,500	\$ 425,500	\$ 425,500	3.1	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 925,142	\$ 2,055,872	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)	
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	765,900	765,900	553,150	3.1	2	-	For revolving fund	-	-	Promissory note	-	925,142	2,055,872	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
17	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	212,750	212,750	-	-	2	-	For revolving fund	-	Promissory note	-	278,136	834,407	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note F)	
18	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	638,250	638,250	638,250	3.87	2	-	For revolving fund	-	Promissory note	-	3,226,571	3,226,571	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)	
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	638,250	638,250	-	-	2	-	For revolving fund	-	-	Promissory note	-	4,033,214	7,259,784	Amounts allowed for ending period (Note D); maximum amounts allowed for the period (Note J)
19	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	127,650	127,650	-	-	2	-	For revolving fund	-	Promissory note	-	452,000	813,601	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J)	
20	Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	42,550	42,550	-	-	2	-	For revolving fund	-	Promissory note	-	11,432,356	16,005,299	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)	
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,063,750	1,063,750	-	1.21	2	-	For revolving fund	-	-	Promissory note	-	11,432,356	16,005,299	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	127,650	127,650	-	1.21	2	-	For revolving fund	-	-	Promissory note	-	11,432,356	16,005,299	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	2,978,500	2,978,500	-	1.21	2	-	For revolving fund	-	-	Promissory note	-	11,432,356	16,005,299	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	51,060	51,060	-	1.21	2	-	For revolving fund	-	-	Promissory note	-	11,432,356	16,005,299	Amounts allowed for ending period (Note N); maximum amounts allowed for the period (Note O)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	212,750	212,750	88,517	1.21	2	-	For revolving fund	-	-	Promissory note	-	1,829,177	1,829,177	Amounts allowed for ending period (Note H); 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			
21	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	\$ 42,550	\$ 42,550	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 55,793	\$ 83,689	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note L)
22	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	51,060	51,060	-	-	2	-	For revolving fund	-	Promissory note	-	66,544	119,780	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J)
23	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	297,850	297,850	297,850	3.6	2	-	For revolving fund	-	Promissory note	-	1,203,809	2,675,130	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note M)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	510,600	510,600	510,600	3.6	2	-	For revolving fund	-	Promissory note	-	535,026	535,026	Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note H)

Notes: A. Reasons for financing are as follows:

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

- B. The limitation is 35% of the net value of the financier based on reviewed financial statements as of March 31, 2020.
- C. The limitation is 50% of the net value of the financier based on reviewed financial statements as of March 31, 2020.
- D. The limitation is 5% of the net value of the financier based on audited financial statements as of December 31, 2019.
- E. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2019.
- F. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2019.
- G. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2019.
- H. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2019.
- I. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2019.
- J. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2019.
- K. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2019.
- L. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2019.
- M. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2019.
- N. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2019.
- O. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2019.
- P. The limitation is business transaction amount.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(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 P)	Endorsements /Guarantees Given by Subsidiaries on Behalf of Parent (Note P)	Endorsements /Guarantees Given on Behalf of Companies in Mainland China (Note P)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note A)	\$ 20,837,814	\$ 268,000	\$ 268,000	\$ 128,000	\$ -	0.64	\$ 41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		APG Polytech, LLC	(Note B)	20,404,317	5,868,500	5,863,650	2,421,023	-	14.07	20,404,317	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note B)	20,404,317	2,692,250	2,690,025	-	-	6.45	20,404,317	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note B)	20,404,317	605,000	604,500	347,588	-	1.45	20,404,317	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Far Eastern Ishizuka Green Pet Corporation	(Note B)	20,404,317	669,120	669,120	278,800	-	1.61	20,404,317	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note C)	13,500,680	5,658,332	5,158,332	2,640,000	5,158,332	2.53	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 D)	4,003,812	1,303,000	1,303,000	520,000	250,000	0.64	8,007,624	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	(Note D)	102,021,586	6,664,075	6,658,568	604,500	-	3.26	204,043,171	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
		APG Polytech, LLC	(Note D)	102,021,586	2,607,550	2,182,245	501,947	-	1.07	204,043,171	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J)
		Phoenix Technologies International, LLC	(Note D)	102,021,586	605,000	604,500	368,745	-	0.30	204,043,171	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J)

Notes: A. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.

B. In between companies that were held over 90% of voting shares directly or indirectly by an entity.

C. The company that owns directly or indirectly hold over 50% ownership of the Corporation.

D. The Corporation owns directly or indirectly over 50% ownership of the investee 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.

(Continued)



- G. The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company from the reviewed financial statements as of March 31, 2020, 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 from the reviewed financial statements as of March 31, 2020, 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 50% of the net value of the ultimate parent company from the latest reviewed financial statements.
- J. The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest reviewed financial statements.
- K. 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.
- L. 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.
- M. The tariff guarantee maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB3,000 thousand (NT\$12,765 thousand), the actual remittance: RMB3,000 thousand (NT\$12,765 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB4,000 thousand (NT\$17,020 thousand), the actual remittance: RMB4,000 thousand (NT\$17,000 thousand).
- N. The amount for the endorsement/guarantee to APG USA Holdings, Inc. which provided by Yuan Ding Investment Co., Ltd. is \$79,000 thousand which provided by bank to APG Polytech, LLC. and APG USA Holdings, Inc.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

MARCH 31, 2020

(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	March 31, 2020				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 18,543,162	22.33	\$ 29,570,146	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	4,868,613	17.06	5,234,314	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,149,750	9.17	1,157,328	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,406	0.03	790	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	1,899,833	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	1,898,852	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,118,800	2.62	882,057	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,152,412	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	106,024,485	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	168	9,434,487	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,520,347	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,508,856	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	361,486	5,527,384	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,905	26,380,081	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	5,259,689	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	9,014,883	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	223,481	9,701,900	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,266,784	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	2,136,042	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	253,977	3,096,809	100.00	-	
FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	903,320	50.43	-		
Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	239,657	100.00	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	11,776	0.74	-		
Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,646	100.00	-		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	51,288	2,081,533	1.53	2,020,728	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	1,178,629	8.00	1,009,152	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,081	1,532,369	4.80	1,473,953	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	128,618	1,022,088	25.23	726,694	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	23,478,747	32.73	67,519,427	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,775,856	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	3,785,196	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,558	2,261,145	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	92,521	100.00	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	144,491	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	74,396	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	395,767	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,158,113	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,000	46,617	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	2,307,080	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,371	528,685	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,615,429	25.96	-	
Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,147,281	12.86	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				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 Investment (Holding) Ltd.	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	\$ 939,277	16.87	\$ -	(Note F)
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,503,334	100.00	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,596,745	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	1,019,540	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	23,555	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	637,257	5.20	-	
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	53,304	556,374	100.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	119,403	1,521,690	3.56	1,200,000	
	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	63,644	0.16	63,644	
	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	31,215	0.50	31,215	
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	230,594	1.05	230,594	
	Financial assets under asset management contracts (Note E)	-	-	-	-	-	-	
	Yuanta Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	85	6473	-	6473	
	Yuanta Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	90	2204	-	2204	
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	128	2468	-	2468	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	77	3,042	-	3,042	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	20	1,398	-	1,398	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	110	30,140	-	30,140	
	Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	14	2,282	-	2,282	
	King Yuan Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	40	1,210	-	1,210	
	Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	30	904	-	904	
	International Games System CO., LTD.	-	Financial assets at fair value through profit or loss - current	3	1,656	-	1,656	
	Arcadyan Technology Corporation	-	Financial assets at fair value through profit or loss - current	20	1,366	-	1,366	
	BizLink Holding Inc.	-	Financial assets at fair value through profit or loss - current	5	820	-	820	
	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	33,616	100.00	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	246,253	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	-	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,059,344	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	142,969	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,677	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,265,123	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	409,940	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	244,468	100.00	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	455,473	37.92	-	
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G)	523	34.00	-	
APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	5	15,029,114	100.00	-		
Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	121,814	25.00	-		
Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,686	25.00	-		
Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,450)	41.00	-		
Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,553)	50.00	-		
Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	151,621	-	151,621		
Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	6	271,225	-	271,225		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				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.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	\$ 12,662,634	33.33	\$ -	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	2,737,358	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	154,248	90.00	-	
Phoenix Technologies International, LLC	Perform Technologies, LLC	-	Financial asset at FVTOCI - current	(Note G)	2,373	-	2,373	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock	246,253	50.00	-	
				5,000				
				Preferred stock				
				3,000				
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	12,279	447,655	0.37	483,781	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,903	126,386	0.42	127,800	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,183	8,283	0.23	6,682	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	623,603	3.09	389,958	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	42,228	0.03	58,214	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,800	2.24	-	(Note F)
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,964	420,645	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	88,726	1,130,260	2.64	891,693	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	975,827	0.75	997,312	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,146,521	1.05	2,161,634	12,950 thousand shares pledged or mortgaged as collateral for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,473	620,081	3.67	462,743	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	579,223	1.46	447,553	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	447,638	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	940,265	16.80	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	235,001	2.24	-	(Note F)
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,717	1,372,618	3.21	1,082,553	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	793	20,618	0.09	20,618	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,393,776	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	461,466	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	887,915	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,339,931	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	1,021,399	90.00	-	
	Nippon Parison Co., Ltd.	-	Financial asset at FVTOCI - non-current	4	142,395	10.00	142,395	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	589,064	0.53	698,409	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	2,182,377	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	41,334	0.19	41,334	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	593,305	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,993,000	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,033,272	100.00	-	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	224,964	-	224,964	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	15,720	0.01	18,479	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,146	-	5,697	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11	156	0.01	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				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 General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	\$ 8,845	9.00	\$ -	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	19,409	0.09	19,409	
	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	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,109	-	22,109	
	Shin Kong Chi-Shin Money-Market	-	Financial assets at fair value through profit or loss - current	4,113	64,006	-	64,006	
	Hua Nan Phoenix Money Market	-	Financial assets at fair value through profit or loss - current	4,530	74,014	-	74,014	
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)	(35)	99.00	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,076,559	1.25	2,583,754	7,500 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	249,068	0.18	240,091	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	243,350	1.26	159,657	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,512	0.03	8,006	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,373	108,950	1.17	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,763	400,927	15.66	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,681	131,599	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	167,854	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,094	281,623	0.66	222,046	
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	13,773	55.19	-	
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	55,098	3.56	55,098	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,682	59,702	0.14	47,052	
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,425	0.02	32,916	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,814,980	3.08	6,345,004	26,715 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	50,600	1,528,661	3.57	1,095,480	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,604,122	5.61	708,302	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,305,529	0.97	1,279,137	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	233,803	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	457,194	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	33	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(710,707)	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	2	50	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	156,148	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,501	1,369,555	3.20	1,080,386	
	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 Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - current	235	17895	-	17895	
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	65	1253	-	1253	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	30	1,185	-	1,185	
Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	20	1,398	-	1,398		
Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10	2,740	-	2,740		
Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	30	4,890	-	4,890		
Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	3,015	-	3,015		
BizLink Holding Inc.	-	Financial assets at fair value through profit or loss - current	30	4,920	-	4,920		
Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	40	3,128	-	3,128		
Flexium Interconnect Inc.	-	Financial assets at fair value through profit or loss - current	30	2,862	-	2,862		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				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 (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	\$ 53,477	100.00	\$ -	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,843,902	54.72	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	1,898,949	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,165,085	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,764,191	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	5,774,155	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	257,121	-	257,121	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	146,863	-	146,863	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,569,294	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	885,419	100.00	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	949,349	61.54	-	
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,861,604	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,733,898	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)	1,042,755	12.36	-	
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	59,628	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	311,788	6.63	-	
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	2,746,269	40.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - other	(Note G)	(636,428)	100.00	-	
	Martens Beers (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,506	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	134,202	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	974	4,144	-	4,144	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	618,808	2,633,027	-	2,633,027	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	257,836	100.00	-	
	Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,787	188,734	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	88,219	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	8,902	17.70	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	4,995	-34,892	4.79	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,000	52,511	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	206,965	0.16	209,948	
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	113,434	0.13	263,550	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	129,637	2,143,171	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	831	1.00	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,939	66,243	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	134,264	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	564,479	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	8,352	106,530	0.25	83,941	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	15,535	101,337	20.00	-	
	Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	102,509	624,597	98.52	-	
	Far Eastern New Century Corporation	(Note D)	Financial assets at fair value through profit or loss - current	779	17,575	-	17,575	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	17	\$ (144)	0.02	\$ -	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,659	76,050	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,889	46.13	-	
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	31	-	31	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	3,577	42,061	-	42,061	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	10,119	4.00	10,119	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	29,065	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	248	0.46	-	
	Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	48,728	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	53,684	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	130	1,044	0.03	736	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	96,411	0.20	59,838	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,340	-	2,385	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	41,394	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	2,937	37,646	0.09	29,518	
	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	104,861	100.00	-	
	Millerful No.1 REIT	-	Financial asset at FVTOCI - non-current	30,000	299,400	-	299,400	
	Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	-	Financial assets at amortized cost	5,000	500,000	-	-	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,765,629	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	742,826	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,897	917,719	99.99	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	90,014	(629,792)	86.41	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	35,942	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	4,777	100.00	-	
	Yuan Bao Fintech Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,000	58,260	100.00	-	
	FarEasTone Property Insurance Agent Co., Ltd.	(Note A)	Investments accounted for using the equity method	500	11,985	100.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,081,578	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,302	151,894	30.00	-	
	Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	47,209	15.00	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	8,850	104,386	11.11	104,386	
	CDIB Capital Innovation Accelerator Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	9,000	95,300	10.71	95,300	
	LINE Bank Taiwan Limited	-	Financial asset at FVTOCI - non-current	50,000	488,013	5.00	488,013	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	242,872	70.00	-	
	THI consultants	(Note L)	Financial asset at FVTOCI - non-current	1,214	12,190	18.32	12,190	
	Web Point Co., Ltd.	-	Financial asset at FVTOCI - non-current	161	1,618	0.63	1,618	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	86,422	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	128,606	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	192,688	100.00	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	2,500	(17,489)	2.40	-	
	Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	15,736	5.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	121,814	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,686	25.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	\$ 135,839	100.00	\$ -	
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,430	409,289	70.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	13	422,551	-	422,551	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	141,036	-	141,036	
	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	30,225	2.50	30,225	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	279	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)	2,631	100.00	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	52,967	100.00	-	
	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	49,416	100.00	-	
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,600	18,905	100.00	-	
	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	8,941	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note G)	(1,046)	100.00	-	
	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	980	151,125	6.77	151,125	
Far East New Diligent Company Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	(Note G)	6,428	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)	4,592	41.67	-	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,233	70.00	-	

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

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

D. Parent company.

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

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

G. Company limited.

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

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

J. The subsidiary of FENC's associate.

K. Related party in substance.

L. The investor is the corporate director of the investee.

M. The investor is the corporate supervisor of the investee.

N. Joint operation entity.

(Concluded)



## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
 FOR THE THREE MONTHS ENDED MARCH 31, 2020  
 (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
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Investments accounted for using the equity method	-	(Note A)	32,458	\$ 1,270,042	18,830	\$ 874,128	-	\$ -	\$ -	\$ -	\$ (62,637)	51,288	\$ 2,081,533
	Far Eastern Department Stores Co., Ltd.	Investments accounted for using the equity method	-	(Note A)	37,652	866,925	30,429	706,175	-	-	-	-	(40,731)	68,081	1,532,369
Far EasTone Telecommunications Co., Ltd.	LINE Bank Taiwan Limited	Financial asset at FVTOCI - non-current	LINE Bank Taiwan Limited	-	-	100,000 (Note B)	50,000	400,000	-	-	-	-	(11,987) (Note C)	50,000	488,013

Notes: A. Associates.

B. The amount is prepaid investment, which were classified as other non-current liabilities.

C. Unrealized gain or loss on financial asset at FVTOCI.

## 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 THREE MONTHS ENDED MARCH 31, 2020  
(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	\$ (473,103)	(4)	Based on contract	-	-	\$ -	-	\$ 382,326	6	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(412,918)	(4)	Based on contract	-	-	-	-	652,291	11	
	Freudenberg	(Note D)	Sale	(104,776)	(1)	Based on contract	-	-	-	-	77,268	1	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	2,914,350	31	Based on contract	-	-	-	-	(940,755)	(40)	
	Oriental Green Materials Limited	(Note A)	Purchase	295,637	3	Based on contract	-	-	-	-	(101,956)	(4)	
	Oriental Union Chemical Corporation	(Note D)	Purchase	243,718	3	Based on contract	-	-	-	-	(48,696)	(2)	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(1,337,855)	(19)	Based on contract	-	-	-	-	1,183,895	30	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(204,716)	(3)	Based on contract	-	-	-	-	218,994	6	
	Far Eastern New Century Corporation	(Note B)	Sale	(2,914,350)	(41)	Based on contract	-	-	-	-	940,755	24	
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note B)	Sale	(295,637)	(96)	Based on contract	-	-	-	-	101,956	99	
Yuanfang Industry (Shanghai) Limited Company	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(105,642)	(2)	Based on contract	-	-	-	-	31,323	1	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(115,075)	(2)	Based on contract	-	-	-	-	70,632	2	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(146,606)	(3)	Based on contract	-	-	-	-	149,183	5	
	Far Eastern New Century Corporation	(Note B)	Purchase	473,103	11	Based on contract	-	-	-	-	(382,326)	(14)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	1,615,881	37	Based on contract	-	-	-	-	(331,983)	(12)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	204,716	5	Based on contract	-	-	-	-	(218,994)	(8)	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(488,573)	(89)	Based on contract	-	-	-	-	307,647	87	
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(237,880)	(45)	Based on contract	-	-	-	-	98,183	30	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note C)	Sale	(450,829)	(13)	Based on contract	-	-	-	-	743,979	36	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	1,337,855	44	Based on contract	-	-	-	-	(1,183,895)	(61)	
Textile dyeing (suzhou) Co., Ltd	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(591,437)	(69)	Based on contract	-	-	-	-	432,220	67	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(729,842)	(51)	Based on contract	-	-	-	-	521,177	39	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	115,075	9	Based on contract	-	-	-	-	(70,632)	(21)	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(1,615,881)	(51)	Based on contract	-	-	-	-	331,983	27	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	105,642	78	Based on contract	-	-	-	-	(31,323)	(97)	
Pet Far Eastern (M) Sdn. Bhd.	Yuanfang Industry (Shanghai) Limited Company	(Note C)	Purchase	146,606	64	Based on contract	-	-	-	-	(149,183)	(68)	
Worldwide Polychem (HK) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	450,829	52	Based on contract	-	-	-	-	(743,979)	(53)	
	Far Eastern New Century Corporation	(Note B)	Purchase	412,918	48	Based on contract	-	-	-	-	(652,291)	(47)	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	488,573	35	Based on contract	-	-	-	-	(307,647)	(35)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	237,880	17	Based on contract	-	-	-	-	(98,183)	(11)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	591,437	43	Based on contract	-	-	-	-	(432,220)	(48)	

(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	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	\$ 729,842	92	Based on contract	-	-	\$ -	-	\$ (521,177)	(92)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of telecommunications services, marketing expenses and cost of sales	1,436,773	12	Based on contract	-	-	-	-	(448,186)	(3)	
	New Century InfoComm Tech Co., Ltd.	(Note C)	Cost of telecommunications services, and cost of sales	523,178	6	Based on contract	-	-	-	-	(506,779)	(3)	(Note F)
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating Revenue	(523,178)	(22)	Based on contract	-	-	-	-	506,779	39	(Note G)
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating Revenue	(1,436,773)	(58)	Based on contract	-	-	-	-	448,186	50	
	Home Master Technology Ltd.	(Note C)	Operating Revenue	(202,900)	(8)	Based on contract	-	-	-	-	210,594	23	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating Cost	202,900	60	Based on contract	-	-	-	-	(210,594)	(79)	

Notes: A. Subsidiary.

B. Parent company.

C. Same ultimate parent company.

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

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

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

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

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

(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		
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note B)	\$ 382,326	1.38	\$ -	-	\$ 143,557	\$ -
	Worldwide Polychem (HK) Ltd.	(Note B)	652,291	0.72	-	-	3,414	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	940,755	2.91	-	-	940,755	-
	Far Eastern Polytex (Vietnam) Ltd.	(Note D)	1,183,895	1.26	-	-	590,876	-
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	218,994	0.80	-	-	97,054	-
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note C)	101,956	2.80	-	-	101,663	-
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	188,105	0.54	-	-	-	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	149,183	1.46	-	-	9,023	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	234,497	0.33	-	-	68,147	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	307,647	1.25	-	-	307,647	-
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	743,979	0.58	-	-	183,996	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	432,220	1.37	-	-	-	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note D)	521,177	1.38	-	-	205,669	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	331,983	4.22	-	-	331,983	-
Ding Ding Integrated Marketing Service Co., Ltd.	Far Eastern International Bank	(Note E)	121,046	(Note G)	-	-	-	-
	Pacific SOGO Department Stores Co., Ltd.	(Note F)	102,982	(Note G)	-	-	-	-
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note D)	258,754	(Note H)	-	-	249,353	-
	ARCOA Communication Co., Ltd.	(Note D)	133,231	13.26	-	-	93,602	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	8,567,714	(Note I)	-	-	251,353	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	448,186	8.09	-	-	-	-
	Home Master Technology Ltd.	(Note D)	210,767	0.86	-	-	79,167	-

(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 receivables were points collections and payments on behalf of others.
- H. The turnover rate was unavailable as the receivables from related parties were mainly due to the advance payments made for NCIC's daily operating expenditures and the operating management service charges to NCIC.
- 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 THREE MONTHS ENDED MARCH 31, 2020

(In Thousands of New Taiwan Dollars)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Term	% of Consolidated Revenue or Assets (Note C)
0	Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	1	Accounts receivable	\$ 652,291	Based on contract	-
		Worldwide Polychem (HK) Ltd.	1	Sales	412,918	Based on contract	1
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	382,326	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	473,103	Based on contract	1
1	Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	2	Accounts receivable	940,755	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	2,914,350	Based on contract	6
		Far Eastern Polytex (Vietnam) Ltd.	3	Accounts receivable	1,183,895	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Sales	1,337,855	Based on contract	3
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	218,994	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	204,716	Based on contract	-
2	Oriental Green Materials Limited	Far Eastern New Century Corporation	2	Accounts receivable	101,956	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	295,637	Based on contract	1
3	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Accounts receivable	188,105	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	149,183	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	146,606	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	234,497	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Sales	105,642	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	115,075	Based on contract	-
4	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	307,647	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	488,573	Based on contract	1
5	Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	3	Accounts receivable	743,979	Based on contract	-
		Worldwide Polychem (HK) Ltd.	3	Sales	450,829	Based on contract	1
6	Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Sales	237,880	Based on contract	-
7	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Accounts receivable	432,220	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	591,437	Based on contract	1
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	3,733	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	12,023	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	1,145,203	Based on contract	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Term	% of Consolidated Revenue or Assets (Note C)
8	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	3	Accounts receivable	\$ 521,177	Based on contract	-
		Oriental Textile (Holding) Ltd.	3	Sales	729,842	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest receivables	2,332	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Interest revenue	6,941	Based on contract	-
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables	714,802	Based on contract	-
9	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	331,983	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	1,615,881	Based on contract	3
10	FETC International Co., Ltd	Far Eastern Electronic Toll Collection Co., Ltd.	3	Interest revenue	120	Based on contract	-
11	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	3	Interest receivables	512	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Interest revenue	116	Based on contract	-
		Sino Belgium (Holding) Ltd.	3	Other receivables	163,215	Based on contract	-
12	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	3	Interest revenue	206	Based on contract	-
		Far Eastern Apparel Co., Ltd.	3	Other receivables	80,000	Based on contract	-
		Oriental Green Materials Limited	3	Interest revenue	57	Based on contract	-
13	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Interest receivables	3,217	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	3,074	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	297,850	Based on contract	-
14	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Interest receivables	3,298	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	9,804	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	1,239,528	Based on contract	-
15	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest receivables	9,825	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Interest revenue	3,186	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables	425,500	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest receivables	11,007	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	4,055	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	553,150	Based on contract	-
16	Oriental Textile (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	3	Interest revenue	1,893	Based on contract	-
17	Far Eastern New Century (China) Investment Co., Ltd.	Oriental Petrochemical (Shanghai) Corporation	3	Interest revenue	258	Based on contract	-
		Oriental Petrochemical (Shanghai) Corporation	3	Other receivables	88,517	Based on contract	-
18	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	3	Interest receivables	1,423	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	4,713	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	455,213	Based on contract	-
19	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	3	Interest receivables	317	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	292	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	38,295	Based on contract	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Details			
				Financial Statement Account	Amount	Term	% of Consolidated Revenue or Assets (Note C)
20	Far Eastern Investment (Holding) Ltd.	Far Eastern Polytex (Vietnam) Ltd.	3	Other receivables	\$ 1,511,250	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Interest receivables	8,636	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Interest revenue	8,602	Based on contract	-
21	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	3	Operating revenue	45,455	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Accounts receivable	115,157	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Operating revenue	65,751	Based on contract	-
		KGEx.com Co., Ltd.	3	Accounts receivable	8,162	Based on contract	-
		KGEx.com Co., Ltd.	3	Operating revenue	11,182	Based on contract	-
		DataExpress Infotech Co., Ltd.	3	Operating revenue	2,994	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Accounts receivable	56,581	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Operating revenue	57,429	Based on contract	-
		FarEasTone Property Insurance Agent Co., Ltd. FarEasTone Property Insurance Agent Co., Ltd.	3 3	Accounts receivable Operating revenue	53,680 56,022	Based on contract Based on contract	- -
22	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Other receivables	8,000,000	Based on contract	1
		KGEx.com Co., Ltd.	3	Operating revenue	5,155	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Accounts receivable	1,257	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Operating revenue	1,591	Based on contract	-
23	ARCOA Communication Co., Ltd.	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Accounts receivable	10,817	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Operating revenue	3,635	Based on contract	-
		Home Master Technology Ltd.	3	Accounts receivable	210,594	Based on contract	-
		Home Master Technology Ltd.	3	Operating revenue	202,900	Based on contract	-
24	Yuan Cing Co., Ltd.	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Accounts receivable	3,739	Based on contract	-
		Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	3	Operating revenue	3,614	Based on contract	-
25	DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	3	Accounts receivable	7,519	Based on contract	-
		Linkwell Tech. Co., Ltd.	3	Operating revenue	20,776	Based on contract	-
27	Linkwell Tech. Co., Ltd.	Home Master Technology Ltd.	3	Accounts receivable	3,017	Based on contract	-
		Home Master Technology Ltd.	3	Operating revenue	3,683	Based on contract	-
28	Nextlink Technology Co., Ltd.	Nextlink (Hongkong) Technology Co., Ltd.	3	Accounts receivable	3,634	Based on contract	-
		Nextlink (Hongkong) Technology Co., Ltd.	3	Operating revenue	11,415	Based on contract	-
29	Microfusion Technology	Nextlink (Hongkong) Technology Co., Ltd.	3	Accounts receivable	17,090	Based on contract	-
		Nextlink (Hongkong) Technology Co., Ltd.	3	Operating revenue	36,307	Based on contract	-
		Nextlink (Shanghai) Technology Co., Ltd.	3	Accounts receivable	5,537	Based on contract	-

(Continued)



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

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

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

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

Note C: The percentage to total asset or sales is the ratio of ending balance to consolidated asset or cumulative income amount to consolidated revenue.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
FOR THE THREE MONTHS ENDED MARCH 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				March 31, 2020	December 31, 2019	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	\$ 18,543,162	\$ 721,989	\$ 85,985	Investment gain or loss recognized under the treasury shares method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	4,868,613	77,889	13,288	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,149,750	(274,211)	(25,145)	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,406	(157,106)	(47)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	140,278	19.65	1,899,833	(521,535)	(102,482)	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	810,000	810,000	135,000	16.83	1,898,852	25,858	4,352	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,598	805,598	87,767	2.62	1,118,800	379,433	14,523	(Notes A and J)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	41,152,412	515,195	512,400	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(632) (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	106,024,485	1,268,662	1,273,551	Including the adjustments of the transactions between subsidiaries \$9,605 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,382,911	10,382,911	168	100.00	9,434,487	(20,305)	(20,305)	(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	7,520,347	108,458	79,218	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,508,856	63,122	65,598	Including the adjustments of the transactions between subsidiaries \$2,476 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,527,384	35,857	35,857	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	23,447,181	23,386,997	4,905	100.00	26,380,081	(75,946)	(75,946)	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	5,259,689	(367,646)	(335,619)	Including the adjustments of the transactions between subsidiaries \$2,431 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,209,038	16,209,038	1,712,218	75.56	9,014,883	(1,087,442)	(795,728)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(25,943) (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	9,701,900	1,245,202	810,751	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,266,784	(84,128)	(29,027)	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	75,704	100.00	2,136,042	20,750	20,776	Including the adjustments of the transactions between subsidiaries \$26 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,096,809	7,183	7,203	Including the adjustments of the transactions between subsidiaries \$20 (Note B)
FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	903,320	9,399	4,740	(Note B)	
Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	239,657	6,137	6,137	(Note B)	
Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	401,042	401,042	769	0.74	11,776	(176,872)	(1,309)	(Note B)	
Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,646	(11)	(11)	(Note B)	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	1,990,883	1,116,755	51,288	1.53	2,081,533	721,989	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,178,629	(274,211)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,518,311	812,136	68,081	4.80	1,532,369	77,889	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	128,618	25.23	1,022,088	(157,106)	-	(Note A)
	Far EastTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,478,747	2,172,196	-	(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	2,775,856	108,458	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	3,785,196	(7,793)	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	59,558	41.86	2,261,145	4,813	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	100.00	92,521	(22,374)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	144,491	665	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	74,396	(261)	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	395,767	3,668	-	(Note A)
	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	585,000	585,000	91,000	100.00	1,158,113	14,017	-	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	13,475	1,000	100.00	46,617	11,126	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	2,307,080	491,539	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				March 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Investment (Holding) Ltd.	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	27,371	29.80	528,685	85,653	- (Note A)	
	Oriental Securities Corporation	Taiwan	Brokering	255,424	255,424	185,247	25.96	2,615,429	(521,535)	- (Note A)	
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,147,281	(84,128)	- (Note B)	
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	939,277	29,720	- (Note A)	
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,503,334	(135,635)	- (Note B)	
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,596,745	25,858	- (Notes A and E)	
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	1,019,540	(36,234)	- (Note A)	
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	23,555	30,450	- (Note B)	
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	779,399	117,746	5.20	637,257	(1,087,442)	- (Note B)	
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	647,083	647,083	53,304	100.00	556,374	4,898	- (Note B)	
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	119,403	3.56	1,521,690	379,433	- (Note A)	
	Far Eastern Investment (Holding) Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	- (Note A)
		FETG Investment Antilles N.V.	Nederlandse Antillen	Investment	US\$ 6	US\$ 6	6	100.00	33,616	160	- (Note B)
PET Far Eastern (M) Sdn. Bhd.		Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	246,253	7,211	- (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	1,059,344	13,513	- (Note B)	
Worldwide Polychem (HK) Ltd.		Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	142,969	74,262	- (Note B)	
Opas Fund Segregated Portfolio Company		Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,677	19	- (Note A)	
Far Eastern Polytex (Vietnam) Ltd.		Vietnam	Chemical fiber and Textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,265,123	159,604	- (Note B)	
Far Eastern New Apparel (Vietnam) Ltd.		Vietnam	Garment production	US\$ 18,000	US\$ 18,000	(Note D)	100.00	409,940	28,859	- (Note B)	
Magna View Sdn. Bhd.		Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	244,468	3,617	- (Note B)	
Malaysia Garment Manufactures Pte. Ltd.		Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	455,473	1,165	- (Note B)	
Drive Catalyst SPC		Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	523	(2)	- (Note A)	
APG Polytech USA Holdings, Inc.		America	Investment	US\$ 506,467	US\$ 506,467	5	100.00	15,029,114	(150,033)	- (Note B)	
APG Polytech USA Holdings, Inc.	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	121,814	(97)	- (Note A)	
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	119,686	(1,840)	- (Note A)	
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,450)	-	- (Note A)	
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,553)	-	- (Note A)	
	Corpus Christi Polymers LLC	America	Petrochemical materials production and polychemical products production	US\$ 422,800	US\$ 422,800	(Note D)	33.33	12,662,634	(56,963)	- (Note L)	
	APG Polytech, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,737,358	(78,304)	- (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\$ 10,000	(Note D)	90.00	154,248	(44,844)	- (Note B)	
	Magna View Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	246,253	7,211	- (Note B)	
	Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	339,088	337,260	12,279	0.37	447,655	721,989	- (Note A)
		Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	110,306	110,306	5,903	0.42	126,386	77,889	- (Note A)
		Everest Textile Corporation	Taiwan	Chemical fiber production	34,561	34,561	1,183	0.23	8,283	(157,106)	- (Note A)
		Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	623,603	(274,211)	- (Note A)
		Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	42,228	2,172,196	- (Note B)
Pacific Liu Tong Investment Co., Ltd.		Taiwan	Investment	90,000	90,000	18,000	2.24	234,800	25,858	- (Notes A and E)	
Yu Ding Industry Co., Ltd.		Taiwan	Department store operations	95,624	95,624	14,964	13.20	420,645	(11,129)	- (Note A)	
Far Eastern International Bank		Taiwan	Deposit, loan and guarantee services	814,399	814,399	88,726	2.64	1,130,260	379,433	- (Note A)	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	732,627	732,627	25,312	0.75	975,827	721,989	- (Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,146,521	2,172,196	- (Note B)	
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	32,473	3.67	620,081	(274,211)	- (Note A)	
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.46	579,223	77,889	- (Note A)	
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	447,638	(4,124)	- (Note A)	
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	940,265	29,720	- (Note A)	
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	235,001	25,858	- (Notes A and E)	
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	107,717	3.21	1,372,618	379,433	- (Note A)	
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	461,466	(367,646)	- (Note B)	
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	887,915	9,399	- (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	1,021,399	40,179	- (Note B)	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	589,064	721,989	- (Note A)	
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,182,377	30,450	- (Note B)	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	16,246	16,246	469	0.01	15,720	721,989	- (Note A)	
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	6,146	2,172,196	- (Note B)	
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	156	(11,129)	- (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	8,845	2,259	- (Note B)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				March 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership	Carrying Amount			
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	(35)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,076,559	2,172,196	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	249,068	721,989	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	243,350	(274,211)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,512	77,889	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	119,933	119,933	8,373	1.17	108,950	(521,535)	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	17,763	15.66	400,927	(11,129)	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	131,599	25,858	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	167,854	515,195	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,094	0.66	281,623	379,433	-	(Note A)
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	13,773	817	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,682	0.14	59,702	379,433	-	(Note A)
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,425	2,172,196	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,814,980	2,172,196	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,428,058	1,391,618	50,600	3.57	1,528,661	77,889	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,604,122	(274,211)	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	1,067,775	1,067,775	32,465	0.97	1,305,529	721,989	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	233,803	25,858	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	457,194	97,156	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	33	491,539	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(710,707)	(10,113)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	2	-	50	85,653	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	156,148	1,165	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	986,735	986,735	107,501	3.20	1,369,555	379,433	-	(Note A)
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	257,836	(2,573)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	188,734	(2,041)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	88,219	2,259	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	8,902	(1,246)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	566,896	566,896	4,995	4.79	(34,892)	(54,893)	-	(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	52,511	(833)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	206,965	721,989	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	113,434	2,172,196	-	(Note B)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,143,171	(36,234)	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	831	(261)	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,939	2.59	66,243	(11,129)	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	134,264	34,933	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	564,479	97,156	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,352	0.25	106,530	379,433	-	(Note A)
Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	15,535	20.00	101,337	(42,121)	-	(Note B)	
Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	2,630,238	2,630,238	102,509	98.52	624,597	(176,872)	-	(Note B)	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	1,828	1,828	17	0.02	(144)	(54,893)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	300,200	300,200	11,659	15.01	76,050	(42,121)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	24,889	(1,578)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	29,065	(1,578)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	1,044	(157,106)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	96,411	77,889	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,340	721,989	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	41,394	(1,246)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	2,937	0.09	37,646	379,433	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				March 31, 2020	December 31, 2019	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd	Taiwan	Dispatched labor, procuring equipment, and sales agent services	\$ 200,000	\$ 200,000	20,000	100.00	\$ 104,861	\$ (9,929)	\$ -	(Note B)
	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,765,629	404,522	-	(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	742,826	36,179	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,340,472	2,340,472	68,897	99.99	917,719	40,000	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	886,169	886,169	90,014	86.41	(629,792)	(54,893)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	35,942	5,396	-	(Notes B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,777	4	-	(Note B)
	Yuan Bao Fintech Co., Ltd.	Taiwan	Type II telecommunications services	60,000	60,000	6,000	100.00	58,260	(1,420)	-	(Note B)
	FarEasTone Property Insurance Agent Co., Ltd.	Taiwan	property insurance service agent	5,000	-	500	100.00	11,985	6,985	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	2,542,396	2,542,396	118,251	39.42	1,081,578	97,156	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	600,000	600,000	23,302	30.00	151,894	(42,121)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	47,209	(2,041)	-	(Note B)
	ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	242,872	14,257	-
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	540,000	540,000	54,000	100.00	86,422	257	-	(Note B)
	Information Security Service Digital United Inc. Digital United (Cayman) Ltd.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	128,606	(4,699)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Cayman Islands	Investment	317,446	317,446	10,320	100.00	192,688	252	-	(Note B)
	Yuanshi Digital Technology Co., Ltd. (former name is Hiiir)	Taiwan	Electronic information providing services	20,000	20,000	2,500	2.40	(17,489)	(54,893)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	15,736	(2,041)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	121,814	(97)	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	122,300	122,300	4	25.00	119,686	(1,840)	-	(Note A)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	135,839	(4,609)	-	(Note B)
Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	420,000	3,430	70.00	409,289	3,315	-	(Note B)	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	279	(15)	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	24,180	284	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,631	(78)	-	(Note B)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	52,967	1,443	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	49,416	3,939	-	(Note B)
NEXTLINK TECHNOLOGY CO., LTD.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	18,905	2,443	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	8,941	3,336	-	(Note B)

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 15.

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 \$2,210 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.

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of March 31, 2020 (Note C)	Accumulated Repatriation of Investment Income as of March 31, 2020	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	\$ 8,001,099	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 158,991	100	\$ 158,991	\$ 8,436,531	\$ 853,493	(Note 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	870,476	2	1,010,901	-	-	1,010,901	2,158	100	2,158	1,542,654	233,172	(Note 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	1,011,067	3	-	-	-	-	5,405	100	5,405	1,033,272	-	
Far Eastern Industries (Wuxi) Ltd.	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,048,657	2	2,018,430	-	-	2,018,430	(47,360)	100	(47,360)	2,764,191	313,458	(Note H and I)
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,631,723	2	3,791,007	-	-	3,791,007	(427,492)	61.35	(262,266)	3,155,690	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	1,571,257	2	1,342,854	-	-	1,342,854	35,686	100	35,686	2,993,000	159,799	(Note 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	1,678,043	2	1,765,319	-	-	1,765,319	6,464	100	6,464	1,569,294	-	(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	727,808	2	724,110	-	-	724,110	(18,820)	100	(18,820)	885,419	-	
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	4,658,572	2	4,957,248	-	-	\$ 4,957,248	(12,036)	100	(12,036)	5,774,155	-	(Note L)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of March 31, 2020 (Note C)	Accumulated Repatriation of Investment Income as of March 31, 2020	Note
					Outflow	Inflow							
Far Eastern New Century (China) Investment Co., Ltd.	Investment	\$ 4,553,070	2	\$ 4,794,027	\$ -	\$ -	\$ 4,794,027	\$ 1,781	100	\$ 1,781	\$ 3,861,604	\$ -	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,621,828	2	1,763,952	-	-	1,763,952	(8,947)	100	(8,947)	(636,428)	-	(Note L)
Martens Beers (Shanghai) Ltd.	Beer brewing	317,663	2	231,475	-	-	231,475	(2)	100	(2)	14,506	-	(Note L)
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,184,009	2	4,181,323	-	-	4,181,323	(172)	60	(103)	3,733,898	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,314,380	2	1,436,190	-	-	1,436,190	2,396	100	2,396	1,339,931	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,472,550	2	1,962,908	-	-	1,962,908	(234,061)	50	(117,031)	1,898,949	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	54,081	3	-	-	-	-	3,884	100	3,884	59,628	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	80,845	3	-	-	-	-	1,127	100	1,127	134,202	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,255	3	-	-	-	-	255	100	255	53,477	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,503,373	3	-	-	-	-	(24,467)	40	(9,787)	2,746,269	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,750,822	2	1,020,489	-	-	1,020,489	19,536	50	9,768	1,165,085	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	641,009	2	598,270	-	-	598,270	(1,586)	100	(1,586)	53,932	-	(Note M)
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	27,825	2	24,220	-	-	24,220	(1,208)	100	(1,208)	48,728	-	(Note N)
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	93,698	2	93,698	-	-	93,698	(680)	100	(680)	(1,046)	-	(Note P)
Nextlink (Shanghai) Technology Co., Ltd	Computer software, data processing and provision of network information services	2,176	2	2,176	-	-	2,176	826	70	826	2,233	-	(Note Q)
Far Eastern Tech-Info Ltd. (Shanghai)	Digital information supply services	181,350	2	198,404	-	-	198,404	2	100	2	11,020	-	(Note O)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Notes S and T)	\$22,653,879	\$25,379,857	\$ -

(Continued)

Notes: A. Investment types are classified as follows:

1. The investment was made directly in China.
  2. The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far East New Diligent Company Ltd.
  3. Other types.
- B. On investment gain (Loss) column, except for Far Eastern Union Petrochemical (Yangzhou) Corporation's investment gain or loss in percentage of ownership, based on the financial statements reviewed by an international accounting firm that has a cooperative relationship with CPA Associations R.O.C. (Taiwan), the remaining based on financial statements that have not been reviewed by accountants, recognized gain or loss in percentage of ownership.
- C. The ending balance of long term investment.
- D. As of March 31, 2020, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.
- E. As of March 31, 2020, 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 March 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.
- G. As of March 31, 2020, 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 March 31, 2020, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- I. As of March 31, 2020, 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 March 31, 2020, 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 March 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.
- L. As of March 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- M. As of March 31, 2020, 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 March 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of March 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far EasTone Telecommunications Co., Ltd.
- P. As of March 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. As of March 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- R. As of March 31, 2020, 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\$1:30.225 and RMB1:4.255.
- 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\$4.255.

(Concluded)



## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(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.	Parent company	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			
	Parent company	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Parent company	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Parent company	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	
	Parent company	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Parent company	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Parent company	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198 (Note E)				
	Parent company	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			
	Parent company	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Parent company	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	Parent company	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
	Parent company	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Parent company	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.	4,800	4,800			
				PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Parent company	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
Parent company	2017.09.18	No. 10630056570	PET Far Eastern (Holding) Ltd.	27,000	27,000				
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352				9,352
	Parent company	2004.10.11	No. 093025506	FEDP (Holding) Ltd.	1,569			1,569	
	Parent company	2004.10.14	No. 093030298	FEDP (Holding) Ltd.	713				713
	Parent company	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.	Parent company	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	\$ 4,524	\$ 4,524			
	Parent company	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
	Parent company	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			
	Parent company	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Parent company	2009.6.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
Far Eastern New Century (China) Investment Co., Ltd. (Note 1)	Parent company	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
	Parent company	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Parent company	2007.08.02	No. 09600248620	Far Eastern Polytex (Holding) Ltd.	18,000	18,000			
	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			
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V. Martens HK Ltd. Sino Belgium (Holding) Ltd.	4,304				4,304
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	1,500	1,500			
	Yuan Tong Investment Co., Ltd.	2013.11.28	No. 10200451570 (Note N)	Sino Belgium (Holding) Ltd.	1,100	1,100			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	1,000	1,000			
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Parent company	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Parent company	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Parent company	2012.08.31	No. 10300210860 (Note M)	PET Far Eastern (Holding) Ltd.	66,000	66,000			
Yuan Ding Enterprise (Shanghai) Limited	Parent company	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	1,000	1,000			
	Parent company	2019.01.18	No. 10800015840 (Note S)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	82,340	82,340			
	Parent company	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.	Parent company	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.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	\$ 110	\$ 110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
	Ding Ding Marketing Service Co., Ltd.	2015.08.11	No. 10400179060	DDIM (Virgin Islands) Ltd.	1,100	1,100			
Speedy (Shanghai) digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
	New Diligent Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			
Digital United Information Technology (Shanghai) Ltd.	New Century InfoComm Tech Co., Ltd.	2014.01.29	No. 10300022990	Far East New Diligent Company Ltd.	3,500	3,500			
	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				\$ 3,100
Nextlink (Shanghai) Technology Co., Ltd.	Nextlink Technology Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
		2019.03.28	No. 10830010930	Nextlink (Hong Kong)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, except US\$2,000 thousand was still deposited in Far Eastern New Century (China) Investments 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. 1000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.

K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd.

L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.

M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.

N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd.

O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.

(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 million 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 8, 2019 after obtaining MOEA approval (No. 10800190930), amended to invest US\$74,335 thousand.

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**INFORMATION OF MAJOR SHAREHOLDERS  
MARCH 31, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Asia Cement Corporation	1,272,277,085 shares	23.77

Note 1: The above table discloses the information on stockholders with over 5% ownership of Far Eastern New Century on the last business day as of the end of the reporting period. The percentage of ownership was calculated by the Taiwan Depository & Clearing Corporation (TDCC) based on the number of common stock and preferred stock, including treasury stock, registered by Far Eastern New Century through the delivering of non-physical securities to TDCC. The number of issued capital stock recorded in the consolidated financial statements may be different from the actual number of stock registered by Far Eastern New Century through the delivering of non-physical securities to TDCC due to the difference in the calculation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.