

# **Far Eastern New Century Corporation**

**Financial Statements for the  
Years Ended December 31, 2019 and 2018 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

Fair Value Evaluation of Investment Properties (Including Investment Properties Held by Subsidiaries Which Are Accounted for Using the Equity Method)

The Company's investment properties (including the investment properties held by subsidiaries which are accounted for by using the equity method) are subsequently measured using the fair value model. The fair value evaluation involves significant accounting estimations and judgment, and the recognition of fair value fluctuations significantly impacts the gains or losses on the changes in fair value of investment properties and the share of profit or loss of subsidiaries and associates. As a result, the fair value evaluation of investment properties (including the investment properties held by subsidiaries which are accounted for by using the equity method) is considered a key audit matter.

For the accounting policies, significant accounting judgment, estimations, and assumptions of the main sources of uncertainty related to investment properties, refer to Notes 4(i) and 5 to the accompanying financial statements. For more information about the Company's investment properties, refer to Note 14 to the financial statements.

For the fair value evaluation of investment properties, our corresponding audit procedures were as follows:

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

Evaluation of Impairment Loss on Property, Plant and Equipment and Right-of-use Assets and Intangible Assets (Including Goodwill) and the Incremental Costs of Obtaining a Contract from the Company's Subsidiaries' Equity-Method Investee

The Company's subsidiaries' equity-method investee, Far EasTone Telecommunications Corporation ("Far EasTone"), is a material component.

Economic trends, market competition, and technological development influence the operations of the Far EasTone and management's evaluation of and judgment on the expected economic benefits and recoverable amounts of the cash-generating units to which the assets belong, which in turn is used for the evaluation of such assets' impairment. As a result, the evaluation of impairment loss of property, plant and equipment and right-of-use assets and intangible assets (including goodwill) and the incremental costs of obtaining a contract from the Company's subsidiaries' equity-method investee is considered as a key audit matter.

For the evaluation of impairment loss related to property, plant and equipment and right-of-use assets and intangible assets as well as the incremental costs of obtaining a contract from the Company's subsidiaries' equity-method investee, our corresponding audit procedures were as follows:

1. We obtained an understanding of the asset impairment evaluation processes and the design and implementation of the related controls.
2. We obtained the asset impairment evaluation reports for each cash-generating unit.

3. We evaluated the reasonableness of the identification of the assets which were considered impaired and the assumptions and sensitivity analysis used in the asset impairment assessments, including the appropriateness of the classification of the cash-generating units, cash flow forecasts and the discount rates used.

Recognition of Revenue Derived from Mobile Telecommunications Service  
Generated by the Company's Subsidiaries' Equity-Method Investee

The Company's subsidiaries' equity-method investee, Far EasTone, is a material component. The mobile telecommunications service revenue is the main revenue source of Far EasTone. The calculation of the mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Company often launches different product and service mixes which make the calculation of revenue more complex and directly affect the accuracy and timing of revenue recognition. The recognition of mobile telecommunications service revenue impacts the share of profit or loss of subsidiaries and associates. As the result, the recognition of mobile telecommunications service revenue is considered as a key audit matter.

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

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

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

1. For the billed amounts, we checked that there was no difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates and confirmed the accuracy of the amounts.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 24, 2020

#### Notice to Readers

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

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

# FAR EASTERN NEW CENTURY CORPORATION

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

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 26)	\$ 20,592,925	6	\$ 16,250,323	6
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	7,703	-	-	-
Financial assets at amortized cost - current (Notes 4 and 8)	-	-	700,000	-
Notes and accounts receivable, net (Notes 4, 9 and 26)	5,323,584	2	7,003,949	2
Other receivables (Note 26)	306,089	-	334,852	-
Current tax assets	18,193	-	5,978	-
Inventories (Notes 4 and 10)	5,170,448	2	6,672,500	2
Prepayments	78,100	-	64,024	-
Refundable deposits - current	18,044	-	18,463	-
Other current assets	<u>308,802</u>	-	<u>373,003</u>	-
Total current assets	<u>31,823,888</u>	<u>10</u>	<u>31,423,092</u>	<u>10</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4, 11 and 27)	268,034,222	82	259,259,165	82
Property, plant and equipment (Notes 4, 12 and 27)	25,325,644	8	24,507,928	8
Right-of-use assets (Notes 4 and 13)	890,813	-	-	-
Investment properties (Notes 4, 5, 14 and 27)	978,404	-	1,515,753	-
Other intangible assets (Notes 4 and 15)	18,948	-	17,087	-
Deferred tax assets (Notes 4 and 22)	48,070	-	75,842	-
Prepayments for equipment (Note 12)	143,402	-	59,851	-
Refundable deposits - non-current (Note 26)	93,874	-	75,720	-
Net defined benefit assets - non-current (Note 18)	417,428	-	-	-
Other financial assets - non-current (Note 27)	1,300,373	-	38,000	-
Other non-current assets	<u>46,537</u>	-	<u>57,716</u>	-
Total non-current assets	<u>297,297,715</u>	<u>90</u>	<u>285,607,062</u>	<u>90</u>
TOTAL	<u>\$ 329,121,603</u>	<u>100</u>	<u>\$ 317,030,154</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 2,400,415	1	\$ 2,743,834	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	-	-	6,832	-
Contract liabilities - current (Note 20)	144,678	-	99,447	-
Notes and accounts payable	1,307,574	1	1,616,507	1
Notes and accounts payable to related parties (Note 26)	1,286,190	-	1,492,186	-
Payables to suppliers of machinery and equipment	967	-	305,866	-
Lease liabilities - current (Notes 4 and 13)	230,906	-	-	-
Other payables	4,124,706	1	4,186,374	1
Current portion of long-term liabilities (Notes 16 and 17)	13,695,421	4	12,095,836	4
Other current liabilities	<u>816,369</u>	-	<u>792,789</u>	-
Total current liabilities	<u>24,007,226</u>	<u>7</u>	<u>23,339,671</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 13)	668,299	-	-	-
Bonds payable (Note 17)	44,741,032	14	44,443,342	14
Long-term borrowings (Notes 16 and 26)	52,752,032	16	42,773,582	14
Deferred tax liabilities (Notes 4 and 22)	2,381,837	1	2,214,224	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	-	-	673,497	-
Guarantee deposits received - non-current	1,623	-	2,515	-
Deferred credit-gains on related-party transactions (Note 26)	<u>47,266</u>	-	<u>48,186</u>	-
Total non-current liabilities	<u>100,592,089</u>	<u>31</u>	<u>90,155,346</u>	<u>29</u>
Total liabilities	<u>124,599,315</u>	<u>38</u>	<u>113,495,017</u>	<u>36</u>
EQUITY (Note 18)				
Share capital				
Common stock	<u>53,528,751</u>	<u>16</u>	<u>53,528,751</u>	<u>17</u>
Capital surplus	<u>3,270,355</u>	<u>1</u>	<u>2,908,631</u>	<u>1</u>
Retained earnings				
Legal reserve	17,955,250	5	16,752,421	5
Special reserve	115,505,874	36	114,443,170	36
Unappropriated earnings	<u>17,376,404</u>	<u>5</u>	<u>17,996,558</u>	<u>6</u>
Total retained earnings	<u>150,837,528</u>	<u>46</u>	<u>149,192,149</u>	<u>47</u>
Other equity	<u>(3,089,283)</u>	<u>(1)</u>	<u>(2,069,331)</u>	<u>(1)</u>
Treasury shares	<u>(25,063)</u>	-	<u>(25,063)</u>	-
Total equity	<u>204,522,288</u>	<u>62</u>	<u>203,535,137</u>	<u>64</u>
TOTAL	<u>\$ 329,121,603</u>	<u>100</u>	<u>\$ 317,030,154</u>	<u>100</u>

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

# FAR EASTERN NEW CENTURY CORPORATION

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

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)				
Net sales	\$ 46,477,960	100	\$ 54,040,105	100
Other operating revenue	<u>-</u>	<u>-</u>	<u>23,696</u>	<u>-</u>
Total operating revenue	<u>46,477,960</u>	<u>100</u>	<u>54,063,801</u>	<u>100</u>
OPERATING COSTS (Notes 10, 21 and 26)				
Cost of goods sold	41,524,817	89	48,837,045	90
Other operating costs	<u>-</u>	<u>-</u>	<u>29,703</u>	<u>-</u>
Total operating costs	<u>41,524,817</u>	<u>89</u>	<u>48,866,748</u>	<u>90</u>
GROSS PROFIT	<u>4,953,143</u>	<u>11</u>	<u>5,197,053</u>	<u>10</u>
OPERATING EXPENSES (Notes 21 and 26)				
Selling and marketing	2,634,540	6	2,738,685	5
General and administrative	1,326,964	3	1,384,860	2
Research and development	859,202	2	813,551	2
Reversal of expected credit loss	<u>(4,639)</u>	<u>-</u>	<u>(306)</u>	<u>-</u>
Total operating expenses	<u>4,816,067</u>	<u>11</u>	<u>4,936,790</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>137,076</u>	<u>-</u>	<u>260,263</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates (Note 11)	11,434,524	25	13,154,244	24
Interest income	22,394	-	29,366	-
Other income	325,767	1	288,739	1
Gain on disposal of property, plant and equipment (Note 12)	40,448	-	22,259	-
Gain on disposal of investment properties	-	-	12,619	-
Gain on disposal of investments (Note 11)	85	-	85	-
Exchange gain, net	12,241	-	351,635	1
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	24,749	-	(155,529)	-
Gain on change in fair value of investment properties (Note 14)	8,535	-	107,359	-
Interest expense	(988,839)	(2)	(910,495)	(2)
Other expenses	(259,136)	(1)	(281,418)	(1)
Impairment loss	<u>(13,818)</u>	<u>-</u>	<u>(160,550)</u>	<u>-</u>
Total non-operating income and expenses	<u>10,606,950</u>	<u>23</u>	<u>12,458,314</u>	<u>23</u>

(Continued)



# FAR EASTERN NEW CENTURY CORPORATION

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

	2019		2018	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 10,744,026	23	\$ 12,718,577	24
INCOME TAX EXPENSE (Notes 4, 5 and 21)	<u>(11,357)</u>	<u>-</u>	<u>(690,283)</u>	<u>(1)</u>
NET INCOME	<u>10,732,669</u>	<u>23</u>	<u>12,028,294</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	828,568	2	295,140	1
Gains on property revaluations	331,557	1	-	-
Share of other comprehensive loss of subsidiaries and associates	1,721,330	4	992,493	2
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(168,335)</u>	<u>(1)</u>	<u>69,752</u>	<u>-</u>
	<u>2,713,120</u>	<u>6</u>	<u>1,357,385</u>	<u>3</u>
Share of other comprehensive loss of subsidiaries and associates	<u>(2,899,220)</u>	<u>(6)</u>	<u>(502,292)</u>	<u>(1)</u>
Total other comprehensive income (loss)	<u>(186,100)</u>	<u>-</u>	<u>855,093</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 10,546,569</u>	<u>23</u>	<u>\$ 12,883,387</u>	<u>25</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 22)				
Basic	<u>\$ 2.15</u>		<u>\$ 2.41</u>	
Diluted	<u>\$ 2.14</u>		<u>\$ 2.40</u>	

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

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

	Common Stock (Note 19)	Capital Surplus (Notes 4 and 19)	Retained Earnings			Exchange Differences on Translating Foreign Operations (Notes 4 and 19)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 19)	Other Equity					Total Equity
			Legal Reserve (Note 19)	Special Reserve (Note 19)	Unappropriated Earnings (Notes 19)			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 19)	Cash Flow Hedge (Notes 4 and 19)	Gain on Hedging Instruments (Notes 4 and 19)	Unrealized Property Revaluation Increments (Notes 4 and 19)	Treasury Shares (Note 19)	
BALANCE AT JANUARY 1, 2018	\$ 53,528,751	\$ 2,859,569	\$ 15,945,807	\$ 112,928,355	\$ 12,819,238	\$ (3,077,371)	\$ (1,357,319)	\$ -	\$ 35,642	\$ -	\$ 702,778	\$ (25,063)	\$ 194,360,387
Effect of retrospective application and retrospective restatement	-	-	-	-	3,067,233	-	1,357,319	(1,725,866)	(35,642)	35,642	-	-	2,698,686
BALANCE AT JANUARY 1, 2018 AS RESTATED	53,528,751	2,859,569	15,945,807	112,928,355	15,886,471	(3,077,371)	-	(1,725,866)	-	35,642	702,778	(25,063)	197,059,073
Appropriation of the 2017 earnings													
Legal reserve	-	-	806,614	-	(806,614)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,520,493	(1,520,493)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.2 per share	-	-	-	-	(6,423,450)	-	-	-	-	-	-	-	(6,423,450)
Net income for the year ended December 31, 2018	-	-	-	-	12,028,294	-	-	-	-	-	-	-	12,028,294
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	418,985	(512,530)	-	938,400	-	10,238	-	-	855,093
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	12,447,279	(512,530)	-	938,400	-	10,238	-	-	12,883,387
Change in associates accounted for using the equity method	-	48,127	-	-	(32,935)	-	-	-	-	-	-	-	15,192
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	935	-	-	-	-	-	-	-	-	-	-	935
Associate disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,559,378)	-	-	1,559,378	-	-	-	-	-
Reversal of special reserve	-	-	-	(5,678)	5,678	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2018	53,528,751	2,908,631	16,752,421	114,443,170	17,996,558	(3,589,901)	-	771,912	-	45,880	702,778	(25,063)	203,535,137
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)	-	-	-	-	-	-	-	(331,352)
BALANCE AT JANUARY 1, 2019, AS RESTATED	53,528,751	2,908,631	16,752,421	114,443,170	17,665,206	(3,589,901)	-	771,912	-	45,880	702,778	(25,063)	203,203,785
Appropriation of the 2018 earnings													
Legal reserve	-	-	1,202,829	-	(1,202,829)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,088,579	(1,088,579)	-	-	-	-	-	-	-	-
Cash dividends - NT\$1.8 per share	-	-	-	-	(9,635,175)	-	-	-	-	-	-	-	(9,635,175)
Net income for the year ended December 31, 2019	-	-	-	-	10,732,669	-	-	-	-	-	-	-	10,732,669
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	823,075	(2,955,805)	-	1,678,830	-	(34,180)	301,980	-	(186,100)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	11,555,744	(2,955,805)	-	1,678,830	-	(34,180)	301,980	-	10,546,569
Change in associates accounted for using the equity method	-	360,321	-	6	39,964	-	-	5,415	-	-	-	-	405,706
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-	-	-	-	-	-	-	-	1,403
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	16,192	-	-	(16,192)	-	-	-	-	-
Reversal of special reserve	-	-	-	(25,881)	25,881	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2019	<u>\$ 53,528,751</u>	<u>\$ 3,270,355</u>	<u>\$ 17,955,250</u>	<u>\$ 115,505,874</u>	<u>\$ 17,376,404</u>	<u>\$ (6,545,706)</u>	<u>\$ -</u>	<u>\$ 2,439,965</u>	<u>\$ -</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ (25,063)</u>	<u>\$ 204,522,288</u>

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

# FAR EASTERN NEW CENTURY CORPORATION

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

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 10,744,026	\$ 12,718,577
Adjustments for:		
Reversal of expected credit loss	(4,639)	(306)
Depreciation	2,444,494	1,973,976
Amortization	9,358	10,553
Interest expense	988,839	910,495
Interest income	(22,394)	(29,366)
Share of the profit of subsidiaries and associates	(11,434,524)	(13,154,244)
Gain on disposal of property, plant and equipment	(40,448)	(22,259)
Gain on disposal of investment properties	-	(12,619)
Gain on disposal of investments	(85)	(85)
Impairment loss	13,818	160,550
Reversal of inventories	(106,178)	(100,378)
Gain on change in fair value of investment properties	(8,535)	(107,359)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(7,703)	21,211
Notes and accounts receivable	1,685,004	93,094
Other receivables	(76,287)	(60,500)
Inventories	1,608,230	(437,368)
Prepayments	(14,679)	73,150
Other current assets	64,201	(100,167)
Contract liabilities	45,231	(282,667)
Notes and accounts payable	(308,933)	(467,166)
Notes and accounts payable to related parties	(205,996)	421,960
Other payables	(64,417)	456,606
Financial liabilities at fair value through profit or loss	(6,832)	1,937
Other current liabilities	23,580	(18,586)
Net defined benefit liabilities - non-current	(262,357)	(325,770)
Cash generated from operations	5,062,774	1,723,269
Interest received	22,444	29,316
Dividends received	10,015,403	8,247,267
Interest paid	(1,011,388)	(809,727)
Income tax received	3,478	5,640
Net cash generated from operating activities	14,092,711	9,195,765
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in financial assets at amortized cost	700,000	(700,000)
Acquisition of investments accounted for using the equity method	(8,452,235)	(14,885,430)
Acquisition of property, plant, equipment and prepayments for equipment	(2,583,491)	(2,055,292)
Proceeds from disposal of property, plant and equipment	65,322	32,777
(Increase) decrease in refundable deposits	(17,735)	2,712
Decrease (increase) in other receivables	105,000	(105,000)

(Continued)

# **FAR EASTERN NEW CENTURY CORPORATION**

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

	<b>2019</b>	<b>2018</b>
Acquisition of intangible assets	\$ (11,219)	\$ (7,213)
Acquisition of investment properties	(1,456)	-
Proceeds from disposal of investment properties	-	19,227
(Increase) decrease in other financial assets	(1,262,373)	3,174
Decrease in other non-current assets	<u>17,915</u>	<u>206,700</u>
Net cash used in investing activities	<u>(11,440,272)</u>	<u>(17,488,345)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	(343,419)	643,156
Proceeds from issue of bonds	14,000,000	17,000,000
Repayments of bonds payable	(10,600,000)	(5,500,000)
Proceeds from long-term borrowings	245,578,252	147,370,768
Repayments of long-term borrowings	(237,077,229)	(138,307,023)
Repayment of the principal portion of lease liabilities	(231,374)	-
Decrease (increase) in guarantee deposits received	(892)	20
Dividends paid	<u>(9,635,175)</u>	<u>(6,423,661)</u>
Net cash generated from financing activities	<u>1,690,163</u>	<u>14,783,260</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,342,602</b>	<b>6,490,680</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<u><b>16,250,323</b></u>	<u><b>9,759,643</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<u><b>\$ 20,592,925</b></u>	<u><b>\$ 16,250,323</b></u>

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

(Concluded)

# **FAR EASTERN NEW CENTURY CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

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### **1. GENERAL INFORMATION**

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

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

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar (NTD).

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

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

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

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

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

#### **1) IFRS 16 “Leases”**

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

#### **Definition of a lease**

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

### The Company as lessee

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

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

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

The Company also applies the following practical expedients:

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

The lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 was 1.00%-1.08%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 1,176,458
Less: Recognition exemption items	<u>(20,235)</u>
Undiscounted amount on January 1, 2019	<u>\$ 1,156,223</u>
Discounted amount using the incremental borrowing rate on January 1, 2019	<u>\$ 1,142,858</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 1,142,858</u>

### The Company as lessor

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

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

	<b>As Originally Stated on January 1, 2019</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated on January 1, 2019</b>
<u>Current assets</u>			
Prepayments	\$ 64,024	\$ (603)	\$ 63,421
<u>Non-current assets</u>			
Investments accounted for using the equity method	259,259,165	(325,518)	258,933,647
Right-of-use assets	-	1,137,627	1,137,627
Total effect on assets	317,030,154	811,506	317,841,660
<u>Current liabilities</u>			
Lease liabilities - current	-	245,218	245,218
<u>Non-current liabilities</u>			
Lease liabilities - non-current	-	897,640	897,640
Total effect on liabilities	113,495,017	1,142,858	114,637,875
<u>Equity</u>			
Retained earnings	149,192,149	(331,352)	148,860,797
Total effect on equity	203,535,137	(331,352)	203,203,785

## 2) IFRIC 23 “Uncertainty over Income Tax Treatments”

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

The initial application of IFRIC 23 did not have significant effect on the Company.

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

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

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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

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

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

As of the date the financial statements were authorized for issue, the Company assessed that the above application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers have no significant impacts on the Company’s financial position and financial performance and disclosed these impacts when the assessment completed.

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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



As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

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

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

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

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiary is an entity (including structured entity) that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investment in associates

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

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

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

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

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

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

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

Gain or loss is recognized under treasury share method when there are cross shareholdings with and among associates.

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

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

#### h. Property, plant and equipment

Property, plant and equipment (including assets held under finance leases) are stated at cost, less accumulated depreciation and accumulated impairment loss.

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

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are measured at the fair value on the date of transferring from investment properties to freehold properties.

The difference between the book value and the fair value is recognized in other comprehensive income when freehold property, plant and equipment are transferred to investment properties.

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

i. Investment properties

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

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

k. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost.

i. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

#### b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime Expected Credit Loss (ECL) for account receivable, and lease receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition.

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

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

#### c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

## 2) Equity instruments

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

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

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

## 3) Financial liabilities

### a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

### b) Derecognition of financial liabilities

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

## 4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to cost of raw material, interest rate and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

## m. Revenue recognition

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

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



### Revenue from the sale of goods

Revenue from sale of goods comes from sales of chemical fiber and textile goods. Sales of goods are recognized as revenue when the goods are shipped or delivered because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently.

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

### n. Leasing

#### 2019

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

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

#### 1) The Company as lessor

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

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

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

#### 2) The Company as lessee

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

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

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

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

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

## 2018

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

### 1) The Company as lessor

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

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

### 2) The Company as lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheets as a finance lease obligation.

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

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

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

### o. Borrowing costs

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

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

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

### p. Employee benefits

#### 1) Short-term employee benefits

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

#### 2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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

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

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

### Fair Value Measurements and Valuation Processes of Investment Properties (Including the Investment Properties Held by Subsidiaries Which Are Accounted for Using the Equity Method)

If the investment properties (including the investment properties held by subsidiaries which are accounted for using the equity method) where Level 1 inputs are not available, the Company or engaged valuers would determine appropriate inputs for investment properties which were measured using the income approach by referring to the existing lease contracts and rentals of similar properties in the vicinity. The Company or engaged valuers would determine appropriate inputs for investment properties which were measured by using a land development analysis approach by considering related policies, macroeconomics, the usage of the land and the investment properties' market conditions. If there are changes of the actual inputs in the future which differ from expectation, the fair value of investment properties held by subsidiaries which are accounted for using the equity method might vary accordingly. The Company updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value is disclosed in Note 14.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Cash on hand and petty cash	\$ 5,531	\$ 5,768
Checking and demand accounts	20,587,394	11,714,741
Cash equivalents (investments with original maturities of less than three months)		
Repurchase of commercial paper	-	4,139,814
Time deposits	-	390,000
	<u>\$ 20,592,925</u>	<u>\$ 16,250,323</u>

As of December 31, 2019 and 2018, the deposits in foreign banks in Japan amounted to \$301,711 thousand (JPY1,093,158 thousand) and \$174,433 thousand (JPY627,007 thousand), respectively.

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Repurchase of commercial paper	-	0.56%
Time deposits	-	0.40-0.50%

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	<u>\$ 7,703</u>	<u>\$ -</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	<u>\$ -</u>	<u>\$ 6,832</u>

### a. Forward exchange contracts

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

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

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.1.6 - 2020.4.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.1.31-2020.2.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.1.8 - 2020.3.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.1.31-2020.2.26	USD12,000/RMB84,204
<u>December 31, 2018</u>			
Sell	USD/NTD	2019.1.7 - 2019.2.20	USD27,680/NTD850,613
Sell	EUR/USD	2019.2.25-2019.2.26	EUR3,000/USD3,441
Buy	USD/JPY	2019.1.4 - 2019.2.20	USD13,000/JPY1,459,230
Buy	USD/RMB	2019.2.26-2019.3.27	USD5,000/RMB34,429

b. Option contracts

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

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

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2019	2018
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ <u>          -</u>	\$ <u>700,000</u>

The interest rate for time deposits with original maturities of more than 3 months was 0.62% as of December 31, 2018.

## 9. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	2019	2018
<u>Notes and accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 5,602,119	\$ 7,287,123
Less: Allowance for impairment loss	<u>(278,535)</u>	<u>(283,174)</u>
	<u>\$ 5,323,584</u>	<u>\$ 7,003,949</u>

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

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

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

The following table details the loss allowance of accounts receivables:

December 31, 2019

	<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	\$ 4,514,379	\$ 832,659	\$ 37,401	\$ 217,680	\$ 5,602,119
Loss allowance (Lifetime ECL)	<u>(53,912)</u>	<u>(6,627)</u>	<u>(316)</u>	<u>(217,680)</u>	<u>(278,535)</u>
Amortized cost	<u>\$ 4,460,467</u>	<u>\$ 826,032</u>	<u>\$ 37,085</u>	<u>\$ -</u>	<u>\$ 5,323,584</u>

December 31, 2018

	<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	\$ 5,881,205	\$ 1,136,169	\$ 51,252	\$ 218,497	\$ 7,287,123
Loss allowance (Lifetime ECL)	<u>(57,821)</u>	<u>(7,339)</u>	<u>(329)</u>	<u>(217,685)</u>	<u>(283,174)</u>
Amortized cost	<u>\$ 5,823,384</u>	<u>\$ 1,128,830</u>	<u>\$ 50,923</u>	<u>\$ 812</u>	<u>\$ 7,003,949</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Balance at January 1	\$ 283,174	\$ 283,480
Less: Reversal of impairment losses on receivables	<u>(4,639)</u>	<u>(306)</u>
Balance at December 31	<u>\$ 278,535</u>	<u>\$ 283,174</u>

## 10. INVENTORIES

	December 31	
	2019	2018
Finished goods	\$ 1,303,950	\$ 1,936,504
Work in progress	1,960,123	2,130,606
Raw materials	1,608,599	2,015,908
Supplies	244,585	413,125
Raw materials in transit	<u>53,191</u>	<u>176,357</u>
	<u>\$ 5,170,448</u>	<u>\$ 6,672,500</u>

For the years ended December 31, 2019 and 2018, the costs of inventories sold were \$41,524,817 thousand and \$48,837,045 thousand, respectively. The cost of goods sold for the years ended December 31, 2019 and 2018, consisted the reversal of inventory \$106,178 thousand and \$100,378 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investments in subsidiaries	\$ 237,352,705	\$ 230,272,399
Investments in associates	<u>30,681,517</u>	<u>28,986,766</u>
	<u>\$ 268,034,222</u>	<u>\$ 259,259,165</u>

### a. Investments in subsidiaries

	December 31			
	2019		2018	
	Carrying Amount	% of Owner-ship	Carrying Amount	% of Owner-ship
Unlisted companies				
Yuan Ding Investment Co., Ltd.	\$ 41,097,475	99.40	\$ 42,750,905	99.40
Far Eastern Resources Development Co., Ltd.	104,696,964	100.00	102,949,679	100.00
Far Eastern Polytex (Holding) Ltd.	9,565,589	100.00	7,581,955	100.00
Far Eastern Polychem Industries Ltd.	7,526,541	73.04	7,640,463	73.04
Yuan Tong Investment Co., Ltd.	8,556,025	100.00	8,568,915	100.00
Kai Yuan International Investment Co., Ltd.	5,567,871	100.00	5,429,289	100.00
Far Eastern Investment (Holding) Ltd.	26,235,260	100.00	22,068,603	100.00
PET Far Eastern (Holding) Ltd.	5,660,306	91.95	6,157,657	91.95
Oriental Petrochemical (Taiwan) Corporation	9,810,611	75.56	9,183,032	75.56
Far Eastern Construction Co., Ltd.	8,917,885	65.11	8,471,173	65.11
Yuan Ding Co., Ltd.	3,299,897	37.13	3,194,481	37.13
An Ho Garment Co., Ltd.	2,132,201	100.00	2,116,908	100.00

(Continued)



	December 31			
	2019		2018	
	Carrying Amount	% of Owner-ship	Carrying Amount	% of Owner-ship
Ding Yuan International Investment Co., Ltd.	\$ 3,129,935	100.00	\$ 3,003,612	100.00
FEDP (Holding) Ltd.	907,883	50.43	921,000	50.43
Fu Kwok Knitting & Garment Co., Ltd.	233,520	100.00	224,804	100.00
Ding Ding Hotel Co., Ltd.	13,085	0.74	8,333	0.74
Far Eastern Textile Ltd.	<u>1,657</u>	100.00	<u>1,590</u>	100.00
	<u>\$ 237,352,705</u>		<u>\$ 230,272,399</u>	

(Concluded)

On December 4, 2019, the Company established a 100% holding subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. However, there was no actual investment outflow until December 31, 2019.

Ding Ding Hotel Co., Ltd. was recognized as subsidiary because the Company appointed the general manager of Yuan Ding Co., Ltd., and therefore, the Company could exercise control over Yuan Ding Co., Ltd. which is recognized as a subsidiary. In addition, the Company and its subsidiaries owned more than 50% of Ding Ding Hotel Co., Ltd.'s voting shares.

b. Investments in associates

	December 31			
	2019		2018	
	Carrying Amount	% of Owner-ship	Carrying Amount	% of Owner-ship
<u>Associates that are individually material</u>				
Listed companies				
Asia Cement Corporation	<u>\$ 19,447,206</u>	22.33	<u>\$ 17,937,848</u>	22.33
<u>Associates that are not individually material</u>				
Listed companies				
Far Eastern Department Stores Co., Ltd.	5,009,751	17.06	4,793,720	17.06
Oriental Union Chemical Corporation	1,217,537	9.17	1,350,914	9.17
Far Eastern International Bank	1,109,853	2.62	1,024,918	2.62
Everest Textile Corporation	<u>1,490</u>	0.03	<u>1,585</u>	0.03
	<u>7,338,631</u>		<u>7,171,137</u>	
Unlisted companies				
Oriental Securities Corporation	2,002,315	19.65	1,956,963	19.65
Pacific Liu Tong Investment Co., Ltd.	<u>1,893,365</u>	16.83	<u>1,920,818</u>	16.83
	<u>3,895,680</u>		<u>3,877,781</u>	
	<u>\$ 30,681,517</u>		<u>\$ 28,986,766</u>	

1) Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2019	2018
Asia Cement Corporation	Cement production	Taiwan	22.33%	22.33%

Fair value (Level 1) of investment in associates with available published price quotation are summarized follows:

Name of Associate	December 31	
	2019	2018
Asia Cement Corporation	<u>\$ 35,987,018</u>	<u>\$ 25,479,859</u>

All the associates above are accounted for using equity method.

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

Asia Cement Corporation

	December 31	
	2019	2018
Current assets	\$ 89,242,066	\$ 80,358,506
Non-current assets	208,282,515	198,829,492
Current liabilities	(74,338,007)	(62,804,294)
Non-current liabilities	<u>(53,491,467)</u>	<u>(57,335,358)</u>
Equity	169,695,107	159,048,346
Non-controlling interests	<u>(23,381,680)</u>	<u>(21,156,120)</u>
	<u>\$ 146,313,427</u>	<u>\$ 137,892,226</u>
Proportion of the Company's ownership	22.33%	22.33%
Equity attributable to the Company	\$ 32,671,788	\$ 30,791,334
Cross shareholdings	<u>(13,224,582)</u>	<u>(12,853,486)</u>
Carrying amount	<u>\$ 19,447,206</u>	<u>\$ 17,937,848</u>
	For the Year Ended December 31	
	2019	2018
Operating revenue	<u>\$ 89,347,637</u>	<u>\$ 82,741,004</u>
Net income for the year	\$ 22,243,953	\$ 14,889,197
Other comprehensive (loss) income	<u>(371,235)</u>	<u>1,436,173</u>
Total comprehensive income for the year	<u>\$ 21,872,718</u>	<u>\$ 16,325,370</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,101,432</u>	<u>\$ 900,614</u>

2) Aggregate information of associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
The Company's share of:		
Net income for the year	\$ 532,201	\$ 647,319
Other comprehensive loss	<u>221,054</u>	<u>185,586</u>
Total comprehensive income for the year	<u>\$ 753,255</u>	<u>\$ 832,905</u>

The combined equity of the Company and subsidiaries in some investee companies - Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation (OUCC), Everest Textile Corporation (Everest Textile), Oriental Securities Corporation and Pacific Liu Tong Investment Co., Ltd. (PLT) - exceeded 20% of their respective outstanding common stock. Thus, related investments were accounted for using the equity method.

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

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' or associates' audited financial statements as of December 31, 2019 and 2018.

If an investment's acquisition cost exceeds the fair value of net assets acquired, the excess amount should be recognized as goodwill. As of both December 31, 2019 and 2018, the goodwill amounted to \$99,821 thousand.

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Carrying amounts</u>		
Total property, plant and equipment	\$ 25,325,644	\$ 24,507,928
Prepayments for equipment	<u>143,402</u>	<u>59,851</u>
	<u>\$ 25,469,046</u>	<u>\$ 24,567,779</u>

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Operating and Miscellaneous Equipment</b>	<b>Construction-in-progress and Prepayments for Equipment</b>	<b>Total</b>
<u>Cost</u>						
Balance at January 1, 2019	\$ 6,422,507	\$ 9,082,502	\$ 50,106,094	\$ 5,543,421	\$ 3,195,475	\$ 74,349,999
Additions	6,863	-	-	-	2,271,729	2,278,592
Disposals	-	(39,379)	(2,671,545)	(320,314)	-	(3,031,238)
Reclassification	<u>702,670</u>	<u>495,371</u>	<u>1,364,319</u>	<u>552,085</u>	<u>(2,235,718)</u>	<u>878,727</u>
Balance at December 31, 2019	<u>\$ 7,132,040</u>	<u>\$ 9,538,494</u>	<u>\$ 48,798,868</u>	<u>\$ 5,775,192</u>	<u>\$ 3,231,486</u>	<u>\$ 74,476,080</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayments for Equipment	Total
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2019	\$ -	\$ (5,803,409)	\$ (39,427,828)	\$ (4,550,983)	\$ -	\$ (49,782,220)
Disposals	-	38,871	2,653,643	313,015	-	3,005,529
Impairment loss	-	-	(20,554)	-	-	(20,554)
Depreciation expense	-	(215,676)	(1,455,896)	(538,387)	-	(2,209,959)
Reclassification	-	242	1,587	(1,659)	-	170
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ (5,979,972)</u>	<u>\$ (38,249,048)</u>	<u>\$ (4,778,014)</u>	<u>\$ -</u>	<u>\$ (49,007,034)</u>
<u>Cost</u>						
Balance at January 1, 2018	\$ 6,424,285	\$ 8,801,967	\$ 50,108,609	\$ 5,210,454	\$ 2,882,742	\$ 73,428,057
Additions	-	-	-	-	2,360,642	2,360,642
Disposals	(1,778)	(58,804)	(1,273,298)	(247,272)	-	(1,581,152)
Reclassification	-	339,339	1,270,783	580,239	(2,047,909)	142,452
Balance at December 31, 2018	<u>\$ 6,422,507</u>	<u>\$ 9,082,502</u>	<u>\$ 50,106,094</u>	<u>\$ 5,543,421</u>	<u>\$ 3,195,475</u>	<u>\$ 74,349,999</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2018	\$ -	\$ (5,483,219)	\$ (39,178,889)	\$ (4,276,168)	\$ (193,405)	\$ (49,131,681)
Disposals	-	58,749	1,265,303	246,582	-	1,570,634
Impairment loss	-	(87,564)	(89,050)	(793)	-	(177,407)
Depreciation expense	-	(207,465)	(1,275,780)	(490,731)	-	(1,973,976)
Reclassification	-	(83,910)	(149,412)	(29,873)	193,405	(69,790)
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ (5,803,409)</u>	<u>\$ (39,427,828)</u>	<u>\$ (4,550,983)</u>	<u>\$ -</u>	<u>\$ (49,782,220)</u>

(Concluded)

As the sales of certain products in the market were sluggish, the Company expects that there will be no future cash flows of machinery equipment which is utilized by the textile and chemical segments to produce certain products. As a result, the Company recognized the impairment loss amounting to \$20,554 thousand and \$177,407 thousand, respectively, for the years ended December 31, 2019 and 2018. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

The Company reclassified its owner-occupied land in Neili, Taoyuan to investment property due to the end of owner-occupation and as part of the area's development project. Therefore, the Company recognized gain on property revaluation in the amount of \$331,557 thousand for the year ended December 31, 2019.

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

Buildings	3-55 years
Machinery and equipment	5-15 years
Operating and miscellaneous equipment	3-15 years

For the amount of property, plant and equipment that the Company pledged or mortgaged as collateral for borrowings, refer to Note 27.

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

### 13. LEASE ARRANGEMENTS

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

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2019	\$ 105,898	\$ 1,261,513	\$ 1,375	\$ 14,054	\$ 1,382,840
Additions	9,981	444	408	1,380	12,213
Disposals	<u>-</u>	<u>(24,492)</u>	<u>-</u>	<u>(2,538)</u>	<u>(27,030)</u>
Balance at December 31, 2019	<u>\$ 115,879</u>	<u>\$ 1,237,465</u>	<u>\$ 1,783</u>	<u>\$ 12,896</u>	<u>\$ 1,368,023</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2019	\$ 29,523	\$ 209,554	\$ 1,048	\$ 5,088	\$ 245,213
Depreciation expense	16,926	212,648	276	4,685	234,535
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,538)</u>	<u>(2,538)</u>
Balance at December 31, 2019	<u>\$ 46,449</u>	<u>\$ 422,202</u>	<u>\$ 1,324</u>	<u>\$ 7,235</u>	<u>\$ 477,210</u>
Carrying amount at December 31, 2019	<u>\$ 69,430</u>	<u>\$ 815,263</u>	<u>\$ 459</u>	<u>\$ 5,661</u>	<u>\$ 890,813</u>

Note 1: Additions included a new lease contract for \$1,788 thousand and a lease modification for \$10,425 thousand in the year ended December 31, 2019.

Note 2: Disposal was due to lease modifications for \$24,492 thousand and the lease expiry in the year ended December 31, 2019.

#### b. Lease liabilities - 2019

Item	Summary	Lease Term	Discount Rate	December 31, 2019
Land	Land for plant	100.06.01-116.12.31	1.00%	\$ 70,242
Buildings	Office, factory	105.05.01-112.12.31	1.00%	822,798
Machinery and equipment	Equipment for production	102.09.01-111.05.31	1.00-1.08%	465
Operating and miscellaneous equipment	Corporate fleet vehicle	106.03.31-113.10.30	1.00%-1.08%	<u>5,700</u>
				<u>\$ 899,205</u>

**December 31,  
2019**

#### Carrying amounts

Current	<u>\$ 230,906</u>
Non-current	<u>\$ 668,299</u>

**For the Year  
Ended  
December 31,  
2019**

Interest expense from lease liabilities	<u>\$ 10,036</u>
-----------------------------------------	------------------

c. Material leasing activities and terms

As lessee, the Company leases certain operating and other equipment for use in operations uses with lease terms of 3 to 7 years. These lease arrangements do not contain renewal or purchase options.

The Company also leases land and buildings for the use as plants and offices with lease terms of 3 to 17 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 14.

2019

	<b>For the Year Ended December 31, 2019</b>
Expenses relating to short-term leases	<u>\$ 27,697</u>
Expenses relating to low-value asset leases	<u>\$ 22</u>
Total cash outflow for leases	<u>\$ (269,904)</u>

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

2018

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

	<b>December 31, 2018</b>
Not later than 1 year	\$ 252,625
Later than 1 year and not later than 5 years	918,192
Later than 5 years	<u>5,641</u>
	<u>\$ 1,176,458</u>

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

	<b>For the Year Ended December 31, 2019</b>
Minimum lease payments	<u>\$ 253,707</u>

#### 14. INVESTMENT PROPERTIES

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

	<b>Completed Investment Properties</b>
Balance at January 1, 2019	\$ 1,515,753
Disposal	1,456
Reclassifications	(547,340)
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>8,535</u>
Balance at December 31, 2019	<u>\$ 978,404</u>
Balance at January 1, 2018	\$ 1,487,664
Disposal	(6,608)
Reclassifications	(72,662)
Recognized in profit (gain arising from the change in fair value of investment properties)	<u>107,359</u>
Balance at December 31, 2018	<u>\$ 1,515,753</u>

The major investment properties of the Company were as follows:

The buildings and lands located in Hsinchu Hukou section and Taoyuan Guanyin District were leased to the Company's subsidiary for its operation. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in these parent company only financial statements and reclassified them to property, plant and equipment in its consolidated financial statements. The Company used the equity method and share of the profit or loss of subsidiaries and associates to adjust the differences between the investment property amounts presented in the parent company only and consolidated financial statements. As of December 31, 2019, the lease arrangements of buildings and lands in Taoyuan Guanyin District were expired.

The fair values of investment properties were as follows:

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Independent valuation	<u>\$ 978,404</u>	<u>\$ 1,515,753</u>

The fair value of the investment properties as of December 31, 2019 and 2018 was based on the valuations carried out at January 21, 2020 and January 10, 2019, respectively, by independent qualified professional valuers Mr. Chia-ho Tsai in 2019 and 2018 from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

The fair value of investment properties was measured using the income approach. The significant assumptions used were as follows. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Expected future cash inflows	\$ 1,093,772	\$ 1,882,283
Expected future cash outflows	<u>(51,677)</u>	<u>(61,432)</u>
Expected future cash inflows, net	<u>\$ 1,042,095</u>	<u>\$ 1,820,851</u>
Discount rate intervals	2.095%	2.095%-3.40%

The expected future cash inflows generated by investment properties referred to rental income, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs and replacement allowance. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

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

## 15. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2019	\$ 17,047	\$ 40	\$ 17,087
Additions	11,219	-	11,219
Amortization	<u>(9,338)</u>	<u>(20)</u>	<u>(9,358)</u>
Balance at December 31, 2019	<u>\$ 18,928</u>	<u>\$ 20</u>	<u>\$ 18,948</u>
Balance at January 1, 2018	\$ 20,367	\$ 60	\$ 20,427
Additions	7,213	-	7,213
Amortization	<u>(10,533)</u>	<u>(20)</u>	<u>(10,533)</u>
Balance at December 31, 2018	<u>\$ 17,047</u>	<u>\$ 40</u>	<u>\$ 17,087</u>

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

Computer software	3-5 years
Others	5 years



## 16. BORROWINGS

### a. Short-term borrowings

	December 31	
	2019	2018
Bank credit loans	<u>\$ 2,400,415</u>	<u>\$ 2,743,834</u>
Interest rate	2.25%-2.64%	3.14%-3.96%

### b. Long-term borrowings

	December 31	
	2019	2018
Bank loans	\$ 45,281,023	\$ 39,780,000
Long-term commercial paper	7,500,000	4,500,000
Less: Unamortized discount on commercial paper	<u>28,991</u>	<u>6,418</u>
	52,752,032	44,273,582
Less: Current portion	<u>-</u>	<u>1,500,000</u>
	<u>\$ 52,752,032</u>	<u>\$ 42,773,582</u>

The foregoing loans are payable in New Taiwan dollars and U.S. dollars. The loans are repayable through a lump sum on maturity and a payment of interest monthly. Therefore, some of the loans are revolving credit loans, which can be revolved within the credit line limitation. The maturity dates of revolving credit loans are based on the maturity dates of the credit line limit contracts. The maturity dates and bank interest rate intervals of the Company's borrowings were as follows:

	December 31	
	2019	2018
Maturity	January 2021 - May 2023	January 2019 - June 2022
Bank interest rates intervals	0.68%-2.7273%	0.60%-1.55%

## 17. BONDS PAYABLE

	December 31	
	2019	2018
Non-convertible bonds	\$ 58,500,000	\$ 55,100,000
Discount of non-convertible bonds	<u>(63,547)</u>	<u>(60,822)</u>
	58,436,453	55,039,178
Less: Current portion	<u>13,695,421</u>	<u>10,595,836</u>
	<u>\$ 44,741,032</u>	<u>\$ 44,443,342</u>

For details of bonds payable as of December 31, 2018, refer to Statement 9 following the Notes to Financial Statements. The details of bonds payable as of December 31, 2018 which were repaid in 2019 were as follows:

On August 21, 2014, the Company issued five-year unsecured bonds (the first tranche) amounting to \$3,200,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On December 4, 2014, the Company issued five-year unsecured bonds (the second tranche) amounting to \$2,200,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth and fifth years of bond issuance, with a 1.47% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

## 18. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Present value of defined benefit obligation	\$ 5,360,840	\$ 5,341,319
Fair value of plan assets	<u>(5,778,268)</u>	<u>(4,667,822)</u>
Net defined benefit (assets) liabilities	<u>\$ (417,428)</u>	<u>\$ 673,497</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2019	<u>\$ 5,341,319</u>	<u>\$ (4,667,822)</u>	<u>\$ 673,497</u>
Service cost			
Current service cost	51,585	-	51,585
Net interest expense (income)	<u>64,341</u>	<u>(58,348)</u>	<u>5,993</u>
Recognized in profit or loss (Note)	<u>115,926</u>	<u>(58,348)</u>	<u>57,578</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,165,965)	(1,165,965)
Actuarial (gain) loss - changes in financial assumptions	157,705	-	157,705
Actuarial (gain) loss - experience adjustments	<u>179,692</u>	<u>-</u>	<u>179,692</u>
Recognized in other comprehensive income	<u>337,397</u>	<u>(1,165,965)</u>	<u>(828,568)</u>
Contributions from the employer	-	(256,846)	(256,846)
Benefits paid	<u>(433,802)</u>	<u>370,713</u>	<u>(63,089)</u>
Balance at December 31, 2019	<u>\$ 5,360,840</u>	<u>\$ (5,778,268)</u>	<u>\$ (417,428)</u>
Balance at January 1, 2018	<u>\$ 5,534,470</u>	<u>\$ (4,240,063)</u>	<u>\$ 1,294,407</u>
Service cost			
Current service cost	60,455	-	60,455
Net interest expense (income)	<u>67,867</u>	<u>(53,001)</u>	<u>14,866</u>
Recognized in profit or loss (Note)	<u>128,322</u>	<u>(53,001)</u>	<u>75,321</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(402,924)	(402,924)
Actuarial (gain) loss - changes in financial assumptions	2,770	-	2,770
Actuarial (gain) loss - experience adjustments	<u>105,014</u>	<u>-</u>	<u>105,014</u>
Recognized in other comprehensive income	<u>107,784</u>	<u>(402,924)</u>	<u>(295,140)</u>
Contributions from the employer	-	(359,068)	(359,068)
Benefits paid	<u>(429,257)</u>	<u>387,234</u>	<u>(42,023)</u>
Balance at December 31, 2018	<u>\$ 5,341,319</u>	<u>\$ (4,667,822)</u>	<u>\$ 673,497</u>

Note: For the years ended December 31, 2019 and 2018, the Company transferred defined benefit costs of \$177 thousand and \$489 thousand to related parties, respectively.

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks. In addition, the Company has another pension fund which is separate from the above. This pension fund is invested in domestic listed companies' shares and time deposits. It is exposed to the risks of changes in market price and interest rates.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Discount rate(s)	0.80%	1.50%
Expected rate(s) of salary increase	2.00%	2.00%

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Discount rate(s)		
0.50% increase	<u>\$ (174,724)</u>	<u>\$ (179,106)</u>
0.50% decrease	<u>\$ 185,304</u>	<u>\$ 190,041</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 182,220</u>	<u>\$ 187,737</u>
0.50% decrease	<u>\$ (173,615)</u>	<u>\$ (178,741)</u>

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
The expected contributions to the plan for the next year	<u>\$ 397,948</u>	<u>\$ 388,072</u>
The average duration of the defined benefit obligation	6.8 years	6.9 years

## 19. EQUITY

### a. Share capital

#### 1) Common stock

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

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

#### 2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDRs unit represents 10 common stock of the Company. The GDRs were traded and listed on the Luxembourg Stock Exchange. As of December 31, 2019 and 2018, there are 6 thousand and 8 thousand units outstanding, which were equal to 60 thousand and 82 thousand common stock of the Company.

### b. Capital surplus

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>		
Changes in percentage of ownership interests in subsidiaries	495,232	148,783
Treasury shares transactions	15,469	14,066
<u>May not be used for any purpose</u>	<u>104,722</u>	<u>90,850</u>
Changes in equity-method associates' capital surplus	<u>\$ 3,270,355</u>	<u>\$ 2,908,631</u>

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used as the basis for proposing a distribution plan. After adding prior years' unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the distribution of dividends evenly for all shares. When there is a capital increase, the amount of dividends for new shares of that year would be according to the resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 21, d. "Employees' compensation and remuneration of directors".

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

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2018 and 2017 approved in the shareholders' meetings on June 28, 2019 and June 29, 2018, respectively, were as follows:

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

The appropriation of earnings for 2019 proposed by the Company's board of directors on March 24, 2020 were as follows:

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

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

d. Special reserve

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

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

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

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

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Balance at January 1	\$ 89,713,160	\$ 88,196,319
Appropriation in respect of:		
Application of the fair value method to investment properties	1,089,437	1,523,136
Reversal on elimination of the original mandatorily appropriated special reserve:		
Disposal of investment properties	-	(5,678)
Disposal of associates	<u>(25,881)</u>	<u>(617)</u>
Balance at December 31	<u>\$ 90,776,716</u>	<u>\$ 89,713,160</u>

e. Other equity items

The changes in other equity items are summarized as follow:

	<b>Exchange Differences on Translating Foreign Operations</b>	<b>Unrealized (Loss) Gain on Available-for-sale Financial Assets</b>	<b>Unrealized Gain (Loss) on Financial Assets at FVTOCI</b>	<b>Cash Flow Hedges</b>	<b>Gain (Loss) on Hedging Instruments</b>	<b>Gain on Property Revaluation</b>	<b>Total</b>
Balance at January 1, 2018	\$ (3,077,371)	\$ (1,357,319)	\$ -	\$ 35,642	\$ -	\$ 702,778	\$ (3,696,270)
Adjustment on initial application of IFRS 9 and 15	-	<u>1,357,319</u>	<u>(1,725,866)</u>	<u>(35,642)</u>	<u>35,642</u>	-	<u>(368,547)</u>
Balance at January 1 per IFRS 9 and 15	(3,077,371)	-	(1,725,866)	-	35,642	702,778	(4,064,817)
Share of other comprehensive income (loss) of subsidiaries and associates	(512,530)	-	938,400	-	10,238	-	436,108
Associate disposed the investment in equity instruments designated as at FVTOCI	-	-	<u>1,559,378</u>	-	-	-	<u>1,559,378</u>
Balance at December 31, 2018	(3,589,901)	-	771,912	-	45,880	702,778	(2,069,331)
Gains on property revaluation	-	-	-	-	-	297,056	297,056
Share of other comprehensive income (loss) of subsidiaries and associates	(2,955,805)	-	1,678,830	-	(34,180)	4,924	(1,306,231)
Share from subsidiaries and associates accounted for using the equity method	-	-	5,415	-	-	-	5,415
Associate disposed the investment in equity instruments designated as at FVTOCI	-	-	<u>(16,192)</u>	-	-	-	<u>(16,192)</u>
Balance at December 31, 2019	<u>\$ (6,545,706)</u>	<u>\$ -</u>	<u>\$ 2,439,965</u>	<u>\$ -</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ 3,089,283</u>

f. Treasury shares

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

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

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

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

## 20. REVENUE

	<u>For the Year Ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Revenue from contracts with customers		
Net sales	\$ 46,477,960	\$ 54,040,105
Other operating revenue	<u>-</u>	<u>23,696</u>
	<u>\$ 46,477,960</u>	<u>\$ 54,063,801</u>

a. Description of customer contract

Refer to Note 4(m) revenue recognition for the significant accounting policies.

b. Contract balances

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Contract liabilities		
Bundle sale of goods	<u>\$ 144,678</u>	<u>\$ 99,447</u>
Current	<u>\$ 144,678</u>	<u>\$ 99,447</u>

For notes and accounts receivable, refer to Note 9.

The changes in the contract liability balances primarily result from the timing difference between the Company's performance of obligations and the respective customer's payment, and there did not have other significant changes other than the amount decided above.



c. Disaggregation of revenue

Refer to Statement 10 for information about disaggregation of revenue.

## 21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Capitalized interests on properties	\$ 27,068	\$ 26,541
Capitalization rates	1.00%-1.11%	1.02%-1.14%

b. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Property, plant and equipment	\$ 2,209,959	\$ 1,973,976
Other Intangible assets	9,358	10,553
Right-of-use assets	<u>234,535</u>	<u>-</u>
	<u>\$ 2,453,852</u>	<u>\$ 1,984,529</u>
An analysis of deprecation by function		
Operating costs	\$ 2,051,754	\$ 1,818,280
Operating expenses	350,777	117,836
Other expense	37,654	31,324
Expenses transferred to other related parties	<u>4,309</u>	<u>6,536</u>
	<u>\$ 2,444,494</u>	<u>\$ 1,973,976</u>
An analysis of amortization by function		
Operating costs	\$ 4,451	\$ 4,868
Operating expenses	<u>4,907</u>	<u>5,685</u>
	<u>\$ 9,358</u>	<u>\$ 10,553</u>

c. Employee benefits expense

	<b>For the Year Ended December 31, 2019</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Post-employment benefits			
Defined contribution plans	\$ 78,815	\$ 47,561	\$ 126,376
Defined benefit plans (see Note 18)	37,145	20,256	57,401
Other employee benefits			
Salary	3,065,601	1,505,180	4,570,781
Insurance	264,363	101,105	365,468
Remuneration of directors	-	205,777	205,777
Others	<u>137,738</u>	<u>59,394</u>	<u>197,132</u>
	<u>\$ 3,583,662</u>	<u>\$ 1,939,273</u>	<u>\$ 5,522,935</u>

	<b>For the Year Ended December 31, 2018</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Post-employment benefits			
Defined contribution plans	\$ 77,128	\$ 44,985	\$ 122,113
Defined benefit plans (see Note 18)	50,399	24,433	74,832
Other employee benefits			
Salary	3,091,665	1,459,533	4,551,198
Insurance	255,564	94,091	349,655
Remuneration of directors	-	227,312	227,312
Others	<u>137,499</u>	<u>64,594</u>	<u>202,093</u>
	<u>\$ 3,612,255</u>	<u>\$ 1,914,948</u>	<u>\$ 5,527,203</u>

The average number of employees of the Company were 4,833 and 4,875, which include 8 and 7 directors not serving concurrently as employees, for the years ended December 31, 2019 and 2018, respectively.

The average employee benefit expenses were \$1,102 thousand and \$1,089 thousand for the years ended December 31, 2019 and 2018, respectively.

The average salary expenses were \$947 thousand and \$935 thousand for the years ended December 31, 2019 and 2018, respectively.

The average salary expenses increased by 1.28% in 2019 compared to the previous year.

d. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. However, the Company has to first offset losses from the previous years. The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which were approved by the Company's board of directors on March 24, 2020 and March 22, 2019, respectively, are as follows:

Accrual rate

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

Amount

	<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

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2018 and 2017. The employees' compensation were distributed in cash by the Company.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Current tax	\$ -	\$ -
In respect of the current year	<u>(15,693)</u>	<u>-</u>
Adjustments for prior year	<u>(15,693)</u>	<u>-</u>
Deferred tax		
In respect of the current period	27,050	684,856
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>-</u>	<u>5,427</u>
Income tax expense recognized in profit or loss	<u>\$ 11,357</u>	<u>\$ 690,283</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Profit before tax from continuing operations	<u>\$ 10,744,026</u>	<u>\$ 12,718,577</u>
Income tax expense at the statutory rate	\$ 2,148,805	\$ 2,543,715
Adjustment items effect on income tax	<u>(2,148,805)</u>	<u>(2,543,715)</u>
Current income tax expense	-	-
Deferred income tax expense	27,050	684,856
Effect of tax rate changes	-	5,427
Adjustments for prior years' tax	<u>(15,693)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 11,357</u>	<u>\$ 690,283</u>

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Company has already deducted the amount of the unappropriated earnings in 2018 that was reinvested as capital expenditure when calculating the tax on unappropriated earnings for the year ended December 31, 2019.

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	\$ (133,834)	\$ 69,752
Gain on property revaluation	<u>(34,501)</u>	<u>-</u>
	<u>\$ (168,335)</u>	<u>\$ 69,752</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2019

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 5,193	\$ (616)	\$ -	\$ 4,577
Inventory write-downs	10,448	(3,371)	-	7,077
Impairment loss	36,340	(5,231)	-	31,109
Defined benefit obligation	17,972	(17,972)	-	-
Others	<u>5,889</u>	<u>(582)</u>	<u>-</u>	<u>5,307</u>
	<u>\$ 75,842</u>	<u>\$ (27,772)</u>	<u>\$ -</u>	<u>\$ 48,070</u>
<u>Deferred tax liabilities</u>				
Unrealized foreign exchange gain	\$ 23,063	\$ (16,153)	\$ -	\$ 6,910
Gain from subsidiaries and associates	624,259	(36,689)	-	587,570
Provision of land value incremental tax	1,550,315	(25)	34,501	1,584,791
Defined benefit obligation	-	52,471	133,834	186,305
Investment properties	<u>16,587</u>	<u>(326)</u>	<u>-</u>	<u>16,261</u>
	<u>\$ 2,214,224</u>	<u>\$ (722)</u>	<u>\$ 168,335</u>	<u>\$ 2,381,837</u>

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 3,657	\$ 1,536	\$ -	\$ 5,193
Inventory write-downs	9,072	1,376	-	10,448
Loss from subsidiaries and associates	78	(78)	-	-
Impairment loss	24,671	11,669	-	36,340
Defined benefit obligation	23,307	(75,087)	69,752	17,972
Others	<u>4,385</u>	<u>1,504</u>	<u>-</u>	<u>5,889</u>
	<u>\$ 65,170</u>	<u>\$ (59,080)</u>	<u>\$ 69,752</u>	<u>\$ 75,842</u>
<u>Deferred tax liabilities</u>				
Unrealized foreign exchange gain	\$ 15,242	\$ 7,821	\$ -	\$ 23,063
Gain from subsidiaries and associates	-	624,259	-	624,259
Provision of land value incremental tax	1,551,175	(860)	-	1,550,315
Investment properties	<u>16,604</u>	<u>(17)</u>	<u>-</u>	<u>16,587</u>
	<u>\$ 1,583,021</u>	<u>\$ 631,203</u>	<u>\$ -</u>	<u>\$ 2,214,224</u>

- d. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Deductible temporary differences	<u>\$ 1,942,237</u>	<u>\$ 2,723,928</u>

- e. Income tax assessments

The tax returns through 2015 have been assessed by the tax authorities.

## 23. EARNINGS PER SHARE

Unit: NT\$ Per Share

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

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

### Net Income for the Year

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Net income for the year	<u>\$ 10,732,669</u>	<u>\$ 12,028,294</u>

### Weighted Average Number of Ordinary Shares Outstanding

	<b>Unit: In Thousand Shares</b>	
	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Weighted average number of common stock used in the computation of basic earnings per share	4,998,304	4,998,235
Effect of potentially dilutive common stock		
Employees' compensation	<u>15,887</u>	<u>17,627</u>
Weighted average number of common stock used in the computation of diluted earnings per share	<u>5,014,191</u>	<u>5,015,862</u>

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

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2019 and 2018, the Company's basic EPS was NT\$2.01 and NT\$2.25, respectively.

## 24. CAPITAL MANAGEMENT

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

## 25. FINANCIAL INSTRUMENTS

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

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

	December 31			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 58,436,453</u>	<u>\$ 58,660,706</u>	<u>\$ 55,039,178</u>	<u>\$ 55,242,979</u>

- 2) Fair value hierarchy

#### December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 58,660,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,660,706</u>

#### December 31, 2018

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 55,242,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,242,979</u>

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

- 1) Fair value hierarchy

#### December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,703</u>	<u>\$ 7,703</u>

#### December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,832</u>	<u>\$ 6,832</u>

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

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

For the year ended 2019

	<b>Financial Liabilities at Fair Value Through Profit or Loss</b>
Balance at January 1, 2019	\$ (6,832)
Recognized in profit or loss	
Realized	17,046
Unrealized	7,703
Settlements	<u>(10,214)</u>
Balance at December 31, 2019	<u>\$ 7,703</u>

For the year ended 2018

	<b>Financial Liabilities at Fair Value Through Profit or Loss</b>
Balance at January 1, 2018	\$ 16,316
Recognized in profit or loss	
Realized	(148,697)
Unrealized	(6,832)
Settlements	<u>132,381</u>
Balance at December 31, 2018	<u>\$ (6,832)</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Forward exchange contracts and option contracts	Discounted cash flow. Future cash flows are estimated based on observable forward spot exchange rates at the end of the reporting period and contract rates, which can reflect the credit risk of counterparties.



c. Categories of financial instruments

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 7,703	\$ -
Financial assets at amortized cost (Note 1)	27,634,889	24,402,844
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	-	6,832
Financial liabilities measured at amortized cost (Note 2)	120,309,960	109,660,042

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

The Company had foreign assets, which exposed the Company to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The Company's significant foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period were detailed in Note 29.

### Sensitivity analysis

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

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
5% change in profit or loss		
USD	<u>\$ (79,204)</u>	<u>\$ (57,153)</u>

#### b) Interest rate risk

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

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

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Fair value interest rate risk		
Financial assets	\$ 1,300,373	\$ 5,267,814
Financial liabilities	105,387,690	95,356,594
Cash flow interest rate risk		
Financial assets	858,128	697,936
Financial liabilities	9,100,415	6,700,000

### Sensitivity analysis

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

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial assets with fixed interest rates would have decreased/increased by \$3,243 thousand and \$13,137 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rates would have increased/decreased by \$2,145 thousand and \$1,745 thousand, respectively.

If interest rate had been 0.25% higher/lower and all other variables were held constant, the fair value of the Company's financial liabilities with fixed interest rates would have decreased/increased by \$262,812 thousand and \$237,797 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rates would have decreased/increased by \$22,751 thousand and \$16,750 thousand, respectively.

## 2) Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations, resulting in a financial loss to the Company. As of the end of a reporting period, the Company's maximum exposure to credit risk that will cause the Company a financial loss due to the carrying amounts of the recognized financial assets as stated in the balance sheets.

The Company has a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continually monitored.

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

## 3) Liquidity risk

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

The maturity dates of financial liabilities (except for the current portion) are as follows:

	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>5-10 Years</b>
<u>December 31, 2019</u>				
Long-term borrowings	\$ 40,781,023	\$ 11,271,009	\$ 700,000	\$ 52,752,032
Bonds payable	<u>11,300,000</u>	<u>9,500,000</u>	<u>24,000,000</u>	<u>44,800,000</u>
	<u>\$ 52,081,023</u>	<u>\$ 20,771,009</u>	<u>\$ 24,700,000</u>	<u>\$ 97,552,032</u>
<u>December 31, 2018</u>				
Long-term borrowings	\$ 30,878,199	\$ 6,900,000	\$ 4,995,383	\$ 42,773,582
Bonds payable	<u>13,700,000</u>	<u>11,300,000</u>	<u>19,500,000</u>	<u>44,500,000</u>
	<u>\$ 44,578,199</u>	<u>\$ 18,200,000</u>	<u>\$ 24,495,383</u>	<u>\$ 87,273,582</u>

Additional information about the maturity analysis for lease liabilities

	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>5-10 Years</b>
<u>December 31, 2019</u>				
Lease liabilities	<u>\$ 235,639</u>	<u>\$ 234,154</u>	<u>\$ 204,780</u>	<u>\$ 3,378</u>

## **26. RELATED-PARTY TRANSACTIONS**

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2019 and 2018 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules A, B and C.

## **27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY**

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, tariff duties and long-term borrowings.

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Other financial assets - non-current		
Pledged time deposits	\$ 1,300,373	\$ 38,000
Investments accounted for using the equity method	515,648	475,627
Property, plant and equipment	5,964,658	6,251,010
Investment properties	<u>844,442</u>	<u>184,549</u>
	<u>\$ 8,625,121</u>	<u>\$ 6,949,186</u>

## **28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

Significant commitments and contingencies of the Company as of December 31, 2019 and 2018:

- Issued unused letters of credit aggregated at approximately \$274,297 thousand and \$299,676 thousand, respectively.
- Unpaid construction contracts and property, plant and equipment amounting to approximately \$37,247 thousand and \$151,348 thousand, respectively.
- Undelivered cotton contracts which were unable to be canceled amounting to \$123,588 thousand and \$199,156 thousand, respectively.
- Endorsements and guarantees provided to related parties are shown in Schedule E (attached).

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

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

December 31, 2019

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items USD	\$ 139,598	29.98	\$ 4,185,148
<u>Financial liabilities</u>			
Monetary items USD	86,760	29.98	2,601,065

December 31, 2018

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (NT\$)</b>
<u>Financial assets</u>			
Monetary items USD	\$ 147,602	30.715	\$ 4,533,595
<u>Financial liabilities</u>			
Monetary items USD	110,837	30.715	3,390,537

## 30. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees

- 1) Financing provided to others: Schedule 4 (attached)
- 2) Endorsements/guarantees provided: Schedule 5 (attached)
- 3) Marketable securities held: Schedule 6 (attached)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Schedule 7 (attached)
- 5) Acquisitions of individual real states at costs of at least NT\$300 million or 20% of the paid-in capital: None

- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule 8 (attached)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Schedule 9 (attached)
  - 9) Trading in derivative instruments: Note 7
  - 10) Information on investees: Schedule 10 (attached)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedules 11 and 11-1 (attached)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Schedules 2, 3, 4, 5, 7, 8 and 9
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
    - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as rendering or receipt services.

**TABLE 1****FAR EASTERN NEW CENTURY CORPORATION****RELATED PARTY NAMES AND CATEGORIES****DECEMBER 31, 2019**

<b>Related Party Names</b>	<b>Related Party Categories</b>
Fu Kwok Knitting & Garment Co., Ltd.	Subsidiary
Far Eastern Apparel Co., Ltd.	Subsidiary
Far Eastern Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Polytex (Vietnam) Ltd.	Subsidiary
Far Eastern New Apparel (Vietnam) Ltd.	Subsidiary
Far Eastern Apparel (Suzhou) Co., Ltd.	Subsidiary
Far Eastern Industries (Shanghai) Ltd.	Subsidiary
Far Eastern Industries (Wuxi) Ltd.	Subsidiary
Oriental Resources Development Co., Ltd.	Subsidiary
Oriental Green Materials Limited	Subsidiary
Oriental Industries (Suzhou) Ltd.	Subsidiary
PET Far Eastern (M) Sdn. Bhd.	Subsidiary
Wuhan Far Eastern New Material Ltd.	Subsidiary
Worldwide Polychem (HK) Ltd. (WWPI)	Subsidiary
Far Eastern Fibertech Co., Ltd.	Subsidiary
Far Eastern Resources Development Co., Ltd.	Subsidiary
Far EasTone Telecommunications Co., Ltd.	Subsidiary
New Century InfoComm Tech Co., Ltd.	Subsidiary
Yuanshi Digital Technology Co., Ltd.	Subsidiary
DataExpress Infotech Co., Ltd.	Subsidiary
Information Security Service Digital United Inc.	Subsidiary
Oriental Petrochemical (Taiwan) Corporation	Subsidiary
Oriental Textile (Holding) Ltd. (OTTI)	Subsidiary
Yuan Cheng Human Resources Consultant Corporation	Subsidiary
Yuan Ding Co., Ltd.	Subsidiary
Yuan Ding Investment Co., Ltd.	Subsidiary
YDT Technology International Co., Ltd.	Subsidiary
Far Eastern Polychem Industries Ltd. (FEPI)	Subsidiary
Far Eastern Construction Co., Ltd.	Subsidiary
Far Eastern Ishizuka Green Pet Corporation (FIGP)	Subsidiary
Far Eastern Technical Consultants Co., Ltd.	Subsidiary
Far Eastern Polytex (Holding) Ltd.	Subsidiary
Asia Cement Corporation	Associate
Far Eastern Department Stores Co., Ltd.	Associate
Oriental Union Chemical Corporation	Associate
Everest Textile Corporation	Associate
Far Eastern International Bank	Associate

(Continued)

Related Party Names	Related Party Categories
Freudenberg Far Eastern Spunweb Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Yu Ding Industry Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Liquid Air Far East Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Da Ju Fiber Co., Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern International Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Ai Mai Co., Ltd	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's investee accounted for using the equity method)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
Yuan Ze University	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Tranquil Enterprise Ltd.	Other related party (the same chairman)
TECO Electric & Machinery Co., Ltd.	Other related party (related party in substance)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)
Ding&Ding Management Consultants Co., Ltd	Other related party (related party in substance)
SYSTEX Corporation	Other related party (related party in substance)

(Concluded)



**TABLE 2****FAR EASTERN NEW CENTURY CORPORATION**
**RELATED-PARTY TRANSACTIONS**  
**FOR THE YEARS ENDED DECEMBER 31 2019 AND 2018**  
**(In Thousands of New Taiwan Dollars)**

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Sales		
Subsidiaries	\$ 4,990,094	\$ 6,464,500
Associates	195,087	259,923
Other related parties	<u>429,285</u>	<u>467,734</u>
	<u>\$ 5,614,466</u>	<u>\$ 7,192,157</u>
Operating cost and expense		
Purchase		
Subsidiaries		
Oriental Petrochemical (Taiwan) Corporation	\$ 14,481,116	\$ 16,761,126
Other subsidiaries	1,191,051	983,190
Associates	1,053,951	1,900,071
Other related parties	<u>177,406</u>	<u>208,955</u>
	<u>\$ 16,903,524</u>	<u>\$ 19,853,342</u>
Contract costs		
Subsidiaries	\$ 31,309	\$ 35,451
Other related parties	<u>233,786</u>	<u>216,499</u>
	<u>\$ 265,095</u>	<u>\$ 251,950</u>
Computer processing expense		
Subsidiaries	\$ 6,034	\$ 4,070
Other related parties	<u>101,733</u>	<u>84,601</u>
	<u>\$ 107,767</u>	<u>\$ 88,671</u>
Non-operating expenses		
Other expenses - endorsement/guarantee expenses		
Subsidiary	<u>\$ 10,771</u>	<u>\$ 10,525</u>

The Company provided agent services to subsidiaries and recognized commission income of \$27,069 thousand and \$37,468 thousand for the years ended December 31, 2019 and 2018, respectively. In addition, the Company recognized \$11,519 thousand and \$16,051 thousand as other receivables as of December 31, 2019 and 2018, respectively.

Lease arrangements - Company is lessee

**For the Year  
Ended  
December 31,  
2019**

Acquisitions of right-of-use assets  
Other related parties

\$ 107

**December 31,  
2019**

Lease liabilities

Subsidiaries

Yuan Ding Co., Ltd.

\$ 509,972

Others

152,998

Associates

170,340

Other related parties

45,959

\$ 879,269

The Company did not have financial lease payable to the related parties as of December 31, 2019 and 2018.

**For the Year Ended December 31**  
**2019                      2018**

Interest expense

Subsidiaries

\$ 7,411

\$ -

Associates

1,915

-

Other related parties

541

-

\$ 9,867

\$ -

Lease expense

Subsidiaries

\$ 5,853

\$ 181,496

Other related parties

4,245

17,951

\$ 10,098

\$ 199,447

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

Lease arrangement - Company is lessor

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Operating lease receivable		
Subsidiaries	\$ 1,668	\$ 1,324
Other related parties	<u>444</u>	<u>420</u>
	<u>\$ 2,112</u>	<u>\$ 1,774</u>
Future lease receivable		
Subsidiaries	\$ 15,394	\$ 18,135
Other related parties	<u>4,336</u>	<u>6,400</u>
	<u>\$ 19,730</u>	<u>\$ 24,535</u>
	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Lease revenue		
Subsidiaries	\$ 12,979	\$ 20,074
Other related parties	<u>4,868</u>	<u>5,534</u>
	<u>\$ 17,847</u>	<u>\$ 25,608</u>

The Company leases the plants and spaces for operation and business to associates and other related parties as operating lease. The lease period is 1 to 5 years.

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

Compensation of key management personnel:

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Short-term employee benefits	\$ 371,659	\$ 373,033
Post-employment benefits	<u>1,665</u>	<u>2,174</u>
	<u>\$ 373,324</u>	<u>\$ 375,207</u>

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

(Concluded)

**TABLE 3****FAR EASTERN NEW CENTURY CORPORATION**
**RELATED-PARTY TRANSACTIONS**  
**AS OF DECEMBER 31, 2019 AND 2018**  
**(In Thousands of New Taiwan Dollars)**

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Notes and accounts receivable		
Subsidiaries		
WWPI	\$ 493,598	\$ 304,551
Other subsidiaries	464,428	554,674
Associates	15,416	40,769
Other related parties	<u>68,402</u>	<u>132,154</u>
	<u>\$ 1,041,844</u>	<u>\$ 1,032,148</u>
Refundable deposits		
Subsidiaries		
Yuan Ding Co., Ltd.	\$ 33,682	\$ 33,682
Other subsidiaries	3,421	3,798
Associates	5,116	5,785
Other related parties		
Da Ju Fiber Co., Ltd.	<u>8,000</u>	<u>8,000</u>
	<u>\$ 50,219</u>	<u>\$ 51,265</u>
Notes and accounts payable to related parties		
Subsidiaries		
Oriental Petrochemical (Taiwan) Corporation	\$ 1,065,381	\$ 1,260,165
Other subsidiaries	124,250	161,200
Associates	86,339	58,729
Other related parties	<u>10,220</u>	<u>12,092</u>
	<u>\$ 1,286,190</u>	<u>\$ 1,492,186</u>
Deferred credit - gain on related-party transactions		
Sale of securities		
Subsidiaries		
Yuan Ding Investment Co., Ltd. (Note a)	\$ 30,256	\$ 30,256
Others subsidiary (Note b)	2,738	2,823
Other related parties (Note c)	2,579	2,579
Disposal of property, plant and equipment (Note d)		
Subsidiary		
Far Eastern Polytex (Vietnam) Ltd.	<u>11,693</u>	<u>12,528</u>
	<u>\$ 47,266</u>	<u>\$ 48,186</u>

(Continued)

## Deposits

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Far Eastern International Bank	<u>\$ 1,900,767</u>	<u>\$ 1,711,362</u>

The Company had bank deposits and time deposits in Far Eastern International Bank. The interest income was \$15,643 thousand and \$8,491 thousand for the years ended December 31, 2019 and 2018, respectively.

## Financial assets (liabilities) at FVTPL - current

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Far Eastern International Bank	<u>\$ (4,114)</u>	<u>\$ (3,466)</u>

The Company signed forward exchange contracts and combined foreign exchange options with Far Eastern International Bank. The gain of financial assets (liabilities) at FVTPL was \$6,390 thousand and \$29,321 thousand for the years ended December 31, 2019 and 2018, respectively.

## Financing to related parties

Loans to related parties:

	<b>December 31</b>			
	<b>2019</b>		<b>2018</b>	
	<b>Other Receivable</b>	<b>Interest Receivable</b>	<b>Other Receivable</b>	<b>Interest Receivable</b>
Subsidiaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 50</u>

The interest income from loans to associate was \$162 thousand and \$1,059 thousand for the years ended December 31, 2019 and 2018, respectively.

Loans to related parties (recognized as long-term borrowings - bank loans):

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
Far Eastern International Bank	<u>\$ 1,500,000</u>	<u>\$ 300,000</u>

The interest expense from loans from associate was \$189 thousand and \$117 thousand for the years ended December 31, 2019 and 2018, respectively.

In 2019 and 2018, the Company bought machinery and equipment from subsidiaries, for \$19,710 thousand and \$13,965 thousand, respectively. As of December 31, 2019 and 2018, the payables on these purchases had been paid.

In 2019 and 2018, the Company participated in and subscribed Oriental Petrochemical (Taiwan) Corporation's issuance of new shares via cash amounting to \$1,511,163 thousand and \$2,266,745 thousand without changing the percentage of existing ownership.

(Continued)

In 2019 and 2018, the Company invested in 100%-owned overseas subsidiary, Far Eastern Investment (Holding) Ltd., amounting to \$4,934,979 thousand (or US\$158,000 thousand) and \$12,618,685 thousand (or US\$410,000 thousand).

In 2019, the Company invested in 100%-owned overseas subsidiary, Far Eastern Polytex (Holding) Ltd., amounting to \$1,998,702 thousand (or RMB449,370 thousand).

Note:

- a. In 1994, the Company sold the following shares to Yuan Ding Investment Corporation and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for \$30,256 thousand.
- b. The deferred income was made by selling the shares of New Century InfoComm Tech Corporation to Yuan Cing Infocomm Tech Co., Ltd. in 2010 (dissolved on its merger with Far Eastone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of New Century InfoComm Tech Corporation's net assets between fair value and book value and durable service life on the selling date.
- c. The deferred income was made by selling the shares of Oriental Petrochemical (Taiwan) Corporation to Yue Ding Industry Co., Ltd. in March 2008.
- d. The Company sold the production equipment to its subsidiary Far Eastern Polytex (Vietnam) Ltd. in 2017. The sales price was RMB638,977 thousand and deferred the gain on disposal of equipment RMB12,528 thousand (recognized as deferred credit - gain on related-party accounts), and amortized the deferred credit according to the useful lives since 2019.
- e. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

TABLE 4

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Far Eastern New Century Corporation	Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	\$ 1,500,000	\$ -	\$ -	1.045	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 10,226,114	\$ 102,261,144	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note H)
1	Yuan Ding Investment Co., Ltd.	Ding Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	400,000	400,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Far Eastern Resources Development Co., Ltd.	Receivables from related parties	Yes	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Resources Development Co., Ltd.	Receivables from related parties	Yes	600,000	50,000	-	1.23	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Green Materials Limited	Receivables from related parties	Yes	600,000	600,000	330,000	1.11-1.23	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Yuan Tong Investment Co., Ltd.	Receivables from related parties	Yes	750,000	750,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Oriental Petrochemical (Taiwan) Corporation	Receivables from related parties	Yes	1,500,000	1,500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	800,000	800,000	-	1.11-1.25	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Da Ju Fiber Co., Ltd.	Receivables from related parties	Yes	1,060,000	1,060,000	795,000	1.11	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	1,200,000	1,200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Yu Ding Industry Co., Ltd.	Receivables from related parties	Yes	680,000	680,000	340,000	1.11-1.37	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		Far Eastern Apparel Co., Ltd.	Receivables from related parties	Yes	350,000	350,000	115,000	1.11-1.25	2	-	For revolving fund	-	Promissory note	-	4,167,563	20,837,814	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
2	Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	183,000	179,880	161,892	2.29364	2	-	For revolving fund	-	Promissory note	-	888,136	4,440,678	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
3	Far Eastern Resources Development Co., Ltd.	Kai Yuan International Investment Co., Ltd.	Receivables from related parties	Yes	\$ 250,000	\$ 250,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,700,136	\$ 13,500,680	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
		An Ho Garment Co., Ltd.	Receivables from related parties	Yes	250,000	250,000	-	1.25	2	-	For revolving fund	-	Promissory note	-	2,700,136	13,500,680	Amounts allowed for ending period (Note C); Maximum amounts allowed for the period (Note H)
4	New Century InfoComm Tech Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Receivables from related parties	Yes	300,000	300,000	300,000	1.53	2	-	For revolving fund	-	-	-	8,327,941	11,897,058	Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H)
		Far EasTone Telecommunication s Co., Ltd.	Receivables from related parties	Yes	2,500,000	1,500,000	400,000	0.83	1	2,555,996	-	-	-	-	2,547,833	11,897,058	Amounts allowed for ending period (Note O); Maximum amounts allowed for the period (Note H)
		Far EasTone Telecommunication s Co., Ltd.	Receivables from related parties	Yes	7,500,000	7,500,000	3,500,000	0.83	2	-	For revolving fund	-	-	-	8,327,941	11,897,058	Amounts allowed for ending period (Note F); Maximum amounts allowed for the period (Note H)
5	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Receivables from related parties	Yes	400,000	400,000	-	0.9779-1.0701	2	-	For revolving fund	-	Promissory note	-	1,601,531	4,003,827	Amounts allowed for ending period (Note E); Maximum amounts allowed for the period (Note H)
6	Far Eastern Investment (Holding) Ltd.	FILSYN Corporation	Receivables from affiliates	Yes	59,960	-	-	-	2	-	For revolving fund	-	Promissory note	-	10,592,231	10,592,231	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Worldwide Polychem (HK) Ltd.	Receivables from affiliates	Yes	299,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Holding) Ltd.	Receivables from affiliates	Yes	299,800	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		APG Polytech, LLC	Receivables from affiliates	Yes	1,094,270	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	1,499,000	1,499,000	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Holding) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	899,400	-	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		PET Far Eastern (M) Sdn. Bhd.	Receivables from affiliates	Yes	299,800	-	-	2.85973-3.08839	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Sino Belgium (Holding) Ltd.	Receivables from affiliates	Yes	449,700	-	-	2.29364-3.08839	2	-	For revolving fund	-	Promissory note	-	10,592,231	10,592,231	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

(Continued)



No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern New Apparel (Vietnam) Ltd.	Receivables from affiliates	Yes	\$ 1,199,200	\$ -	\$ -	2.29364-3.08839	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 13,240,289	\$ 39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,777,965	-	-	-	2	-	For revolving fund	-	Promissory note	-	13,240,289	39,720,866	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
7	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,852,935	5,558,804	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,852,935	5,558,804	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
8	Oriental Textile (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	1,894,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	Yes	749,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); ; Maximum amounts allowed for the period (Note K)
		Oriental Industries (Suzhou) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); ; Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	2,998,000	-	749,500	2.29364-3.08839	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,199,200	-	-	3.08839-3.94056	2	-	For revolving fund	-	Promissory note	-	3,788,933	11,366,799	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
9	Far Eastern Polychem Industries Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,539,950	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H) ; Maximum amounts allowed for the period (Note K)
		Far Eastern Polytex (Vietnam) Ltd.	Receivables from affiliates	Yes	899,400	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	Yes	599,600	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	1,199,200	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,152,342	15,457,026	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
10	PET Far Eastern (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Receivables from affiliates	Yes	2,023,350	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,085,419	9,256,257	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)
		Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	Yes	899,400	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,085,419	9,256,258	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note K)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Oriental Petrochemical (Shanghai) Corporation	Receivables from affiliates	Yes	\$ 599,600	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 2,468,335	\$ 2,468,335	Amounts allowed for ending period (Note G);
		Yuan Ding Enterprise (Shanghai) Limited	Receivables from affiliates	Yes	301,350	-	-	-	2	-	For revolving fund	-	Promissory note	-	2,468,335	2,468,335	Maximum amounts allowed for the period (Note G)
11	APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Receivables from affiliates	Yes	599,600	149,900	-	2.71067-3.22205	2	-	For revolving fund	-	Promissory note	-	6,022,677	6,022,677	Amounts allowed for ending period (Note G);
12	Malaysia Garment Manufactures Pte. Ltd.	Arpeggio International Resources Corporation	Receivables from affiliates	Yes	74,950	74,950	29,980	2.29364	2	-	For revolving fund	-	Promissory note	-	503,740	503,740	Maximum amounts allowed for the period (Note G)
13	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	301,350	-	-	3.92	2	-	For revolving fund	-	Promissory note	-	1,197,009	1,197,009	Amounts allowed for ending period (Note G);
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	2,367,750	2,152,500	1,314,794	3.67-4.10	2	-	For revolving fund	-	Promissory note	-	2,693,271	5,985,046	Maximum amounts allowed for the period (Note G)
14	Far Eastern Apparel (Suzhou) Co., Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,205,400	1,205,400	738,949	3.10-4.54	2	-	For revolving fund	-	Promissory note	-	1,402,763	3,117,252	Amounts allowed for ending period (Note I);
15	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,291,500	1,291,500	1,244,687	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	1,423,149	3,162,554	Maximum amounts allowed for the period (Note L)
16	Oriental Industries (Suzhou) Ltd.	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I);
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	430,500	430,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I);
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	430,500	430,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Maximum amounts allowed for the period (Note L)
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,291,500	1,291,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I);
		Oriental Petrochemical (YangZhou) Corporation	Other receivables - loans to related parties	Yes	301,350	301,350	301,350	3.91	2	-	For revolving fund	-	Promissory note	-	2,341,612	2,341,612	Maximum amounts allowed for the period (Note L)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to related parties	Yes	\$ 861,000	\$ 861,000	\$ -	3.58-4.56	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,268,627	\$ 11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Sino Belgium Beer (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,076,250	1,076,250	714,436	3.58-4.56	2	-	For revolving fund	-	Promissory note	-	5,268,627	11,708,060	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
17	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	861,000	861,000	-	3.99-4.40	2	-	For revolving fund	-	Promissory note	-	2,559,585	5,687,966	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
18	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	38,745	38,745	38,745	3.10	2	-	For revolving fund	-	Promissory note	-	48,467	107,704	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Apparel (Suzhou) Co., Ltd.	Other receivables - loans to related parties	Yes	38,745	-	-	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	48,467	107,704	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
19	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	861,000	430,500	430,500	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	936,014	2,080,030	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	904,050	645,750	430,500	1.21-3.50	2	-	For revolving fund	-	Promissory note	-	936,014	2,080,030	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
20	Oriental Petrochemical (Shanghai) Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	215,250	215,250	-	-	2	-	For revolving fund	-	Promissory note	-	281,390	844,170	Amounts allowed for ending period (Note B); Maximum amounts allowed for the period (Note D)
21	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	645,750	645,750	645,750	3.87	2	-	For revolving fund	-	Promissory note	-	3,264,618	3,264,618	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	645,750	645,750	-	-	2	-	For revolving fund	-	Promissory note	-	4,080,273	7,344,491	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	861,000	-	-	4.35	1	7,907,471	-	-	Promissory note	-	4,080,273	4,080,273	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note H)
22	Wuhan Far Eastern New Material Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	129,150	129,150	-	-	2	-	For revolving fund	-	Promissory note	-	457,312	823,161	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
23	Far Eastern New Century (China) Investment Co., Ltd.	Shanghai Yuan Zi Information Technology Co., Ltd.	Other receivables - loans to related parties	Yes	43,050	43,050	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Oriental Textile (Holding) Ltd	Other receivables - loans to related parties	Yes	86,100	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Polychem Industries Ltd	Other receivables - loans to related parties	Yes	\$ 86,100	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,763,005	\$ 13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		PET Far Eastern (Holding) Ltd.	Other receivables - loans to related parties	Yes	86,100	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Wuhan Far Eastern New Material Ltd.	Other receivables - loans to related parties	Yes	129,150	129,150	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Oriental Petrochemical (Shanghai) Corporation	Other receivables - loans to related parties	Yes	473,550	215,250	89,283	1.21	2	-	For revolving fund	-	Promissory note	-	1,562,081	1,562,081	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	1,076,250	1,076,250	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Shanghai Far Eastern Petrochemical Logistic Corporation	Other receivables - loans to related parties	Yes	51,660	51,660	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to related parties	Yes	3,013,500	3,013,500	-	1.21	2	-	For revolving fund	-	Promissory note	-	9,763,005	13,668,207	Amounts allowed for ending period (Note M); Maximum amounts allowed for the period (Note N)
24	Shanghai Yuan Zi Information Technology Co., Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	43,050	43,050	-	-	2	-	For revolving fund	-	Promissory note	-	56,448	84,672	Amounts allowed for ending period (Note J); Maximum amounts allowed for the period (Note K)
25	Shanghai Far Eastern Petrochemical Logistic Corporation	Far Eastern New Century (China) Investment Co., Ltd.	Other receivables - loans to related parties	Yes	51,660	51,660	-	-	2	-	For revolving fund	-	Promissory note	-	67,327	121,188	Amounts allowed for ending period (Note H); Maximum amounts allowed for the period (Note I)
26	Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	301,350	-	-	3.60	2	-	For revolving fund	-	Promissory note	-	1,217,955	2,706,566	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to related parties	Yes	301,350	301,350	301,350	3.60	2	-	For revolving fund	-	Promissory note	-	1,217,955	2,706,566	Amounts allowed for ending period (Note I); Maximum amounts allowed for the period (Note L)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	Other receivables - loans to related parties	Yes	516,600	516,600	516,600	3.60	2	-	For revolving fund	-	Promissory note	-	541,313	541,313	Amounts allowed for ending period (Note G); Maximum amounts allowed for the period (Note G)

- Notes: A. Reasons for financing are as follows:
- Business relationship.
  - For short-term financing.
- B. The limitation is 5% of the net value of the financier based on audited financial statements as of December 31, 2019.
- C. The limitation is 10% of the net value of the financier based on audited financial statements as of December 31, 2019.
- D. The limitation is 15% of the net value of the financier based on audited financial statements as of December 31, 2019.
- E. The limitation is 20% of the net value of the financier based on audited financial statements as of December 31, 2019.
- F. The limitation is 35% of the net value of the financier based on audited financial statements as of December 31, 2019.

(Continued)

- G. The limitation is 40% of the net value of the financier based on audited financial statements as of December 31, 2019.
- H. The limitation is 50% of the net value of the financier based on audited financial statements as of December 31, 2019.
- I. The limitation is 90% of the net value of the financier based on audited financial statements as of December 31, 2019.
- J. The limitation is 100% of the net value of the financier based on audited financial statements as of December 31, 2019.
- K. The limitation is 150% of the net value of the financier based on audited financial statements as of December 31, 2019.
- L. The limitation is 200% of the net value of the financier based on audited financial statements as of December 31, 2019.
- M. The limitation is 250% of the net value of the financier based on audited financial statements as of December 31, 2019.
- N. The limitation is 350% of the net value of the financier based on audited financial statements as of December 31, 2019.
- O. The limitation is business transaction amount.

(Concluded)

TABLE 5

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries (Note M)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note M)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note M)	Note
		Name	Relationship											
1	Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note B)	\$ 20,837,814	\$ 268,000	\$ 268,000	\$ 216,000	\$ -	0.64	\$ 41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Far Eastern Ishizuka Green Pet Corporation	(Note C)	20,452,229	707,280	662,400	276,000	-	1.59	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		PET Far Eastern (Holding) Ltd.	(Note C)	20,452,229	632,000	-	-	-	-	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Oriental Textile (Holding) Ltd.	(Note A)	20,837,814	632,000	-	-	-	-	41,675,628	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
		Far Eastern Polychem Industries Ltd.	(Note C)	20,452,229	948,000	-	-	-	-	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech, LLC	(Note C)	20,452,229	8,363,210	5,816,120	2,254,496	-	13.96	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		APG Polytech USA Holdings, Inc.	(Note C)	20,452,229	2,762,560	2,668,220	-	-	6.4	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Phoenix Technologies International, LLC	(Note C)	20,452,229	610,000	599,600	320,786	-	1.44	20,452,229	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H)
		Oriental Industries (Suzhou) Ltd.	(Note A)	20,837,814	1,580,000	-	-	-	-	41,675,628	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
2	Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note D)	13,500,680	5,708,448	5,658,332	3,046,448	5,658,332	2.77	27,001,359	-	Yes	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
3	Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,003,827	1,773,000	1,303,000	280,000	250,000	0.64	8,007,654	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F)
4	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note A)	43,094,037	77,150	-	-	-	-	43,094,037	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note I)

(Continued)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Counterparty's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsements/ Guarantees Given by Parent on Behalf of Subsidiaries (Note M)	Endorsements/ Guarantees Given by Subsidiaries on Behalf of Parent (Note M)	Endorsements/ Guarantees Given on Behalf of Companies in Mainland China (Note M)	Note
		Name	Relationship											
5	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	\$ 102,261,144	\$ 1,580,000	\$ -	\$ -	\$ -	-	\$ 204,522,288	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note B)	102,261,144	474,000	-	-	-	-	204,522,288	-	-	Yes	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
6	Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	(Note A)	102,261,144	7,382,813	6,604,594	599,600	-	3.23	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		APG Polytech, LLC	(Note A)	102,261,144	2,565,920	2,104,596	517,470	-	1.03	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
		Phoenix Technologies International, LLC	(Note A)	102,261,144	610,000	599,600	281,812	-	0.29	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)
7	APG Polytech, LLC	APG Polytech USA Holdings, Inc.	(Note D)	102,261,144	15,800	-	-	-	-	204,522,288	-	-	-	Limits on each counterparty's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note K)

- Notes:
- A.   Subsidiary.
  - B.   Equity-method investee.
  - C.   The guarantee provider and counterparty have the same ultimate parent company.
  - D.   Parent company.
  - E.   The amount of the collateral/guarantees is based on 50% of the net value of the guarantor from the latest audited financial statements.
  - F.   The amount of the collateral/guarantees is based on the net value of the guarantor from the latest audited financial statements.
  - G.   The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and 50% of the net value of Yuan Ding Investment Co., Ltd. from the audited financial statements as of June 30, 2019.
  - H.   The amount of the collateral/guarantees is based on the lower of 10% of the net value of the ultimate parent company, and the net value of Yuan Ding Investment Co., Ltd. from the audited financial statements as of June 30, 2019.
  - I.   The amount of the collateral/guarantees is based on 300% of the net value of the guarantor from latest audited financial statements.
  - J.   The amount of the collateral/guarantees is based on 50% of the net value of the ultimate parent company from the latest audited financial statements.
  - K.   The amount of the collateral/guarantees is based on the net value of the ultimate parent company from the latest audited financial statements.
  - L.   The ratio of accumulated endorsements/guarantees to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
  - M.   There will be a “Yes” if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.
  - N.   The tariff guarantee maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB6,000 thousand (NT\$25,830 thousand), the actual remittance: RMB6,000 thousand (NT\$25,830 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB2,000 thousand (NT\$8,610 thousand), the actual remittance: RMB2,000 thousand (NT\$8,610 thousand).
  - O.   The amount for the endorsement/guarantee to APG USA Holdings, Inc. which provided by Yuan Ding Investment Co., Ltd. is \$79,000 thousand which provided by bank to APG Polytech, LLC. and APG USA Holdings, Inc.

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES**

## MARKETABLE SECURITIES HELD

**DECEMBER 31, 2019**

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 19,447,206	22.33	\$ 35,987,018	19,900 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,009,751	17.06	6,298,101	(Note F)
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	81,216	1,217,537	9.17	1,705,536	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	140	1,490	0.03	1,278	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	140,278	2,002,315	19.65	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	135,000	1,893,365	16.83	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	87,767	1,109,853	2.62	1,048,814	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,097,475	99.40	-	
	Far Eastern Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	775,836	104,696,964	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	168	9,565,589	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	7,526,541	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	739,953	8,556,025	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	361,486	5,567,871	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	4,894	26,235,260	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	397	5,660,306	91.95	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	1,712,218	9,810,611	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	223,481	8,917,885	65.11	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,299,897	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	75,704	2,132,201	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	253,977	3,129,935	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	907,883	50.43	-	
	Fu Kwok Knitting & Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,000	233,520	100.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	769	13,085	0.74	-	
	Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,657	100.00	-	
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,458	1,270,042	0.97	1,556,338	8,807 thousand shares pledged or mortgaged as collateral for loans.
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	70,818	1,237,767	8.00	1,487,171	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,652	866,925	2.66	980,834	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	128,618	1,092,777	25.23	1,175,572	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	22,770,949	32.73	76,906,014	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,778,143	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	3,854,082	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	59,558	2,259,130	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,772	115,516	100.00	-	
	Yuan Faun Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,000	144,124	100.00	-	
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	4,745	74,515	45.50	-	
	Yuan Ding Leasing Corporation	(Note A)	Investments accounted for using the equity method	36,706	394,072	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	91,000	1,144,096	100.00	-	
	Oriental Resources Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,000	35,491	100.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	2,135,042	35.00	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	27,371	503,160	29.80	-	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	185,247	2,750,820	25.96	-	
	Yuan Ding Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,159,431	12.86	-	10,000 thousand shares pledged or mortgaged as collateral for loans.

(Continued)



Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Investment (Holding) Ltd.	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	75,268	\$ 934,264	16.87	\$ -	(Note F)
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	110	7,747,308	100.00	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	119,653	1,591,881	14.92	-	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	98,198	1,026,410	18.96	-	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	1,490	23,307	1.00	-	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Investments accounted for using the equity method	117,746	693,804	5.20	-	
	Oriental Green Materials Limited	(Note A)	Investments accounted for using the equity method	53,304	551,475	100.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	119,403	1,509,525	3.56	1,426,866	
	Chung Nan Textile Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	2,985	89,456	5.27	89,456	
	Overseas Investment and Development Co., Ltd.	-	Financial asset at FVTOCI - non-current	1,000	6,230	1.11	6,230	
	Universal Venture Capital Investment Corporation	(Note M)	Financial asset at FVTOCI - non-current	1,400	9,646	1.16	9,646	
	China Investment and Development Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	1,287	9,884	0.80	9,884	
	Taiwan Stock Exchange Corporation	-	Financial asset at FVTOCI - non-current	1,135	64,746	0.16	64,746	
	Oriental Securities Investment Consultant Co., Ltd.	(Note I)	Financial asset at FVTOCI - non-current	1	11	-	11	
	Dah Chung Bills Finance Corporation	-	Financial asset at FVTOCI - non-current	2,254	30,313	0.50	30,313	
	U-Ming Marine Transport Corporation	(Note B)	Financial asset at FVTOCI - non-current	8,869	297,998	1.05	297,998	
	Financial assets under asset management contracts (Note E)							
	Cathay FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	32	705	-	705	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	200	8,753	-	8,753	
	Uni-President Enterprises Corporation	-	Financial assets at fair value through profit or loss - current	22	1,632	-	1,632	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	175	12,180	-	12,180	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	208	18,200	-	18,200	
	Cheng Loong Corporation	-	Financial assets at fair value through profit or loss - current	87	1,679	-	1,679	
	Hiwin Technologies Corporation	-	Financial assets at fair value through profit or loss - current	8	2,248	-	2,248	
	CSBC Corporation, Taiwan	-	Financial assets at fair value through profit or loss - current	415	11,143	-	11,143	
	Yulon Nissan Motor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	3	861	-	861	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	255	23,154	-	23,154	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	85	28,135	-	28,135	
	Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	10	1,680	-	1,680	
	Foxlink International Ltd.	-	Financial assets at fair value through profit or loss - current	370	16,946	-	16,946	
	Nanya Technology Corporation	-	Financial assets at fair value through profit or loss - current	250	20,850	-	20,850	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	45	19,958	-	19,958	
	DACIN Construction Co., Ltd	-	Financial assets at fair value through profit or loss - current	275	5,816	-	5,816	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	250	11,600	-	11,600	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	70	1,568	-	1,568	
	President Chain Store Corporation	-	Financial assets at fair value through profit or loss - current	80	24,320	-	24,320	
	Wistron Corporation	-	Financial assets at fair value through profit or loss - current	500	14,175	-	14,175	
	Wiwynn Corporation	-	Financial assets at fair value through profit or loss - current	26	16,510	-	16,510	
	Pou Chen Group	-	Financial assets at fair value through profit or loss - current	339	13,289	-	13,289	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	280	17,360	-	17,360	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	FETG Investment Antilles N.V.	(Note A)	Investments accounted for using the equity method	6	33,457	100.00	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000	254,150	50.00	-	
				Preferred stock 3,000				
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	-	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,037,301	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	67,861	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	(Note G)	1,656	34.00	-	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,047,299	100.00	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	377,880	100.00	-	
	Magna View Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	3,000	252,269	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	\$ 477,546	37.92	\$ -	
	Drive Catalyst SPC	(Note A)	Investments accounted for using the equity method	(Note G) 520	520	34.00	-	
	APG Polytech USA Holdings, Inc.	(Note A)	Investments accounted for using the equity method	5,064	15,056,692	100.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	120,851	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,174	25.00	-	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,349)	41.00	-	
	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,459)	50.00	-	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	160,417	-	160,417	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	6	279,159	-	279,159	
APG Polytech USA Holdings, Inc.	Corpus Christi Polymers LLC	(Note N)	Investments accounted for using the equity method	(Note G)	12,578,898	33.33	-	
	APG Polytech, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	2,793,144	100.00	-	
	Phoenix Technologies International, LLC	(Note A)	Investments accounted for using the equity method	(Note G)	193,187	90.00	-	
Phoenix Technologies International, LLC	Perform Technologies, LLC	-	Financial asset at FVTOCI - current	(Note G)	2,354	-	2,354	
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock	254,150	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	12,241	460,846	0.36	586,942	(Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,903	129,861	0.42	153,773	
	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	1,183	8,927	0.23	10,810	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	27,365	646,445	3.09	574,675	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	41,579	0.03	66,307	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,070	2.24	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,964	422,114	13.20	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	88,726	1,121,229	2.64	1,060,271	
								5,000 thousand shares pledged or mortgaged as collateral for loans.
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	25,312	1,006,191	0.75	1,213,734	(Note F)
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,123,815	1.05	2,462,145	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	32,473	647,211	3.67	681,937	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	591,302	1.46	538,511	
	Kowloon Cement Corporation	(Note A)	Investments accounted for using the equity method	1,127	449,658	49.00	-	
	Far Eastern International Leasing Corporation	(Note A)	Investments accounted for using the equity method	74,970	935,272	16.80	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	234,271	2.24	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,717	1,361,647	3.21	1,287,214	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - non-current	793	26,645	0.09	26,645	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	7,341,467	87.64	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	496,752	8.05	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	892,401	49.57	-	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,353,283	100.00	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	3,578	974,689	90.00	-	
	Nippon Parison Co., Ltd	-	Financial asset at FVTOCI - non-current	4	140,606	10.00	140,606	
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,726	610,400	0.53	849,967	
	Far Eastern General Contractor Inc.	(Note A)	Investments accounted for using the equity method	147,413	2,117,903	98.95	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	1,590	53,417	0.19	53,417	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	599,448	38.46	-	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,992,523	100.00	-	
	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,040,226	100.00	-	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	5	249,382	-	249,382	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	469	\$ 16,286	0.01	\$ 22,489	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	90	6,086	-	6,489	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	11	156	0.01	-	
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	450	8,641	9.00	-	
	U-Ming Marine Transport Corporation	(Note C)	Financial asset at FVTOCI - current	746	25,082	0.09	25,082	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	9,687	55,604	3.48	55,604	
	Ya-Li Precast Prestressed Concrete Industries Corporation	(Note I)	Financial asset at FVTOCI - non-current	3,106	12,143	16.03	12,143	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	2,246	26,378	-	26,378	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,484	22,078	-	22,078	
	CTBC Hwa-Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,659	140,031	-	140,031	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,054	98,062	-	98,062	
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	20,513	-	9.95	-	
	Arpeggio International Resources Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	-	40.00	-	
	PT Malaysia Garment Bintan	(Note A)	Other liabilities - other	(Note G)	(41)	99.00	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,049,527	1.25	2,942,948	6,300 thousand shares pledged or mortgaged as collateral for loans.  (Note F)
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	256,356	0.18	292,192	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	11,204	252,665	1.26	235,284	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,760	0.03	9,634	
	Oriental Securities Corporation	(Note A)	Investments accounted for using the equity method	8,373	115,052	1.17	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	17,763	402,670	15.66	-	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,681	131,204	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	167,689	0.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	22,094	279,370	0.66	264,024	
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	(Note A)	Investments accounted for using the equity method	745	13,322	55.19	-	
	Yi Tong Fiber Co., Ltd.	-	Financial asset at FVTOCI - non-current	3,154	55,098	3.56	55,098	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	4,682	59,224	0.14	55,947	
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	37,492	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,748,373	3.08	7,227,090	22,615 thousand shares pledged or mortgaged as collateral for loans.  (Note F)
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	49,176	1,521,756	3.47	1,281,023	
	Oriental Union Chemical Corporation	(Note A)	Investments accounted for using the equity method	49,705	1,645,593	5.61	1,043,813	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	32,465	1,344,800	0.85	1,556,716	
	Pacific Liu Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	18,000	233,072	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	35,934	445,688	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	31	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Other liabilities - other	36	(704,968)	90.88	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	2	48	-	-	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	10	163,716	13.00	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	107,501	1,358,612	3.20	1,284,638	
	Ding Shen Investment Co., Ltd.	(Note M)	Financial asset at FVTOCI - non-current	39,600	325,908	18.00	325,908	
	Bockhold N.V - stock	-	Financial asset at FVTOCI - non-current	1	186,391	12.51	186,391	
	Financial assets under asset management contracts (Note E)							
	Yuanta S&P GSCI Gold ER Futures ETF	-	Financial assets at fair value through profit or loss - current	210	4,586	-	4,586	
	Taiwan Cement Corporation	-	Financial assets at fair value through profit or loss - current	100	4,370	-	4,370	
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	96	6,682	-	6,682	
	HeySong Corporation	-	Financial assets at fair value through profit or loss - current	3	98	-	98	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
	Formosa Chemicals & Fiber Corporation	-	Financial assets at fair value through profit or loss - current	72	\$ 6,300	-	\$ 6,300	
	Chung Hsin Electric & Machinery Mfg. Corp.	-	Financial assets at fair value through profit or loss - current	90	2,187	-	2,187	
	Cheng Loong Corporation	-	Financial assets at fair value through profit or loss - current	198	3,821	-	3,821	
	Hiwin Technologies Corporation	-	Financial assets at fair value through profit or loss - current	18	5,058	-	5,058	
	Kenda Rubber Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	200	6,120	-	6,120	
	Yulon Nissan Motor Co., Ltd.	-	Financial assets at fair value through profit or loss - current	31	8,897	-	8,897	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	99	8,989	-	8,989	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	14	4,634	-	4,634	
	Inventec Corporation	-	Financial assets at fair value through profit or loss - current	150	3,427	-	3,427	
	Wan Hai Lines Ltd.	-	Financial assets at fair value through profit or loss - current	60	1,110	-	1,110	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	3,360	-	3,360	
	President Chain Store Corporation	-	Financial assets at fair value through profit or loss - current	11	3,344	-	3,344	
	Win Semiconductors Corp.	-	Financial assets at fair value through profit or loss - current	26	7,644	-	7,644	
	ASRock Inc.	-	Financial assets at fair value through profit or loss - current	44	3,322	-	3,322	
	Arcadyan Technology Corporation	-	Financial assets at fair value through profit or loss - current	36	3,388	-	3,388	
	Pegatron Corporation	-	Financial assets at fair value through profit or loss - current	50	3,420	-	3,420	
	Sercomm Corporation	-	Financial assets at fair value through profit or loss - current	96	7,459	-	7,459	
	Farglory Land Development Co., Ltd.	-	Financial assets at fair value through profit or loss - current	162	6,529	-	6,529	
	Sigurd Corporation	-	Financial assets at fair value through profit or loss - current	180	6,678	-	6,678	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	66	4,092	-	4,092	
Far Eastern Apparel (Suzhou) Co., Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	53,852	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,110,996	54.72	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	2,038,169	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,169,018	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,843,983	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	5,854,030	100.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	8	279,430	-	279,430	
	Opas Fund Segregated Portfolio Tranche C	(Note K)	Financial assets at fair value through profit or loss - current	4	162,803	-	162,803	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,581,277	100.00	-	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	914,624	100.00	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	959,178	61.54	-	
	Far Eastern New Century (China) Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	3,905,202	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	3,777,878	60.00	-	
Far Eastern New Century (China) Investment Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,035,378	12.36	-	
	Shanghai Yuan Zi Information Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	56,448	100.00	-	
	Oriental Petrochemical (Shanghai) Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	343,764	6.63	-	
	Yuan Ding Enterprise (Shanghai) Limited	(Note A)	Investments accounted for using the equity method	(Note G)	2,788,316	40.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium Beer (Suzhou) Ltd.	(Note A)	Other liabilities - other	(Note G)	(631,450)	100.00	-	
	Martens Beers (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	14,678	100.00	-	
Oriental Petrochemical (Shanghai) Corporation	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note A)	Investments accounted for using the equity method	(Note G)	134,653	100.00	-	
Far Eastern Industries (Yangzhou) Ltd.	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	971	4,180	-	4,180	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Harvest Money Market A	-	Financial assets at fair value through profit or loss - current	594,819	\$ 2,560,696	-	\$ 2,560,696	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	262,106	100.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	21,787	190,138	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	86,163	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	9,223	17.70	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	4,995	(32,281)	4.79	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	37,000	53,681	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	213,443	0.16	255,508	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	110,623	0.13	300,188	
	Yu Yuan Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	129,637	2,142,074	25.02	-	119,000 thousand shares pledged or mortgaged as collateral for loans.
	Yue Ming Corporation	(Note A)	Investments accounted for using the equity method	104	832	1.00	-	
	Yu Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,939	66,224	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,650	132,517	5.00	-	10,236 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,796	550,140	14.93	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	8,352	105,677	0.25	99,810	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	15,535	109,761	20.00	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	102,509	798,851	98.52	-	
	Far Eastern New Century Corporation	(Note D)	Financial assets at fair value through profit or loss - current	779	23,265	-	23,265	
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	17	(135)	0.02	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	11,659	82,372	15.01	-	
	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	25,906	46.13	-	
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	42	-	42	
	DFE DWS Taiwan Money Market	(Note K)	Financial assets at fair value through profit or loss - current	3,577	42,006	-	42,006	
Far Eastern Technical Consultants Co., Ltd.	Cosmos Foreign Exchange Intl. Co., Ltd.	-	Financial asset at FVTOCI - non-current	480	10,118	4.00	10,118	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	30,253	53.87	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	258	0.46	-	
	Speedy (Shanghai) digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	50,508	100.00	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Investments accounted for using the equity method	(Note G)	55,892	99.54	-	
YDT Technology International Co., Ltd.	Everest Textile Corporation	(Note A)	Investments accounted for using the equity method	130	1,128	0.03	1,191	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	98,066	0.20	71,999	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,413	-	2,902	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	42,882	82.30	-	
	Far Eastern International Bank	(Note A)	Investments accounted for using the equity method	2,937	37,343	0.09	35,099	
	Oriental Securities Investment Consultant Co., Ltd.	(Note J)	Financial asset at FVTOCI - non-current	1	11	-	11	
Far Eastern Electronic Toll Collection Co., Ltd.	FETC International Co., Ltd	(Note A)	Investments accounted for using the equity method	20,000	117,635	100.00	-	
	Millerful No.1 REIT	-	Financial asset at FVTOCI - non-current	30,000	307,500	-	307,500	
	Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	-	Financial assets at amortized cost	5,000	500,000	-	-	5,000 thousand shares pledged or mortgaged as collateral for loans.
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,385,159	100.00	-	
	ARCOA Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	731,924	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	68,897	877,725	99.99	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note H)	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	90,014	\$ (582,357)	86.41	\$ -	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	30,546	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	4,829	100.00	-	
	Yuan Bao Fintech Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,000	59,680	100.00	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,251	1,051,441	39.42	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,302	164,513	30.00	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,447	47,200	15.00	-	
	App Works Fund II Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	8,850	104,620	11.11	104,620	
	CDIB Capital Innovation Accelerator Co., Ltd.	(Note L)	Financial asset at FVTOCI - non-current	9,000	94,081	10.71	94,081	
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	233,027	70.00	-	
	THI consultants	(Note L)	Financial asset at FVTOCI - non-current	1,214	12,190	18.32	12,190	
	Web Point Co., Ltd.	-	Financial asset at FVTOCI - non-current	161	1,618	0.63	1,618	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	54,000	86,448	100.00	-	
	Information Security Service Digital United Inc.	(Note A)	Investments accounted for using the equity method	10,249	133,305	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	10,320	191,698	100.00	-	
	Yuanshi Digital Technology Co., Ltd.	(Note A)	Other liabilities - other	2,500	(16,171)	2.40	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,816	15,733	5.00	-	
	Drive Catalyst SPC-SP Tranche One	(Note A)	Investments accounted for using the equity method	4	121,700	25.00	-	
	Drive Catalyst SPC-SP Tranche Three	(Note A)	Investments accounted for using the equity method	4	119,174	25.00	-	
	Prime EcoPower Co., Ltd.	(Note A)	Investments accounted for using the equity method	16,000	140,448	100.00	-	
	Nextlink Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,430	409,810	70.00	-	
	Opas Fund Segregated Portfolio Tranche A	(Note K)	Financial assets at fair value through profit or loss - current	13	462,442	-	462,442	
	Opas Fund Segregated Portfolio Tranche B	(Note K)	Financial assets at fair value through profit or loss - current	5	166,896	-	166,896	
	Kaohsiung Rapid Transit Corporation	(Note K)	Financial asset at FVTOCI - non-current	8,858	50,846	3.18	50,846	
	Bank Pro E-service Technology Co., Ltd.	-	Financial asset at FVTOCI - non-current	450	4,500	3.33	4,500	
	Changing.ai Inc.	-	Financial asset at FVTOCI - non-current	500	29,980	2.50	29,980	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	30	295	100.00	-	
	Far East New Diligent Company Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	24,180	100.00	-	
	New Diligent Hong Kong Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	2,709	100.00	-	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	65,428	100.00	-	
	Home Master Technology Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	45,477	100.00	-	
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,600	16,462	100.00	-	
	Nextlink (HK) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	5,523	100.00	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note G)	(378)	100.00	-	
	TBCASoft, Inc.	-	Financial asset at FVTOCI - non-current	980	149,900	6.77	149,900	
Far East New Diligent Company Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	(Note G)	6,503	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	(Note G)	4,645	41.67	-	
Nextlink (HK) Technology Co., Ltd.	Nextlink (Shanghai) Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note G)	1,426	70.00	-	

Notes: A. Equity-method investee.

B. Investor and investee have the same chairman.

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

D. Parent company.

(Continued)

- E. Financial assets under asset management contracts can be sold in the open market investee, Oriental Securities Investment Consultant Co., Ltd.
- F. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- G. Company limited.
- H. The fair value of unlisted equity investments held by the Group was not disclosed due to it cannot be reliably measured.
- I. The subsidiary of the invested company accounted for using the equity method.
- J. The subsidiary of FENC's associate.
- K. Related party in substance.
- L. The investor is the corporate director of the investee.
- M. The investor is the corporate supervisor of the investee.
- N. Joint operation entity.

(Concluded)

TABLE 7

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Far Eastern Polytex (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	135	\$ 7,581,955	33	\$ 1,998,702	-	\$ -	\$ -	\$ -	\$ (15,068) (Note E)	168	\$ 9,565,589
	Far Eastern Investment (Holding) Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	4,016	22,068,603	878	4,934,979	-	-	-	-	(768,322) (Note F)	4,894	26,235,260
	Oriental Petrochemical (Taiwan) Corporation	Investments accounted for using the equity method	Cash capital increase	(Note A)	1,561,102	9,183,032	151,116	1,511,163	-	-	-	-	(883,584) (Note G)	1,712,218	9,810,611
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Investments accounted for using the equity method	-	(Note C)	21,500	703,247	12,343	565,858	1,385	66,238	49,986	16,001	50,923	32,458	1,270,042
	Far Eastern Department Stores Co., Ltd.	Investments accounted for using the equity method	-	(Note C)	23,173	480,286	14,479	347,966	-	-	-	-	38,673 (Note H)	37,652	866,925
Far Eastern Investment (Holding) Ltd.	APG Polytech USA Holdings, Inc.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	US\$ 500,266	(Note B)	US\$ 10,000	-	-	-	-	US\$ (8,041) (Note I)	(Note B)	US\$ 502,225
	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,728	-	US\$ 721 (Note D)	-	-
APG Polytech USA Holdings, Inc.	Phoenix Technologies International, LLC	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	-	(Note B)	US\$ 10,000	-	-	-	-	US\$ (3,556)	(Note B)	US\$ 6,444
Far Eastern Apparel (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	12	US\$ 11,996	-	US\$ 9	12	US\$ 12,437	US\$ 12,005	-	US\$ 432 (Note D)	-	-
Far Eastern General Contractor Inc.	CTBC Hwa-Win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	36,202	400,000	23,543	260,205	260,205	-	236 (Note D)	12,659	140,031
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	30,728	496,000	24,674	398,055	398,055	-	117 (Note D)	6,054	98,062
Oriental Textile (Holding) Ltd.	Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	Opas Fund Segregated Portfolio Company	(Note C)	20	US\$ 19,993	-	US\$ 14	20	US\$ 20,728	US\$ 20,728	-	US\$ 721 (Note D)	-	-
Far Eastern Polytex (Holding) Ltd.	Far Eastern New Century (China) Investment Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	1,736,289	(Note B)	1,998,702	-	-	-	-	170,211	(Note B)	3,905,202
Far Eastern Electronic Toll Collection Co., Ltd.	Subordinated perpetual corporate bonds of Taiwan Life Insurance Co., Ltd.	Financial assets at amortized cost	-	-	4,000	402,800	-	-	4,000	400,000	402,800	(2,800)	-	-	-
	Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd.	Financial assets at amortized cost	-	-	-	-	5,000	500,000	-	-	-	-	-	5,000	500,000
Far Eastern New Century (China) Investment Co., Ltd.	Yuan Ding Enterprise (Shanghai) Limited	Investments accounted for using the equity method	Cash capital increase	(Note A)	(Note B)	RMB 134,077	(Note B)	RMB 449,370	-	-	-	-	RMB 64,246 (Note J)	(Note B)	RMB 647,693
Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	Investments accounted for using the equity method	Cash capital increase	(Note A)	102,509	164,987	98,522	985,217	98,522	-	-	-	(351,353)	102,509	798,851
New Century InfoComm Tech Co., Ltd.	Nextlink Technology Co., Ltd.	Investments accounted for using the equity method	Nextlink Inc.	(Note A)	-	-	3,430	420,000	-	-	-	-	(10,190)	3,430	409,810

(Continued)



- Notes:
- A.   Subsidiary.
  - B.   Company limited.
  - C.   Associates.
  - D.   Gain on financial asset at FVTPL.
  - E.   The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(70) thousand.
  - F.   The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(1,964) thousand.
  - G.   The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(495) thousand.
  - H.   The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(9,309) thousand.
  - I.   The beginning balance includes the adjustment on initial application of IFRS 16 amounting to US\$(79) thousand.
  - J.   The beginning balance includes the adjustment on initial application of IFRS 16 amounting to \$(6) thousand.

(Concluded)

**TABLE 8**

**FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Sale	\$ (1,970,358)	(4)	Based on contract	-	-	\$ -	-	\$ 301,418	6	
	Worldwide Polychem (HK) Ltd.	(Note A)	Sale	(1,598,049)	(3)	Based on contract	-	-	-	-	493,598	9	
	Far Eastern Polytex (Vietnam) Ltd.	(Note A)	Sale	(463,132)	(1)	Based on contract	-	-	-	-	47,953	1	
	Far Eastern Industries (Wuxi) Ltd.	(Note A)	Sale	(186,983)	-	Based on contract	-	-	-	-	20,767	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)		(175,012)	-	Based on contract	-	-	-	-	23,263	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Sale	(153,044)	-	Based on contract	-	-	-	-	-	-	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note A)	Sale	(126,580)	-	Based on contract	-	-	-	-	12,079	-	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note A)	Sale	(122,757)	-	Based on contract	-	-	-	-	14,542	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note D)	Sale	(426,103)	(1)	Based on contract	-	-	-	-	67,583	1	
	Everest Textile Corporation	(Note D)	Sale	(194,732)	-	Based on contract	-	-	-	-	15,416	-	
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Sale	(107,155)	-	Based on contract	-	-	-	-	31,184	1	
	Oriental Petrochemical (Taiwan) Corporation	(Note A)	Purchase	14,486,304	35	Based on contract	-	-	-	-	(1,065,381)	(41)	
	Oriental Resources Development Co., Ltd.	(Note A)	Purchase	651,704	2	Based on contract	-	-	-	-	-	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Purchase	117,546	-	Based on contract	-	-	-	-	(14,484)	(1)	
	Oriental Green Materials Limited	(Note A)	Purchase	390,222	1	Based on contract	-	-	-	-	(109,186)	(4)	
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note B)	Sale	(14,486,304)	(37)	Based on contract	-	-	-	-	1,065,381	23	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Sale	(5,740,645)	(14)	Based on contract	-	-	-	-	931,877	20	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(1,238,306)	(3)	Based on contract	-	-	-	-	292,082	6	
Oriental Resources Development Co., Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(651,704)	(76)	Based on contract	-	-	-	-	-	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(147,895)	(2)	Based on contract	-	-	-	-	17,461	3	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	3,442,680	37	Based on contract	-	-	-	-	(431,067)	(35)	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,873,296	31	Based on contract	-	-	-	-	(472,123)	(39)	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Purchase	2,340,166	25	Based on contract	-	-	-	-	(274,990)	(22)	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Purchase	552,424	6	Based on contract	-	-	-	-	(45,771)	(4)	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(4,159,388)	(18)	Based on contract	-	-	-	-	47,991	3	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Sale	(1,058,951)	(5)	Based on contract	-	-	-	-	207,142	11	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(598,589)	(3)	Based on contract	-	-	-	-	207,028	11	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	118,735	1	Based on contract	-	-	-	-	(42,182)	(3)	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(419,596)	(2)	Based on contract	-	-	-	-	135,134	7	
	Far Eastern New Century Corporation	(Note B)	Purchase	1,970,358	9	Based on contract	-	-	-	-	(301,418)	(21)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	1,238,306	6	Based on contract	-	-	-	-	(292,082)	(21)	
	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Purchase	8,069,888	37	Based on contract	-	-	(305,493)	(33)	(127,813)	(9)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	115,922	1	Based on contract	-	-	-	-	-	-	
	Far Eastern Fibertech Co., Ltd.	(Note C)	Purchase	131,143	1	Based on contract	-	-	-	-	(17,601)	(1)	
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(8,069,888)	(46)	Based on contract	-	-	305,493	18	127,813	13	
	Shanghai Far Eastern Petrochemical Logistic Corporation	(Note C)	Purchase	119,750	1	Based on contract	-	-	-	-	(40,687)	(7)	
Far Eastern Industries (Wuxi) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Sale	(258,369)	(9)	Based on contract	-	-	-	-	42,546	15	
	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(204,372)	(7)	Based on contract	-	-	-	-	37,076	13	
	Far Eastern New Century Corporation	(Note B)	Purchase	186,983	7	Based on contract	-	-	-	-	(20,767)	(35)	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(4,102,476)	(50)	Based on contract	-	-	-	-	536,890	47	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	1,058,951	14	Based on contract	-	-	-	-	(207,142)	(40)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	\$ (353,972)	(7)	Based on contract	-	-	\$ -	-	\$ 15,185	5	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Sale	(347,590)	(7)	Based on contract	-	-	-	-	33,133	10	
	Wuhan Far Eastern New Material Ltd.	(Note C)	Purchase	498,572	10	Based on contract	-	-	-	-	(29,387)	(37)	
	Far Eastern New Century Corporation	(Note C)	Purchase	153,044	3	Based on contract	-	-	-	-	-	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	4,159,388	85	Based on contract	-	-	-	-	(47,991)	(61)	
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(3,442,680)	(59)	Based on contract	-	-	-	-	431,067	47	
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note C)	Sale	(510,016)	(9)	Based on contract	-	-	-	-	127,558	14	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	419,596	8	Based on contract	-	-	-	-	(135,134)	(18)	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	258,369	5	Based on contract	-	-	-	-	(42,546)	(6)	
Oriental Textile (Holding) Ltd.	Far Eastern New Century Corporation	(Note B)	Sale	(117,546)	(3)	Based on contract	-	-	-	-	14,484	2	
	Far Eastern Industries (Wuxi) Ltd.	(Note C)	Purchase	204,372	5	Based on contract	-	-	-	-	(37,076)	(6)	
	Oriental Industries (Suzhou) Ltd.	(Note C)	Purchase	4,102,476	95	Based on contract	-	-	-	-	(536,890)	(94)	
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,873,296)	(86)	Based on contract	-	-	-	-	472,123	84	
	Far Eastern Apparel (Holding) Ltd.	(Note C)	Purchase	147,895	5	Based on contract	-	-	-	-	(17,461)	(14)	
	Far Eastern New Century Corporation	(Note B)	Purchase	175,012	6	Based on contract	-	-	-	-	(23,263)	(18)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	353,016	12	Based on contract	-	-	-	-	(31,438)	(24)	
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(2,340,166)	(81)	Based on contract	-	-	-	-	274,990	50	
	Far Eastern New Century Corporation	(Note B)	Purchase	122,757	5	Based on contract	-	-	-	-	(14,542)	(12)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	494,582	19	Based on contract	-	-	-	-	(14,051)	(12)	
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Limited	(Note C)	Sale	(2,062,910)	(14)	Based on contract	-	-	-	-	797,536	44	
	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	Sale	(524,699)	(4)	Based on contract	-	-	-	-	104,929	6	
	Far Eastern New Apparel (Vietnam) Ltd.	(Note C)	Sale	(494,582)	(3)	Based on contract	-	-	-	-	14,051	1	
	Far Eastern Apparel (Vietnam) Ltd.	(Note C)	Sale	(353,016)	(2)	Based on contract	-	-	-	-	31,438	2	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(115,922)	(1)	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note B)	Purchase	463,132	4	Based on contract	-	-	-	-	(47,953)	(1)	
	Oriental Petrochemical (Taiwan) Corporation	(Note C)	Purchase	5,740,645	44	Based on contract	-	-	-	-	(931,877)	(28)	
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	1,598,049	43	Based on contract	-	-	-	-	(493,598)	(38)	
	Far Eastern Polytex (Vietnam) Ltd.	(Note C)	Purchase	2,062,910	55	Based on contract	-	-	-	-	(797,536)	(62)	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	(Note C)	Purchase	501,095	69	Based on contract	-	-	-	-	(57,571)	(30)	
Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	(Note C)	Construction revenue	(432,537)	(6)	Based on contract	-	-	-	-	57,571	19	
	Far Eastern Department Stores Co., Ltd.	(Note D)	Construction revenue	(623,549)	(8)	Based on contract	-	-	-	-	-	-	
	Chubei New Century Shopping Mall Co., Ltd.	(Note E)	Construction revenue	(335,114)	(5)	Based on contract	-	-	-	-	-	-	
	Ya Tung Ready-mixed Concrete Corporation	(Note E)	Purchase	432,485	6	Based on contract	-	-	(105,310)	(10)	(169)	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Oriental Petrochemical (Shanghai) Corporation	(Note C)	Sale	(119,750)	(86)	Based on contract	-	-	-	-	40,687	91	
Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	Sale	(498,572)	(37)	Based on contract	-	-	-	-	29,387	19	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(118,735)	(9)	Based on contract	-	-	-	-	42,182	27	
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Purchase	598,589	49	Based on contract	-	-	-	-	(207,028)	(84)	
	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	347,590	28	Based on contract	-	-	-	-	(33,133)	(14)	
Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(552,424)	(19)	Based on contract	-	-	-	-	45,771	12	
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note C)	Purchase	510,016	19	Based on contract	-	-	-	-	(127,558)	(28)	
	Far Eastern New Century Corporation	(Note B)	Purchase	126,580	5	Based on contract	-	-	-	-	(12,079)	(3)	
Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	Sale	(131,143)	(6)	Based on contract	-	-	-	-	17,601	25	
	Everest Textile Corporation	(Note D)	Sale	(253,107)	(12)	Based on contract	-	-	-	-	35,508	49	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	Ending Balance	% of Total	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note C)	Purchase	\$ 353,972	29	Based on contract	-	-	\$ -	-	\$ (15,185)	(13)	
		(Note C)	Purchase	524,699	42	Based on contract	-	-	-	-	(104,929)	(87)	
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note B)	Sale	(390,222)	(95)	Based on contract	-	-	-	-	109,186	99	
Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	(Note B)	Purchase	107,155	8	Based on contract	-	-	-	-	(31,184)	(49)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Cost of sales and marketing expenses	8,074,786	16	Based on contract	-	-	-	-	(972,158)	(7)	Note F
		(Note C)	Operating revenue	(331,812)	(1)	Based on contract	-	-	-	-	95,873	2	
		(Note C)	Operating revenue	(234,169)	-	Based on contract	-	-	-	-	2,584	-	
		(Note C)	Cost of sales	2,313,664	5	Based on contract	-	-	-	-	(549,143)	(4)	
		(Note C)	Operating revenue	(192,138)	-	Based on contract	-	-	-	-	41,081	1	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(2,313,664)	(22)	Based on contract	-	-	-	-	549,143	37	Note G
		(Note C)	Cost of sales	234,169	3	Based on contract	-	-	-	-	(2,584)	-	
		(Note C)	Cost of sales and rent expenses	105,384	1	Based on contract	-	-	-	-	(19,595)	(1)	
		(Note C)	Cost of sales	112,647	2	Based on contract	-	-	-	-	(9,384)	(1)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenue	(8,074,786)	(67)	Based on contract	-	-	-	-	972,158	66	
		(Note C)	Cost of sales	331,812	3	Based on contract	-	-	-	-	(95,873)	(7)	
		(Note C)	Operating revenue	(1,050,123)	(9)	Based on contract	-	-	-	-	262,817	18	
KGEx.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(105,384)	(19)	Based on contract	-	-	-	-	19,595	43	
Sino Lead Enterprise Limited	New Century InfoComm Tech Co., Ltd.	(Note C)	Operating revenue	(112,647)	(100)	Based on contract	-	-	-	-	9,384	56	
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	(Note C)	Cost of sales	154,094	4	Based on contract	-	-	-	-	(2,133)	(1)	
		(Note C)	Sale	(198,153)	(5)	Based on contract	-	-	-	-	542	-	
Yuanshi Digital Technology Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales	192,138	12	Based on contract	-	-	-	-	(41,081)	(22)	
Linkwell Tech. Co., Ltd.	DataExpress Infotech Co., Ltd.	(Note C)	Sale	(154,094)	(27)	Based on contract	-	-	-	-	2,133	24	
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note C)	Operating revenue	1,050,123	69	Based on contract	-	-	-	-	(262,817)	(97)	
		(Note C)	Operating revenue	198,153	13	Based on contract	-	-	-	-	(542)	-	

Notes: A.   Subsidiary.

B.   Parent company.

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

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

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

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

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

(Concluded)

**TABLE 9****FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE YEAR ENDED DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note B)	\$ 493,598	4.00	\$ -	\$ -	\$ 167,438	\$ -
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	301,418	5.77	-	-	301,418	-
Oriental Green Materials Limited	Far Eastern New Century Corporation	(Note C)	109,186	7.15	-	-	109,186	-
Oriental Petrochemical (Taiwan) Corporation	Far Eastern New Century Corporation	(Note C)	1,065,381	12.49	-	-	1,065,381	-
	Far Eastern Polytex (Vietnam) Ltd.	(Note D)	931,877	5.26	-	-	931,877	-
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	292,082	4.75	-	-	292,082	-
Far Eastern Polytex (Vietnam) Ltd.	Worldwide Polychem (HK) Ltd.	(Note D)	797,536	3.06	-	-	350,360	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	104,929	8.37	-	-	96,619	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note D)	536,890	6.54	-	-	518,319	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	472,123	5.63	-	-	465,605	-
Far Eastern New Apparel (Vietnam) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	274,990	8.04	-	-	262,415	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note D)	431,067	7.85	-	-	145,086	-
	Far Eastern Apparel (Suzhou) Co., Ltd.	(Note D)	127,558	4.17	-	-	99,674	-
Far Eastern Industries (Shanghai) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	207,142	3.26	-	-	207,142	-
	Wuhan Far Eastern New Material Ltd.	(Note D)	207,028	2.48	-	-	30,135	-
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	135,134	5.36	-	-	42,617	-
Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	433,306	12.82	-	-	127,813	-
Far Eastern Construction Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note E)	114,385	(Note G)	-	-	11,623	-
Ding Ding Integrated Marketing Service Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note F)	105,850	(Note H)	-	-	1,615	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	122,568	13.44	-	-	69,413	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	4,514,694	(Note I)	-	-	269,714	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	972,158	10.00	-	-	448,358	-
	Home Master Technology Ltd.	(Note D)	263,033	3.78	-	-	97,711	-

(Continued)

- Notes:
- A. This table does not include the receivables from financier. For more details, refer to Table 4. This table also does not include the other receivables from non-operating projects. For more details, refer to Table 3.
  - B. Subsidiary.
  - C. Parent company.
  - D. Same ultimate parent company.
  - E. The consolidated company's investee which was accounted for using the equity method.
  - F. The subsidiary of the consolidated company's investee which was accounted for using the equity method.
  - G. The turnover rate was unavailable due to the main component of receivables from related parties was rental equalization.
  - H. The turnover rate was unavailable due to the receivables were points collections and payments on behalf of others.
  - I. The turnover rate was unavailable due to the receivables from related parties were mainly from the advance payments made for NCIC's daily operating expenditures, and the operating management service revenue from NCIC, the collection of telecommunications bills by Far EasTone for NCIC and other receivables from related parties which was the financing provided by NCIC to Far EasTone.

(Concluded)

TABLE 10

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	22.33	\$ 19,447,206	\$ 17,442,010	\$ 3,492,593	Investment gain or loss recognized under the treasury shares method (Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17.06	5,009,751	1,781,843	303,982	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9.17	1,217,537	46,331	4,249	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	1,689	1,689	140	0.03	1,490	(271,959)	(82)	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	159,823	159,823	140,278	19.65	2,002,315	250,003	49,126	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	810,000	810,000	135,000	16.83	1,893,365	364,972	61,425	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	805,598	805,598	87,767	2.62	1,109,853	3,632,595	113,501	(Notes A and K)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,052	100,052	1,822,822	99.40	41,097,475	4,785,552	4,758,553	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$1,714 (Notes B and H)
	Far Eastern Resources Development Co., Ltd.	Taiwan	Real estate construction and sales	14,931,733	14,931,733	775,836	100.00	104,696,964	1,718,865	1,747,505	Including the adjustments of the transactions between subsidiaries \$28,640 (Note B)
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	10,382,911	8,384,209	168	100.00	9,565,589	6,574	6,574	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	7,318,312	7,318,312	830,815	73.04	7,526,541	228,582	166,956	(Note B)
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	739,953	100.00	8,556,025	534,611	544,517	Including the adjustments of the transactions between subsidiaries \$9,906 (Note B)
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	361,486	100.00	5,567,871	382,524	382,524	(Note B)
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment and sale of petrochemicals	23,386,997	18,452,018	4,894	100.00	26,235,260	(91,130)	(91,130)	(Note B)
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	6,626,110	6,626,110	397	91.95	5,660,306	(311,741)	(276,919)	Including discounted amortization \$9,727 (Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	16,209,038	14,697,875	1,712,218	75.56	9,810,611	(1,095,115)	(878,544)	Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(51,075) (Notes B and H)
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and sales	143,450	143,450	223,481	65.11	8,917,885	729,602	475,044	(Note B)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	857,511	857,511	186,929	37.13	3,299,897	251,052	103,117	(Notes B and I)
	An Ho Garment Co., Ltd.	Taiwan	Garment production and Investment	1,023	1,023	75,704	100.00	2,132,201	212,282	212,384	Including the adjustments of the transactions between subsidiaries \$102 (Note B)
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	253,977	100.00	3,129,935	212,475	212,554	Including the adjustments of the transactions between subsidiaries \$79 (Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50.43	907,883	21,958	11,073	(Note B)
	Fu Kwok Knitting & Garment Co., Ltd.	Taiwan	Garment production	9,205	9,205	4,000	100.00	233,520	37,950	37,950	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	401,042	393,651	769	0.74	13,085	(337,149)	(2,495)	(Note B)
	Far Eastern Textile Ltd.	Taiwan	Textile production	1,000	1,000	100	100.00	1,657	67	67	(Note B)
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	1,116,755	600,883	32,458	0.97	1,270,042	17,442,010	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,085,488	1,085,488	70,818	8.00	1,237,767	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	812,136	464,170	37,652	2.66	866,925	1,781,843	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	470,103	470,103	128,618	25.23	1,092,777	(271,959)	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,770,949	8,734,984	-	(Note B)
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment and sale of chemical fiber production	1,392,692	1,392,692	306,644	26.96	2,778,143	228,582	-	(Note B)
	Far Eastern Apparel (Holding) Ltd.	Bermuda	Investment and sale of textile	2,179,442	2,179,442	111	100.00	3,854,082	456,583	-	(Note B)
	Da Ju Fiber Co., Ltd.	Taiwan	Sale of polychemical products	263,790	263,790	59,558	41.86	2,259,130	341,901	-	(Note A)
	Far Eastern Apparel Co., Ltd.	Taiwan	Sale of textiles, garments, and clothing	387,984	387,984	24,772	100.00	115,516	(61,921)	-	(Note B)
	Yuan Faun Co., Ltd.	Taiwan	Production management consulting	51,671	51,671	5,000	100.00	144,124	7,225	-	(Note B)
	Yue Ming Corporation	Taiwan	Trading	97,852	97,852	4,745	45.50	74,515	1,596	-	(Note A)
	Yuan Ding Leasing Corporation	Taiwan	Real estate construction and sales	319,380	319,380	36,706	46.20	394,072	12,144	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Investment (Holding) Ltd.	Far Eastern Fibertech Co., Ltd.	Taiwan	Nylon production	\$ 585,000	\$ 585,000	91,000	100.00	\$ 1,144,096	\$ 78,808	\$ -	(Note B)
	Oriental Resources Development Co., Ltd.	Taiwan	Medical materials manufacturing	13,475	660,558	1,000	100.00	35,491	71,280	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	504,806	504,806	86,615	35.00	2,135,042	1,947,107	-	(Note A)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	27,371	29.80	503,160	420,886	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	255,424	255,424	185,247	25.96	2,750,820	250,003	-	(Note A)
	Yuan Ding Co., Ltd.	Taiwan	Real estate leasing and hotel	188,846	188,846	64,759	12.86	1,159,431	251,052	-	(Note B)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,012,057	1,012,057	75,268	16.87	934,264	92,784	-	(Note A)
	Oriental Textile (Holding) Ltd.	Bermuda	Investment and sale of textile	7,142,602	7,142,602	110	100.00	7,747,308	70,010	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	796,491	796,491	119,653	14.92	1,591,881	364,972	-	(Notes A and E)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	673,704	673,704	98,198	18.96	1,026,410	811,808	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	14,682	14,682	1,490	1.00	23,307	170,428	-	(Note B)
	Oriental Petrochemical (Taiwan) Corporation	Taiwan	Petrochemical materials production	779,399	675,479	117,746	5.20	693,804	(1,095,115)	-	(Note B)
	Oriental Green Materials Limited	Taiwan	waste recycling and processing	647,083	-	53,304	100.00	551,475	22,047	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	1,095,981	1,095,981	119,403	3.56	1,509,525	3,632,595	-	(Notes A and K)
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	-	-	-	(Note A)
	FETG Investment Antilles N.V.	Nederlandse Antillen	Investment	US\$ 6	US\$ 6	6	100.00	33,457	(1,788)	-	(Note B)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	254,150	3,585	-	(Note B)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	-	-	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	(Note D)	100.00	1,037,301	27,977	-	(Note B)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Foreign trade	US\$ 3,500	US\$ 3,500	2,700	100.00	67,861	10,264	-	(Note B)
APG Polytech USA Holdings, Inc.	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	(Note D)	34.00	1,656	113	-	(Note A)
	Far Eastern Polytex (Vietnam) Ltd.	Vietnam	Chemical fiber and Textile production	US\$ 240,000	US\$ 240,000	(Note D)	100.00	7,047,299	433,433	-	(Note B)
	Far Eastern New Apparel (Vietnam) Ltd.	Vietnam	Garment production	US\$ 18,000	US\$ 18,000	(Note D)	100.00	377,880	103,099	-	(Note B)
	Magna View Sdn. Bhd.	Malaysia	Investment	US\$ 3,465	US\$ 3,465	3,000	100.00	252,269	1,696	-	(Note B)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	US\$ 15,849	US\$ 15,849	30	37.92	477,546	(10,205)	-	(Note B)
	Drive Catalyst SPC	Cayman Islands	Investment	US\$ 17	US\$ 17	(Note D)	34.00	520	20	-	(Note A)
	APG Polytech USA Holdings, Inc.	America	Investment	US\$ 506,467	US\$ 496,467	5,064	100.00	15,056,692	(245,875)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	US\$ 4,000	US\$ 4,000	4	25.00	120,851	3,831	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	US\$ 4,000	US\$ -	4	25.00	119,174	(3,076)	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(12,349)	-	-	(Note A)
	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(11,459)	-	-	(Note A)
	Corpus Christi Polymers LLC	America	Petrochemical materials production and Polychemical products production	US\$ 422,800	US\$ 415,800	(Note D)	33.33	12,578,898	(298,978)	-	(Note L)
	APG Polytech, LLC	America	Polychemical products production	US\$ 90,000	US\$ 90,000	(Note D)	100.00	2,793,144	11,753	-	(Note B)
	Phoenix Technologies International, LLC	America	Production and sale of recycled plastic resins and their waste and general industrial waste handling	US\$ 10,000	US\$ -	(Note D)	90.00	193,187	(121,845)	-	(Note B)
Magna View Sdn. Bhd.	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note C)	50.00	254,150	3,585	-	(Note B)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	337,260	375,512	12,241	0.36	460,846	17,442,010	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	110,306	110,306	5,903	0.42	129,861	1,781,843	-	(Note A)
	Everest Textile Corporation	Taiwan	Chemical fiber production	34,561	34,561	1,183	0.23	8,927	(271,959)	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	677,665	677,665	27,365	3.09	646,445	46,331	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0.03	41,579	8,734,984	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	234,070	364,972	-	(Notes A and E)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	14,964	13.20	422,114	200,141	-	(Note A)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	814,399	814,399	88,726	2.64	1,121,229	3,632,595	-	(Notes A and K)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	732,627	483,448	25,312	0.75	1,006,191	17,442,010	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1.05	1,123,815	8,734,984	-	(Note B)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	742,686	742,686	32,473	3.67	647,211	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1.46	591,302	1,781,843	-	(Note A)
	Kowloon Cement Corporation	Hong Kong	Cement production	226,896	226,896	1,127	49.00	449,658	40,880	-	(Note A)
	Far Eastern International Leasing Corporation	Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	935,272	92,784	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	234,271	364,972	-	(Notes A and E)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	988,714	988,714	107,717	3.21	1,361,647	3,632,595	-	(Notes A and K)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	8.05	496,752	(311,741)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	892,401	21,958	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	Production and sale of recycled plastic resins and their waste and general industrial waste handling	JPY 2,991,678	JPY 2,991,678	3,578	90.00	974,689	206,548	-	(Note B)
Far Eastern Construction Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,726	0.53	610,400	17,442,010	-	(Note A)
	Far Eastern General Contractor Inc.	Taiwan	Real estate construction	271,587	271,587	147,413	98.95	2,117,903	170,428	-	(Note B)

(Continued)



Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	\$ 16,246	\$ 16,246	469	0.01	\$ 16,286	\$ 17,442,010	\$ -	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	6,353	6,353	90	-	6,086	8,734,984	-	(Note B)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	11	0.01	156	200,141	-	(Note A)
Far Eastern General Contractor Inc.	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	8,641	33,019	-	(Note B)
Malaysia Garment Manufactures Pte. Ltd.	Filsyn Corporation	Philippines	Polychemical products	PESO 102,565	PESO 102,565	20,513	9.95	-	-	-	(Note A)
	Arpeggio International Resources Corporation	Philippines	Industry investment	PESO 15,200	PESO 15,200	(Note D)	40.00	-	-	-	(Note A)
	PT Malaysia Garment Bintan	Indonesia	Garment production	SGD -	SGD -	(Note D)	99.00	(41)	-	-	(Note B)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1.25	1,049,527	8,734,984	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0.18	256,356	17,442,010	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	287,121	287,121	11,204	1.26	252,665	46,331	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0.03	11,760	1,781,843	-	(Note A)
	Oriental Securities Corporation	Taiwan	Brokering	119,933	118,125	8,373	1.17	115,052	250,003	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	17,763	15.66	402,670	200,141	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	67,285	67,285	9,681	1.21	131,204	364,972	-	(Notes A and E)
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0.30	167,689	4,785,552	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	202,798	202,798	22,094	0.66	279,370	3,632,595	-	(Notes A and K)
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corporation	Taiwan	Personnel recruitment	7,214	7,214	745	55.19	13,322	4,002	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	42,973	42,973	4,682	0.14	59,224	3,632,595	-	(Notes A and K)
Fu Kwok Knitting & Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0.02	19,425	8,734,984	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3.08	2,748,373	8,734,984	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,391,618	1,159,521	49,176	3.47	1,521,756	1,781,843	-	(Note A)
	Oriental Union Chemical Corporation	Taiwan	Petrochemical materials production	1,755,017	1,755,017	49,705	5.61	1,645,593	46,331	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	1,067,775	888,648	32,465	0.97	1,344,800	17,442,010	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd.	Taiwan	Investment	90,000	90,000	18,000	2.24	233,072	364,972	-	(Notes A and E)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	787,104	787,104	35,934	11.98	445,688	401,521	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and sales	20	20	1	-	31	1,947,107	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,255,510	2,255,510	36	90.88	(704,968)	(107,328)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	2	-	48	420,886	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production and Investment	SGD 7,354	SGD 7,354	10	13.00	163,716	(10,205)	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	986,735	986,735	107,501	3.20	1,358,612	3,632,595	-	(Notes A and K)
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sales	100,000	100,000	13,992	100.00	262,106	16,033	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	558,000	558,000	21,787	60.00	190,138	(46,641)	-	(Note B)
	Far Eastern Technical Consultants Co., Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	86,163	33,019	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	(Note D)	17.70	9,223	3,060	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	566,896	566,896	4,995	4.79	(32,281)	(205,230)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taiwan	Business management consultants, piping engineering, cable installation, automatic equipment installation and investment business	342,701	342,701	37,000	100.00	53,681	(3,403)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0.16	213,443	17,442,010	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0.13	110,623	8,734,984	-	(Note B)
	Yu Yuan Investment Co., Ltd.	Taiwan	Investment	411,187	411,187	129,637	25.02	2,142,074	811,808	-	(Note A)
	Yue Ming Corporation	Taiwan	Trading	787	787	104	1.00	832	1,596	-	(Note A)
	Yu Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,939	2.59	66,224	200,141	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,650	5.00	132,517	152,284	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	977,650	977,650	44,796	14.93	550,140	401,521	-	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	76,665	76,665	8,352	0.25	105,677	3,632,595	-	(Notes A and K)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	400,000	400,000	15,535	20.00	109,761	(227,886)	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	2,630,238	1,645,021	102,509	98.52	798,851	(337,149)	-	(Note B)
Ding Ding Integrated Marketing Service Co., Ltd.	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	1,828	1,828	17	0.02	(135)	(205,230)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	300,200	300,200	11,659	15.01	82,372	(227,886)	-	(Note B)
	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 11,000	US\$ 11,000	(Note D)	46.13	25,906	(6,368)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	(Note D)	53.87	30,253	(6,368)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Corporation	Taiwan	Chemical fiber production	2,451	2,451	130	0.03	1,128	(271,959)	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0.20	98,066	1,781,843	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,413	17,442,010	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				December 31, 2019	December 31, 2018	Shares (Thousands)	% of Ownership	Carrying Amount			
Far Eastern Electronic Toll Collection Co., Ltd.	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	(Note D)	82.30	\$ 42,882	\$ 3,060	\$ -	(Note B)
	Far Eastern International Bank	Taiwan	Deposit, loan and guarantee services	26,960	26,960	2,937	0.09	37,343	3,632,595	-	(Notes A and K)
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	117,635	(30,243)	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	22,249,283	22,249,283	2,100,000	100.00	26,385,159	1,432,896	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Telecommunications services, sales of communications products and office equipment	1,305,802	1,305,802	82,762	61.63	731,924	178,773	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,340,472	2,340,472	68,897	99.99	877,725	150,084	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	886,169	886,169	90,014	86.41	(582,357)	(205,230)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	-	-	2,000	100.00	30,546	6,843	-	(Notes B and J)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	4,829	(7)	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	-	25,000	-	-	-	1,431	-	(Note B)
	Yuan Bao Fintech Co., Ltd.	Taiwan	Type II telecommunications services	60,000	-	6,000	100.00	59,680	(320)	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection services	2,542,396	2,542,396	118,251	39.42	1,051,441	401,521	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Electronic stored value cards	600,000	600,000	23,302	30.00	164,513	(227,886)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	139,500	139,500	5,447	15.00	47,200	(46,641)	-	(Note B)
ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taiwan	Electronic information providing services	141,750	141,750	12,866	70.00	233,027	100,008	-	(Note B)
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Investment	540,000	540,000	54,000	100.00	86,448	415	-	(Note B)
	Information Security Service Digital United Inc.	Taiwan	Security and monitoring service via internet	148,777	148,777	10,249	100.00	133,305	24,205	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	317,446	317,446	10,320	100.00	191,698	(1,075)	-	(Note B)
	Yuanshi Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	20,000	20,000	2,500	2.40	(16,171)	(205,230)	-	(Note B)
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	46,500	46,500	1,816	5.00	15,733	(46,641)	-	(Note B)
	Drive Catalyst SPC-SP Tranche One	Cayman Islands	Investment	123,220	123,220	4	25.00	121,700	3,831	-	(Note A)
	Drive Catalyst SPC-SP Tranche Three	Cayman Islands	Investment	123,220	-	4	25.00	119,174	(3,076)	-	(Note A)
	Prime EcoPower Co., Ltd.	Taiwan	Energy technology services	160,000	160,000	16,000	100.00	140,448	(14,868)	-	(Note B)
	Nextlink Technology Co., Ltd.	Taiwan	Electronic information providing services	420,000	-	3,430	70.00	409,810	2,999	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	30	100.00	295	(53)	-	(Note B)
	Far East New Diligent Company Ltd.	British Virgin Islands	Investment	330,598	330,598	-	100.00	24,180	306	-	(Note B)
	New Diligent Hong Kong Co., Ltd.	Hong Kong	Investment	3,051	3,051	-	100.00	2,709	(226)	-	(Note B)
DataExpress Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	65,428	15,471	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Electronic information providing services	10,000	10,000	-	100.00	45,477	29,152	-	(Note B)
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd	Taiwan	Electronic information providing services	17,000	17,000	2,600	100.00	16,462	9,093	-	(Note B)
	Nextlink (HK) Technology Co., Ltd	Hong Kong	Electronic information providing services	973	973	-	100.00	5,523	(2,646)	-	(Note B)
Microfusion Technology Co., Ltd	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information providing services	-	-	-	-	-	-	-	(Notes B and M)

- Notes: A. Equity-method investee.
- B. Subsidiary.
- C. Including 5,000 thousand common stock and 3,000 thousand preferred shares.
- D. Company limited.
- E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tong Investment Co., Ltd.
- F. Shares in thousands.
- G. For investments in mainland China, refer to Table 11.
- H. Under the “IFRSs Questions and Answers” issued by Taiwan Stock Exchange Corporation (TWSE), the Company recognized these items as investment properties in its parent-company-only financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the parent-company-only financial statements and the consolidated financial statements.
- I. The effects from the adjustments of FENC shares which are held by Yuan Ding Co., Ltd. and the transactions between subsidiaries amounted to \$9,901 thousand.
- J. The ending balance of the investment is zero in 2016 because the amount of reduction in capital was over the original investing value.
- K. The adjustment of the difference between the acquisition cost and net value was included in the investment gain or loss in current period.
- L. Joint operation entity.
- M. The dissolution of Microfusion (HK) Technology Co., Ltd. had been approved by the local government on November 8, 2019.

(Concluded)

TABLE 11

## FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 8,095,119	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 181,309	100.00	\$ 181,309	\$ 8,376,846	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	880,705	2	1,010,901	-	-	1,010,901	53,813	100.00	53,813	1,558,626	233,172	Notes F and G
Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Production and marketing of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	1,022,948	3	-	-	-	-	17,730	100.00	17,730	1,040,015	-	
Far Eastern Industries (Wuxi) Ltd.	Production and marketing of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, grieve woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,072,731	2	2,018,430	-	-	2,018,430	30,474	100.00	30,474	2,843,983	313,458	Notes H and I
Oriental Petrochemical (Shanghai) Corporation	Manufacture and distribution of PTA and its by-products	7,721,403	2	3,791,007	-	-	3,791,007	140,622	61.35	86,272	3,452,657	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and sales of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps	1,589,721	2	1,342,854	-	-	1,342,854	335,785	100.00	335,785	2,992,523	159,799	Notes H and R
Far Eastern Industries (Suzhou) Ltd.	Production and marketing of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	1,697,761	2	1,765,319	-	-	1,765,319	23,033	100.00	23,033	1,581,277	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and sales of PET sheets, chips, and filaments PET performs and garments and its by-products	736,360	2	724,110	-	-	724,110	11,919	100.00	11,919	914,623	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note T)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019 (Note B)	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outflow	Inflow							
Oriental Industries (Suzhou) Ltd.	Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	\$ 4,713,315	2	\$ 4,957,248	\$ -	\$ -	\$ 4,957,248	\$ 149,504	100.00	\$ 149,504	\$ 5,854,030	\$ -	Note H
Far Eastern New Century (China) Investment Co., Ltd.	Investment	4,606,572	2	2,795,325	1,998,702	-	4,794,027	(27,389)	100.00	(27,389)	3,905,202	-	
Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	1,640,886	2	1,763,952	-	-	1,763,952	(106,315)	100.00	(106,315)	(631,450)	-	Note L
Martens Beers (Shanghai) Ltd.	Beer brewing	321,396	2	231,475	-	-	231,475	(53)	100.00	(53)	14,678	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	6,256,677	2	4,181,323	-	-	4,181,323	518	60.00	311	3,777,877	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,329,825	2	1,436,190	-	-	1,436,190	10,090	100.00	10,090	1,353,283	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	3,513,356	2	1,962,908	-	-	1,962,908	716,750	50.00	358,375	2,503,466	-	
Shanghai Yuan Zi Information Technology Co., Ltd.	Software development, equipment maintenance and consulting	54,717	3	-	-	-	-	384	100.00	384	56,448	-	
Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	81,795	3	-	-	-	-	5,629	100.00	5,629	81,855	-	
Suzhou An Ho Apparel Ltd.	Garment production	4,305	3	-	-	-	-	899	100.00	899	53,852	-	
Yuan Ding Enterprise (Shanghai) Limited	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	7,591,545	3	-	-	-	-	(99,577)	51.17	(50,950)	3,597,825	-	
Tong Da Air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	1,771,396	2	1,020,489	-	-	1,020,489	125,619	50.00	62,809	1,169,019	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	648,541	2	598,270	-	-	598,270	(6,315)	100.00	(6,315)	56,150	-	Note M
Speedy (Shanghai) digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	28,152	2	24,220	-	-	24,220	3,221	100.00	3,221	50,508	-	Note N
Digital United Information Technology (Shanghai) Ltd.	Research and design of computer systems	92,938	2	92,938	-	-	92,938	(2,182)	100.00	(2,182)	(378)	-	Note P
Nextlink (Shanghai) Technology Co., Ltd.	Computer software, data processing and provision of network information services	2,159	2	2,159	-	-	2,159	(637)	70.00	(935)	1,426	-	Note Q
Far Eastern Tech-Info Ltd. (Shanghai)	Digital information supply services	179,880	2	197,546	-	-	197,546	(25)	100.00	(25)	11,148	-	Note O

(Continued)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Corporation (Note S and T)	\$ 22,653,879	\$ 25,174,697	\$ -

Notes: A. Investment types are classified as follows:

- 1 The investment was made directly in China.
- 2 The investment was made through a company registered in a third region. Companies which registered in a third region are: Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Far Eastern Apparel (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far East New Diligent Company Ltd.
- 3 Other types.

B. Recognition of gains or losses was based on the following two information:

1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Far Eastern Apparel (Suzhou) Co., Ltd., Far Eastern Industries (Wuxi) Ltd., Oriental Petrochemical (Shanghai) Corporation, Far Eastern Dying and Finishing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Oriental Industries (Suzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Tong Da Air Industry (Yangzhou) Co., Ltd.
2. Others: Far Eastern New Century (China) Investment Co., Ltd., Sino Belgium Beer (Suzhou) Ltd., Martens Beers (Shanghai) Ltd., Far Eastern Industries (Yangzhou) Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Shanghai Yuan Zi Information Technology Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Corporation, Suzhou An Ho Apparel Ltd., Yuan Ding Enterprise (Shanghai) Limited, Yuan Ding Integrated Information Service (Shanghai) Inc., Digital United Information Technology (Shanghai) Ltd., Far Eastern Tech-Info Ltd. (Shanghai) and Speedy (Shanghai) digital Tech. Co., Ltd.

C. The ending balance of long term investment.

D. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2019, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2019, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2019, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC’s subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2019, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC’s subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2019, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

L. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC’s subsidiary, Yuan Tong Investment Co., Ltd.

M. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by FENC’s subsidiaries, YDT Technology International Co., Ltd., FET Consulting Engineers Co., Ltd. and Ding Ding Integrated Marketing Service Co., Ltd.

N. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC’s subsidiary, YDT Technology International Co., Ltd.

O. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC’s subsidiary, Far EasTone Telecommunications Co., Ltd.

P. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC’s subsidiary, New Century InfoComm Tech Co., Ltd.

Q. As of December 31, 2019, the accumulated outflow of investment from Taiwan was remitted by a FENC’s subsidiary, Nextlink Technology Co., Ltd.

R. As of December 31, 2019, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.

S. Investment amounts authorized by the Investment Commission of the MOEA include US\$838,755 thousand, and the original investment RMB6,695 thousand from Far Eastern Polytex (Holding) Ltd. which approved by Investment Commission under the Ministry of Economic Affairs were calculated based on the ending exchange rates of US\$1:29.98 and RMB1:4.305.

T. Based on MOEA Approval Letter No. 10620430940, there is no limitation on the amount of the parent company’s investment in China.

U. The paid-in capital was calculated based on the ending exchange rate of RMB1:NT\$4.305.

(Concluded)

TABLE 11-1

# FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of U.S. Dollars)

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

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	\$ 4,524	\$ 4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
Wuhan Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium Beer (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd.	3,800	3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V Martens HK Ltd.	4,304				
				Sino Belgium (Holding) 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			4,304
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10300210860 (Note M)	PET Far Eastern (Holding) Ltd.	66,000	66,000			
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	1,000	1,000			
	Far Eastern New Century Corporation	2019.01.18	No. 10800015840 (Note S)	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	82,340	82,340			
	Far Eastern New Century Corporation	2019.11.26	No. 10800217150	Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd.	32,000	32,000			
Tong Da Air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.09.05	No. 10300203670 (Note P)	PET Far Eastern (Holding) Ltd.	33,500	33,500			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd. FET Consulting Engineers Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	\$ 110	\$ 110			
		2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
		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			
		2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd. New Diligent Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			
		2014.01.29	No. 10300022990	Far East New Diligent Company Ltd.	3,500	3,500			
Far Eastern Tech-Info Ltd. (Shanghai)	New Century InfoComm Tech Co., Ltd. New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				\$ 3,100
		2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
Digital United Information Technology (Shanghai) Ltd.	Nextlink Technology Co., Ltd.	2019.03.28	No. 10830010930	Nextlink (HK) Technology Co., Ltd.	72	72			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note Q)	1,127	1,127			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far East New Diligent Company Ltd. (Note R)	10,300	10,300			

- Notes: A. Far Eastern New Century (China) Investment Co., Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Corporation, and the other US\$2,000 thousand was held by Far Eastern New Century (China) Investment Co., Ltd.
- B. Document No. 092035971 had been canceled and replaced with document No. 09800408170.
- C. Document No. 092035970 had been canceled and replaced with document No. 09800408160.
- D. The approved amount of US\$12,000 thousand on September 18, 2009 as stated in document No. 09800283970, had been changed to US\$11,500 thousand and updated to document No. 09900142680 on April 19, 2010 while completed the-review process.
- E. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.
- F. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Oriental Petrochemical (Shanghai) Corporation increased.
- G. The shares offered for the privatization of FEPI had antidilutive effects; thus, FEPI's ownership and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.
- H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly through Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd., under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).
- I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.
- K. After modifying MOEA approval from No. 10300140570 to No. 10300223190, FENC's subsidiary, Yuan Ding Investment Co., Ltd. amended to invest US\$43,000 thousand indirectly or equivalent RMB through its subsidiary, Oriental Textile (Holding) Ltd. in Far Eastern Industries (Suzhou) Ltd.
- L. After modifying MOEA approval from No. 10000446910 to No. 10300091010, FENC's subsidiary, Yuan Tong Investment Co., Ltd. amended to invest US\$16,000 and US\$17,500 indirectly through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.
- M. After modifying MOEA approval from No. 10100115020 to No. 10300210860, FENC amended to invest US\$66,000 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary, Yuan Tong Investment Co., Ltd., indirectly invest US\$1,100 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Martens Beers (Shanghai) Ltd.
- O. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. indirectly invest US\$10,000 thousand and US\$1,000 thousand through its subsidiary, Sino Belgium (Holding) Corporation, in Sino Belgium Beer (Suzhou) Ltd. and Martens Beers (Shanghai) Ltd.

(Continued)



- P. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd.
- Q. The dissolution of this investment had been approved by the local government on April 13, 2010. On June 27, 2012, the remittance of the remaining shares of US\$73 thousand was made. MOEA approved the cancellation of the amount, the balance has not been cancelled to the MOEA.
- R. The dissolution of this investment had been approved by the local government, but the balance has not been cancelled to the MOEA.
- S. After modifying MOEA approval from No. 10600282650 to No. 10800015840, FENC invested US\$82,340 thousand through its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly in Far Eastern New Century (China) Investment Co., Ltd., then capitalized to Yuan Ding Enterprise (Shanghai) Limited. On August 2, 2019, the remitted amount had been changed to US\$74,335 thousand and updated to document No. 10800190930.

(Concluded)

# **FAR EASTERN NEW CENTURY CORPORATION**

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**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Item</b>	<b>Maturity</b>	<b>Annual Rate (%)</b>	<b>Amount</b>
Cash			
Cash on hand			\$ <u>2,000</u>
Petty cash			<u>3,531</u>
Cash in banks			
Checking accounts			19,729,266
Demand deposits (Note A)			<u>858,128</u>
			<u>20,587,394</u>
			<u>\$ 20,592,925</u>

Note A: Including US\$12,793 thousand, JPY1,232,819 thousand, RMB24,097 thousand and EUR682 thousand.

Note B: Based on the exchange rate of US\$1:NT\$29.98, JPY1:NT\$0.276, RMB1:NT\$4.305 and EUR1:NT\$33.59, respectively.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Amount</b>
Worldwide Polychem (HK) Ltd.	\$ 493,598
Far Eastern Industries (Shanghai) Ltd.	301,418
Others (Note)	<u>4,807,103</u>
	5,602,119
Less: Allowance for doubtful accounts	<u>278,535</u>
Notes and accounts receivable, net	<u>\$ 5,323,584</u>

Note: The amount from each client which included in others does not exceed 5% of the account balance.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF INVENTORIES****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Market Value (Note)</b>
Finished goods	\$ 1,544,850	\$ 1,383,153
Work in progress	2,021,363	2,104,061
Raw materials	1,689,999	1,609,596
Supplies	266,087	245,637
Materials in transit	<u>53,191</u>	<u>53,191</u>
	5,575,490	<u>\$ 5,395,638</u>
Less: Allowance for valuation loss	<u>405,042</u>	
Inventories, net	<u>\$ 5,170,448</u>	

Note: Market value is net realizable value.

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS AND FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Par Value	Balance, January 1, 2019		Annual Changes				Increase (Decrease) in Using the Equity Method Amount (Note A)	Balance, December 31, 2019			Market Value or Net Assets Value		Pledged Shares (In Thousands) (Note B)	Notes					
		Shares (In Thousands)	Amount	Additions		Decrease			Shares (In Thousands)	%	Amount	Unit Price (NT\$)	Total Amount							
				Shares (In Thousands)	Amount	Shares (In Thousands)	Amount													
<u>Shares</u>																				
Investments accounted for using the equity method																				
Publicly traded companies																				
Asia Cement Corporation	\$	10	750,511	\$	17,937,848	-	\$	-	\$	1,509,358	750,511	22.33	\$	19,447,206	\$	47.95	\$	35,987,018	19,900	(Notes C and D)
Far Eastern Department Stores Co., Ltd.		10	241,770		4,793,720	-		-		216,031	241,770	17.06		5,009,751		26.05		6,298,101	-	(Notes C and D)
Oriental Union Chemical Corporation		10	81,216		1,350,914	-		-		(133,377)	81,216	9.17		1,217,537		21.00		1,705,536	-	(Notes C and D)
Everest Textile Corporation		10	137		1,585	3		-		(95)	140	0.03		1,490		9.14		1,278	-	(Notes C, D and F)
Far Eastern International Bank		10	85,501		<u>1,024,918</u>	2,266		-		<u>84,935</u>	87,767	2.62		<u>1,109,853</u>		11.95		<u>1,048,814</u>	-	(Notes C, D and F)
					<u>25,108,985</u>			-		<u>1,676,852</u>				<u>26,785,837</u>				<u>45,040,747</u>		
Private companies																				
Yuan Ding Investment Co., Ltd.		10	1,822,822		42,750,905	-		-		(1,653,430)	1,822,822	99.40		41,097,475				41,426,410	-	(Note D)
Far Eastern Resources Development Co., Ltd.		10	667,242		102,949,679	108,594		-		1,747,285	775,836	100.00		104,696,964				104,753,995	-	(Notes D and F)
Far Eastern Polytex (Holding) Ltd.	US\$	0.01	135		7,581,955	33		1,998,702		-	168	100.00		9,565,589				9,569,287	-	(Notes D and E)
Far Eastern Polychem Industries Ltd.	HK\$	0.0001	830,815		7,640,463	-		-		(113,922)	830,815	73.04		7,526,541				7,526,541	-	(Note D)
Yuan Tong Investment Co., Ltd.		10	705,147		8,568,915	34,806		-		(12,890)	739,953	100.00		8,556,025				8,881,362	-	(Notes D and F)
Kai Yuan International Investment Co., Ltd.		10	339,966		5,429,289	21,520		-		138,582	361,486	100.00		5,567,871				5,568,011	-	(Notes D and F)
Far Eastern Investment (Holding) Ltd.	US\$	0.01	4,016		22,068,603	878		4,934,979		-	4,894	100.00		26,235,260				26,235,260	-	(Notes D and E)
PET Far Eastern (Holding) Ltd.	US\$	0.01	397		6,157,657	-		-		(497,351)	397	91.95		5,660,306				5,674,086	-	(Note D)
Oriental Petrochemical (Taiwan) Corporation		10	1,561,102		9,183,032	151,116		1,511,163		-	1,712,218	75.56		9,810,611				10,090,251	-	(Notes D and E)
Far Eastern Construction Co., Ltd.		10	198,791		8,471,173	24,690		-		446,712	223,481	65.11		8,917,885				8,975,717	-	(Notes D and F)
Yuan Ding Co., Ltd.		10	186,929		3,194,481	-		-		105,416	186,929	37.13		3,299,897				3,433,133	-	(Note D)
An Ho Garment Co., Ltd.		10	66,346		2,116,908	9,358		-		15,293	75,704	100.00		2,132,201				2,207,709	-	(Notes D and F)
Ding Yuan International Investment Co., Ltd.		10	235,601		3,003,612	18,376		-		126,323	253,977	100.00		3,129,935				3,150,512	-	(Notes D and F)
FEDP (Holding) Ltd.	US\$	0.01	244		921,000	-		-		(13,117)	244	50.43		907,883				907,883	-	(Note D)
Fu Kwok Knitting & Garment Co., Ltd.		10	4,000		224,804	-		-		8,716	4,000	100.00		233,520				232,361	-	(Note D)
Ding Ding Hotel Co., Ltd.		10	769		8,333	739		7,391		739	769	0.74		13,085				6,095	-	(Notes D, E and G)
Far Eastern Textile Ltd.		10	100		1,590	-		-		67	100	100.00		1,657				1,657	-	(Note D)
Oriental Securities Corporation		10	140,278		1,956,963	-		-		45,352	140,278	19.65		2,002,315				1,994,116	-	(Note D)
Pacific Liu Tong Investment Co., Ltd.		10	135,000		<u>1,920,818</u>	-		-		<u>(27,453)</u>	135,000	16.83		<u>1,893,365</u>				<u>1,801,347</u>	-	(Note D)
					<u>234,150,180</u>			<u>8,452,235</u>		<u>-</u>				<u>241,248,385</u>				<u>242,435,733</u>		
					<u>\$ 259,259,165</u>			<u>\$ 8,452,235</u>		<u>\$ -</u>				<u>\$ 268,034,222</u>				<u>\$ 287,476,480</u>		

Note A: Including:

1. Current net profit of investee recognized based on the percentage of shares	\$ 11,434,524
2. Current cash dividends distributed by investee	(10,015,403)
3. Effect of retrospective application and retrospective restatement	(325,518)
4. Changes in capital surplus of investee	360,321
5. Changes in special Reserve of investee	6
6. Changes in undistributed earnings of investee	56,156
7. Changes in exchange differences arising on translation of foreign operations	(2,955,805)
8. Unrealized gain on financial assets at FVTOCI	1,668,053
9. Hedging instrument of investee	(34,180)
10. Changes in actuarial profit and loss on benefit plans of investee	128,341
11. Changes in unrealized revaluation increments of investee	4,924
12. Cash dividends distributed to subsidiaries	<u>1,403</u>
	<u>\$ 322,822</u>

Note B: Shares was provided to financial organization as collaterals for issuing long-term loans.

Note C: The market value is calculated based on the share's closing market price on December 31, 2019 from Taiwan Stock Exchange.

Note D: The amount is calculated by the percentage of holding shares based on the audited financial statement as of December 31, 2019.

Note E: There was an increase in shares or value because of purchasing the investee's shares or participating in cash issuance of new shares from the investee.

Note F: There was an increase in shares because the investee increase the capital from retain earnings.

Note G: There was an decrease in shares because the investee capital reduction to cover losses.

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF SHORT-TERM LOANS****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Type</b>	<b>Contract Period</b>	<b>Interest Rates (%)</b>	<b>Original Currency</b>	<b>In New Taiwan Dollars</b>
Bank loans				
First Commercial Bank	2019.11.04-2020.03.02	2.25-2.49	US\$ 3,303	\$ 99,039
Chinatrust Commercial Bank	2019.12.02-2020.02.19	2.60-2.64	US\$ 263	7,875
The Bank of Tokyo-Mitsubishi UFJ	2019.11.07-2020.02.27	2.37-2.49	US\$ 76,501	<u>2,293,501</u>
				<u>\$ 2,400,415</u>

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
Nan Ya Plastics Corporation	\$ 123,488
China Man-Made Fiber Corporation	105,424
Others (Note)	<u>1,078,662</u>
	<u>\$ 1,307,574</u>

Note: The amount from each vendor in others does not exceed 5% of the account balance.



**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF OTHER PAYABLES****DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>
Director remuneration payable	\$ 1,264,011
Payroll and bonus payable	1,180,647
Interest payable	396,845
Employee remuneration payable	371,474
Others (Note)	<u>911,729</u>
	<u>\$ 4,124,706</u>

Note: The amount from each item does not exceed 5% of the account balance.

# FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Type/Creditor Bank	Repayment (Note)	Interest Rate (%)	Original Currency	Balance			Collateral	
				In New Taiwan Dollars		Total Amount		
				Expired in A Year	Expired after A Year			
Bank loans								
Secured loans								
First Commercial Bank	2019.11.01-2022.05.01, lump sum repayment on maturity, interest payment monthly	1.0000	-	\$	-	\$ 2,640,000	\$ 2,640,000	Building and land in Bangiao Ren-Ai section
Taiwan Cooperative Bank	2019.12.30-2022.06.28, lump sum repayment on maturity, interest payment monthly	1.4000	-		-	300,000	300,000	Buildings and lands in Bangiao Xinya section, Zhongxiao section, Guangxing section/Bade Yongfeng section/Zhongli Yuandong section, Chenggong section/Wugu Denglin section
Far Eastern International bank	2019.12.26-2022.12.02, lump sum repayment on maturity	1.5500	-		-	<u>1,500,000</u>	<u>1,500,000</u>	Building, land and equipment in Hualien, industries. Time deposits.
			-		-	<u>4,440,000</u>	<u>4,440,000</u>	
Credit loans			-		-			
First Commercial Bank	2019.11.01-2021.05.01, lump sum repayment on maturity, interest payment monthly	1.0000	-		-	1,360,000	1,360,000	19,900 thousand of Asia Cement Corporation shares
Bank of Taiwan	2018.08.27-2022.02.27, lump sum repayment on maturity, interest payment monthly	1.0148	-		-	2,000,000	2,000,000	Building and land in Xindu Far Eastern section and Shuichetou section
Bank of Taiwan	2019.11.21-2023.05.21, lump sum repayment on maturity, interest payment monthly	0.9900	-		-	700,000	700,000	
The Bank of Tokyo-Mitsubishi UFJ	2018.03.30-2021.03.30, lump sum repayment on maturity, interest payment half-yearly	0.9300	-		-	1,500,000	1,500,000	
Mizuho Bank	2018.06.29-2021.06.29, lump sum repayment on maturity, interest payment quarterly	0.9800	-		-	2,500,000	2,500,000	
Sumitomo Mitsui Banking Corporation	2019.12.19-2021.04.10, lump sum repayment on maturity	0.6800	-		-	4,280,000	4,280,000	
Sumitomo Mitsui Banking Corporation	2019.12.20-2021.04.10, lump sum repayment on maturity	0.6800	-		-	270,000	270,000	
Bangkok Bank	2019.12.19-2021.03.30, lump sum repayment on maturity	1.3000	-		-	900,000	900,000	
Mizuho Bank	2019.12.20-2021.06.22, lump sum repayment on maturity	0.8500	-		-	1,060,000	1,060,000	
Mizuho Bank	2019.12.30-2021.06.22, lump sum repayment on maturity	0.8500	-		-	1,850,000	1,850,000	
Bank of China	2019.12.20-2021.07.22, lump sum repayment on maturity	1.2500	-		-	1,990,000	1,990,000	
BNP Paribas	2019.12.11-2021.03.06, lump sum repayment on maturity	1.3000	-		-	700,000	700,000	
Standard Chartered Bank	2019.12.30-2021.12.31, lump sum repayment on maturity	1.3000	-		-	1,770,000	1,770,000	
Bank of America	2019.06.19-2021.10.14, lump sum repayment on maturity	0.9600	-		-	600,000	600,000	
Agricultural Bank of Taiwan	2019.12.19-2021.11.27, lump sum repayment on maturity	1.1000	-		-	1,000,000	1,000,000	
Shin Kong Bank	2019.12.20-2021.06.20, lump sum repayment on maturity	1.1000	-		-	200,000	200,000	
Shin Kong Bank	2019.12.23-2021.06.20, lump sum repayment on maturity	1.1000	-		-	300,000	300,000	
Hua Nan Commercial Bank	2019.12.23-2021.12.23, lump sum repayment on maturity	1.1500	-		-	2,100,000	2,100,000	
Chang Hwa Bank	2019.12.23-2021.12.23, lump sum repayment on maturity	1.3500	-		-	1,150,000	1,150,000	
Chang Hwa Bank	2019.12.30-2021.12.30, lump sum repayment on maturity	1.3500	-		-	350,000	350,000	
First Commercial Bank	2019.12.30-2021.06.30, lump sum repayment on maturity	1.3900	-		-	1,500,000	1,500,000	
Bank of Taiwan	2019.12.30-2021.11.22, lump sum repayment on maturity	1.5300	-		-	500,000	500,000	
Land Bank of Taiwan	2019.12.30-2021.11.21, lump sum repayment on maturity	1.3000	-		-	1,200,000	1,200,000	
Taishin International Bank	2019.12.30-2021.01.31, lump sum repayment on maturity	1.2400	-		-	1,000,000	1,000,000	
Fubon Bank	2019.12.30-2021.06.02, lump sum repayment on maturity	1.2876	-		-	1,360,000	1,360,000	
Mega International Commercial Bank	2019.12.30-2021.08.26, lump sum repayment on maturity	1.4000	-		-	2,000,000	2,000,000	
Bank SinoPac	2019.12.30-2021.04.30, lump sum repayment on maturity	1.6000	-		-	2,500,000	2,500,000	
KGI Bank	2019.12.30-2021.12.25, lump sum repayment on maturity	1.2456	-		-	1,500,000	1,500,000	
Chinatrust Commercial Bank	2019.12.30-2021.06.30, lump sum repayment on maturity	1.2000	-		-	1,500,000	1,500,000	
E.SUN Commercial Bank	2019.12.10-2021.07.23, lump sum repayment on maturity, interest payment monthly	1.5000	-		-	1,200,000	1,200,000	
Mega International Commercial Bank	2019.08.27-2021.08.26, lump sum repayment on maturity	2.7273	US\$	34	-	<u>1,023</u>	<u>1,023</u>	
					-	<u>40,841,023</u>	<u>40,841,023</u>	
Bank loan					-	<u>45,281,023</u>	<u>45,281,023</u>	
Commercial paper								
IBFC	2019.11.15-2022.06.24, Interest prepayment, lump sum repayment on maturity	1.0800	-		-	2,996,095	2,996,095	
IBFC	2019.12.25-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280	-		-	1,654,757	1,654,757	
IBFC	2019.12.30-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280	-		-	822,319	822,319	
CBFC	2019.12.30-2022.06.29, Interest prepayment, lump sum repayment on maturity	0.9280	-		-	<u>1,997,838</u>	<u>1,997,838</u>	
					\$	-	\$ 52,752,032	\$ 52,752,032

Note: Expiration date is the date for loans or cycle contracts.

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF BONDS PAYABLE  
DECEMBER 31, 2019  
(In Thousands of New Taiwan Dollars)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
Ordinary Bonds No. 103-3	Unsecured	2015.02.06-2020.02.06	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.38		\$ 2,600,000	\$ 1,300,000	\$ 105	\$ 1,299,895	\$ -	\$ 1,299,895	-
No. 104-1	Unsecured	2015.05.25-2020.05.25	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.39		8,000,000	4,000,000	1,279	3,998,721	-	3,998,721	-
No. 104-2	Unsecured	2015.10.02-2020.10.02	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.28		5,200,000	2,600,000	1,571	2,598,429	-	2,598,429	-
No. 104-3	Unsecured	2015.11.16-2020.11.16	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.25		2,800,000	-	984	2,799,016	-	2,799,016	-
No. 105-1-A	Unsecured	2016.04.29-2021.04.29	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.88		6,000,000	-	2,585	2,999,360	2,998,055	5,997,415	-
No. 105-1-B	Unsecured	2016.04.29-2021.04.29	The bond is repayable in lump sum at the 104.8411% of total amount on maturity.	-		2,000,000	-	1,673	-	1,998,327	1,998,327	-
No. 105-2	Unsecured	2016.09.20-2021.09.20	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.72		3,800,000	-	2,618	-	3,797,382	3,797,382	-
No. 106-1	Unsecured	2017.05.17-2022.05.17	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	1.15		5,000,000	-	4,754	-	4,995,246	4,995,246	-
No. 106-2	Unsecured	2018.01.08-2023.01.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.95		3,000,000	-	3,628	-	2,996,372	2,996,372	-

(Continued)

Period	Trustee	Maturity	Repayment	Annual Rate (%)	Original Currency	Issued Amount	Repayment Paid	Unamortized Bonds Discounts	Outstanding Balance			Collateral
									Expired Within A Year	Expired After A Year	Total Amount	
No. 107-1	Unsecured	2018.05.18-2023.05.18	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.92		\$ 6,000,000	\$ -	\$ 8,109	\$ -	\$ 5,991,891	\$ 5,991,891	-
No. 107-2	Unsecured	2018.07.18-2023.07.18	The bond is repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.90		8,000,000	-	11,347	-	7,988,653	7,988,653	-
No. 108-1	Unsecured	2019.04.29-2024.04.29	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.93		8,000,000	-	13,846	-	7,986,154	7,986,154	-
No. 108-2	Unsecured	2019.08.08-2024.08.08	The bond is repayable in lump sum on maturity. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.	0.79		<u>6,000,000</u>	<u>-</u>	<u>11,048</u>	<u>-</u>	<u>5,988,952</u>	<u>5,988,952</u>	-
						<u>\$ 66,400,000</u>	<u>\$ 7,900,000</u>	<u>\$ 63,547</u>	<u>\$ 13,695,421</u>	<u>\$ 44,741,032</u>	<u>\$ 58,436,453</u>	
(Concluded)												

**FAR EASTERN NEW CENTURY CORPORATION****STATEMENT OF OPERATING REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2019****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Item</b>	<b>Quality</b>	<b>Amount</b>
Sales of goods		
Solid-state polymer	531,651 tones	\$ 19,173,044
Polyester staple fiber	184,806 tones	8,309,477
Knitted fabrics	12,250 tones	3,657,390
Greige yarn	201,698 pieces	2,573,168
Others (Note)		<u>12,764,881</u>
		<u>\$ 46,477,960</u>

Note: The amount of each item does not exceed 5% of total revenue.

**FAR EASTERN NEW CENTURY CORPORATION**
**STATEMENT OF COST OF OPERATING REVENUE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(In Thousands of New Taiwan Dollars)**


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<b>Item</b>	<b>Amount</b>
Raw materials used	
Balance, beginning of year	\$ 2,352,717
Raw material purchased	29,394,648
Less: Raw materials, end of year	<u>(1,743,190)</u>
Raw materials consumption	<u>30,004,175</u>
Materials consumption	<u>1,303,189</u>
Direct labor	<u>1,700,899</u>
Manufacturing expenses	
Process expense	1,388,873
Depreciation	1,874,138
Electricity	1,404,652
Payroll	1,713,153
Fuel expense	588,761
Others	<u>366,908</u>
	<u>7,336,485</u>
Manufacturing cost	40,344,748
Work in process, beginning of year	2,261,482
Work in process, end of year	<u>(2,021,363)</u>
Cost of finished goods	40,584,867
Finished goods, beginning of year	2,134,153
Finished goods, end of year	<u>(1,544,850)</u>
	41,174,170
Transferred cost to related parties	(4,283)
Reversal of write-down of inventories	(106,178)
Idle capacity	<u>461,108</u>
	<u>\$ 41,524,817</u>

## FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Loss (Gain)	Total Amount
Transportation expense	\$ 1,790,527	\$ -	\$ -	\$ -	\$ 1,790,527
Payroll and bonus expense	356,177	728,261	422,242	-	1,506,680
Contract fee	-	208,868	-	-	208,868
Rental expense	-	204,277	-	-	204,277
Expected credit gain	-	-	-	(4,639)	(4,639)
Depreciation expense	-	167,343	118,631	-	285,974
Commission expense	151,721	-	-	-	151,721
Others (Note)	<u>336,115</u>	<u>18,215</u>	<u>318,329</u>	<u>-</u>	<u>672,659</u>
	<u>\$ 2,634,540</u>	<u>\$ 1,326,964</u>	<u>\$ 859,202</u>	<u>\$ (4,639)</u>	<u>\$ 4,816,067</u>

Note: The amount of each item does not exceed 5% of the account balance.