

Far Eastern New Century Corporation

**Financial Statements for the
Years Ended December 31, 2020 and 2019 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020. 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, 2020 are as follows:

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

The Company's investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) are subsequently measured using the fair value model. The fair value evaluation involves significant accounting estimation 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 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, discussed with the management the valuer's work scope and process of engagement acceptance, 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 by the valuer in the valuation process.

Recognition of Revenue Derived from Mobile Telecommunications Service of a Subsidiary's Associate

Far EasTone, an associate of the Company's subsidiary 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, Far EasTone 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.

Other Matter

The financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, associates of the Company's subsidiaries, were audited by other auditors. Our opinion, insofar as it relates to the amounts of investment accounted for using the equity method and other comprehensive income included in the financial statements for these investees, is based solely on the reports of other auditors. The balance of investment accounted for using the equity method of the aforementioned investees was NT\$14,718,570 thousand, representing 5% of the Company's total assets as of December 31, 2020. The other comprehensive losses of the aforementioned investees were NT\$653,472 thousand, representing (8%) of the Company's total comprehensive income for the year ended December 31, 2020.

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, 2020 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 audits resulting in this independent auditors' report are Chih-Ming, Shao and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2021

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

| ASSETS | 2020 | | 2019 | |
|--|-----------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 6 and 26) | \$ 19,436,311 | 6 | \$ 20,592,925 | 6 |
| Financial assets at fair value through profit or loss (Notes 4, 7 and 25) | - | - | 7,703 | - |
| Notes and accounts receivable, net (Notes 4, 9 and 26) | 5,097,229 | 2 | 5,323,584 | 2 |
| Other receivables (Note 26) | 877,192 | - | 306,089 | - |
| Current tax assets | 14,193 | - | 18,193 | - |
| Inventories (Notes 4 and 10) | 4,281,313 | 1 | 5,170,448 | 2 |
| Financial assets at amortized cost (Note 8) | 300,000 | - | - | - |
| Prepayments | 56,087 | - | 78,100 | - |
| Refundable deposits | 17,146 | - | 18,044 | - |
| Other current assets | 177,542 | - | 308,802 | - |
| Total current assets | <u>30,257,013</u> | <u>9</u> | <u>31,823,888</u> | <u>10</u> |
| NON-CURRENT ASSETS | | | | |
| Investments accounted for using the equity method (Notes 4, 11 and 27) | 269,392,281 | 83 | 268,034,222 | 82 |
| Property, plant and equipment (Notes 4, 12 and 27) | 24,271,372 | 8 | 25,325,644 | 8 |
| Right-of-use assets (Notes 4 and 13) | 663,682 | - | 890,813 | - |
| Investment properties (Notes 4, 5, 14 and 27) | 1,023,412 | - | 978,404 | - |
| Other intangible assets (Notes 4 and 15) | 16,280 | - | 18,948 | - |
| Deferred tax assets (Notes 4 and 22) | 63,353 | - | 48,070 | - |
| Prepayments for equipment (Note 12) | 21,598 | - | 143,402 | - |
| Refundable deposits (Note 26) | 56,244 | - | 93,874 | - |
| Net defined benefit assets (Note 18) | 568,701 | - | 417,428 | - |
| Other financial assets (Note 27) | 71,343 | - | 1,300,373 | - |
| Other non-current assets | 46,797 | - | 46,537 | - |
| Total non-current assets | <u>296,195,063</u> | <u>91</u> | <u>297,297,715</u> | <u>90</u> |
| TOTAL | <u>\$ 326,452,076</u> | <u>100</u> | <u>\$ 329,121,603</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Note 16) | \$ 3,462,493 | 1 | \$ 2,400,415 | 1 |
| Financial liabilities at fair value through profit or loss (Notes 4, 7 and 25) | 10,619 | - | - | - |
| Contract liabilities (Note 20) | 294,756 | - | 144,678 | - |
| Notes and accounts payable | 1,234,900 | 1 | 1,307,574 | 1 |
| Notes and accounts payable to related parties (Note 26) | 743,905 | - | 1,286,190 | - |
| Payables to suppliers of machinery and equipment | 596 | - | 967 | - |
| Lease liabilities (Notes 4 and 13) | 235,201 | - | 230,906 | - |
| Other payables | 4,334,098 | 1 | 4,124,706 | 1 |
| Current portion of long-term liabilities (Note 17) | 11,297,104 | 4 | 13,695,421 | 4 |
| Other current liabilities | 766,710 | - | 816,369 | - |
| Total current liabilities | <u>22,380,382</u> | <u>7</u> | <u>24,007,226</u> | <u>7</u> |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities (Notes 4 and 13) | 438,087 | - | 668,299 | - |
| Bonds payable (Note 17) | 53,931,438 | 17 | 44,741,032 | 14 |
| Long-term borrowings (Notes 16 and 26) | 43,438,049 | 13 | 52,752,032 | 16 |
| Deferred tax liabilities (Notes 4 and 22) | 2,187,424 | 1 | 2,381,837 | 1 |
| Guarantee deposits received | 1,164 | - | 1,623 | - |
| Deferred credit-gains on related-party transactions (Note 26) | 46,345 | - | 47,266 | - |
| Total non-current liabilities | <u>100,042,507</u> | <u>31</u> | <u>100,592,089</u> | <u>31</u> |
| Total liabilities | <u>122,422,889</u> | <u>38</u> | <u>124,599,315</u> | <u>38</u> |
| EQUITY (Note 19) | | | | |
| Share capital | | | | |
| Common stock | 53,528,751 | 16 | 53,528,751 | 16 |
| Capital surplus | 3,320,137 | 1 | 3,270,355 | 1 |
| Retained earnings | | | | |
| Legal reserve | 19,028,517 | 6 | 17,955,250 | 6 |
| Special reserve | 117,342,360 | 36 | 115,505,874 | 35 |
| Unappropriated earnings | 13,744,880 | 4 | 17,376,404 | 5 |
| Total retained earnings | <u>150,115,757</u> | <u>46</u> | <u>150,837,528</u> | <u>46</u> |
| Other equity | (2,910,395) | (1) | (3,089,283) | (1) |
| Treasury shares | (25,063) | - | (25,063) | - |
| Total equity | <u>204,029,187</u> | <u>62</u> | <u>204,522,288</u> | <u>62</u> |
| TOTAL | <u>\$ 326,452,076</u> | <u>100</u> | <u>\$ 329,121,603</u> | <u>100</u> |

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

(With Deloitte & Touche auditors' report dated March 31, 2021)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2020 | | 2019 | |
|--|-------------------|-----------|-------------------|-----------|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 4, 20 and 26) | | | | |
| Net sales | \$ 38,768,801 | 100 | \$ 46,477,960 | 100 |
| OPERATING COSTS (Notes 10, 21 and 26) | | | | |
| Cost of goods sold | <u>33,478,180</u> | <u>86</u> | <u>41,524,817</u> | <u>89</u> |
| GROSS PROFIT | <u>5,290,621</u> | <u>14</u> | <u>4,953,143</u> | <u>11</u> |
| OPERATING EXPENSES (Notes 21 and 26) | | | | |
| Selling and marketing | 2,759,130 | 7 | 2,634,540 | 6 |
| General and administrative | 1,496,777 | 4 | 1,326,964 | 3 |
| Research and development | 683,260 | 2 | 859,202 | 2 |
| (Reversal of) Expected credit loss | <u>11,539</u> | <u>-</u> | <u>(4,639)</u> | <u>-</u> |
| Total operating expenses | <u>4,950,706</u> | <u>13</u> | <u>4,816,067</u> | <u>11</u> |
| OPERATING INCOME | <u>339,915</u> | <u>1</u> | <u>137,076</u> | <u>-</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Share of the profit or loss of subsidiaries and associates (Note 11) | 8,560,758 | 22 | 11,434,524 | 25 |
| Interest income | 13,945 | - | 22,394 | - |
| Other income | 323,449 | 1 | 325,767 | 1 |
| Gain on disposal of property, plant and equipment (Notes 12 and 26) | 29,923 | - | 40,448 | - |
| Gain on disposal of investments (Note 11) | 85 | - | 85 | - |
| Exchange (loss) gain, net | (18,318) | - | 12,241 | - |
| Gain (loss) on financial assets (liabilities) at fair value through profit or loss | (43,132) | - | 24,749 | - |
| Gain on change in fair value of investment properties (Note 14) | 39,639 | - | 8,535 | - |
| Interest expense | (949,065) | (3) | (988,839) | (2) |
| Other expenses | (263,121) | (1) | (259,136) | (1) |
| Impairment loss | <u>(149,476)</u> | <u>-</u> | <u>(13,818)</u> | <u>-</u> |
| Total non-operating income and expenses | <u>7,544,687</u> | <u>19</u> | <u>10,606,950</u> | <u>23</u> |
| INCOME BEFORE INCOME TAX | 7,884,602 | 20 | 10,744,026 | 23 |
| INCOME TAX BENEFIT (EXPENSE) (Notes 4, 5 and 22) | <u>178,097</u> | <u>1</u> | <u>(11,357)</u> | <u>-</u> |
| NET INCOME | <u>8,062,699</u> | <u>21</u> | <u>10,732,669</u> | <u>23</u> |

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2020 | | 2019 | |
|---|---------------------|------------|----------------------|------------|
| | Amount | % | Amount | % |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans (Note 18) | \$ (180,372) | - | \$ 828,568 | 2 |
| Gains on property revaluations | - | - | 331,557 | 1 |
| Share of other comprehensive loss of subsidiaries and associates | 714,136 | 2 | 1,721,330 | 4 |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | <u>36,074</u> | <u>-</u> | <u>(168,335)</u> | <u>(1)</u> |
| | <u>569,838</u> | <u>2</u> | <u>2,713,120</u> | <u>6</u> |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Share of other comprehensive loss of subsidiaries and associates | <u>(595,981)</u> | <u>(2)</u> | <u>(2,899,220)</u> | <u>(6)</u> |
| Other comprehensive income (loss), net of income tax | <u>(26,143)</u> | <u>-</u> | <u>(186,100)</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME | <u>\$ 8,036,556</u> | <u>21</u> | <u>\$ 10,546,569</u> | <u>23</u> |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 23) | | | | |
| Basic | <u>\$ 1.62</u> | | <u>\$ 2.15</u> | |
| Diluted | <u>\$ 1.61</u> | | <u>\$ 2.14</u> | |

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

(With Deloitte & Touche auditors' report dated March 31, 2021)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

| | Common Stock | Capital Surplus | Retained Earnings | | Unappropriated Earnings | Exchange Differences on Translation of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Gain on Hedging Instruments | Gain on Property Revaluations | Treasury Shares | Total Equity |
|---|---------------|-----------------|-------------------|-----------------|-------------------------|---|---|-----------------------------|-------------------------------|-----------------|----------------|
| | | | Legal Reserve | Special Reserve | | | | | | | |
| BALANCE AT JANUARY 1, 2019 | \$ 53,528,751 | \$ 2,908,631 | \$ 16,752,421 | \$ 114,443,170 | \$ 17,996,558 | \$ (3,589,901) | \$ 771,912 | \$ 45,880 | \$ 702,778 | \$ (25,063) | \$ 203,535,137 |
| 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 | - | - | - | - | (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 and subsidiaries 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 | 53,528,751 | 3,270,355 | 17,955,250 | 115,505,874 | 17,376,404 | (6,545,706) | 2,439,965 | 11,700 | 1,004,758 | (25,063) | 204,522,288 |
| Appropriation of the 2019 earnings | | | | | | | | | | | |
| Legal reserve | - | - | 1,073,267 | - | (1,073,267) | - | - | - | - | - | - |
| Special reserve | - | - | - | 1,836,486 | (1,836,486) | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (8,029,313) | - | - | - | - | - | (8,029,313) |
| Net income for the year ended December 31, 2020 | - | - | - | - | 8,062,699 | - | - | - | - | - | 8,062,699 |
| Other comprehensive income (loss) for the year ended December 31, 2020 | - | - | - | - | (180,004) | (673,235) | (469,545) | 7,780 | 1,288,861 | - | (26,143) |
| Total comprehensive income (loss) for the year ended December 31, 2020 | - | - | - | - | 7,882,695 | (673,235) | (469,545) | 7,780 | 1,288,861 | - | 8,036,556 |
| Change in associates and subsidiaries accounted for using the equity method | - | 48,613 | - | - | (571,360) | - | 21,234 | - | - | - | (501,513) |
| Change in the Company's capital surplus due to the distribution of dividends to subsidiaries | - | 1,169 | - | - | - | - | - | - | - | - | 1,169 |
| Associate disposed the investments in equity instruments designated as at fair value through other comprehensive income | - | - | - | - | (3,793) | - | 3,793 | - | - | - | - |
| BALANCE, DECEMBER 31, 2020 | \$ 53,528,751 | \$ 3,320,137 | \$ 19,028,517 | \$ 117,342,360 | \$ 13,744,880 | \$ (7,218,941) | \$ 1,995,447 | \$ 19,480 | \$ 2,293,619 | \$ (25,063) | \$ 204,029,187 |

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

(With Deloitte & Touche auditors' report dated March 31, 2021)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

| | 2020 | 2019 |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 7,884,602 | \$ 10,744,026 |
| Adjustments for: | | |
| (Reversal of) Expected credit loss | 11,539 | (4,639) |
| Depreciation | 2,426,365 | 2,440,185 |
| Amortization | 12,081 | 9,358 |
| Interest expense | 949,065 | 988,839 |
| Interest income | (13,945) | (22,394) |
| Share of the profit of subsidiaries and associates | (8,560,758) | (11,434,524) |
| Gain on disposal of property, plant and equipment | (29,923) | (40,448) |
| Gain on disposal of investments | (85) | (85) |
| Impairment loss | 149,476 | 13,818 |
| (Reversal) write-down of inventories | 2,036 | (106,178) |
| Gain on change in fair value of investment properties | (39,639) | (8,535) |
| Gain on lease modification | (107) | - |
| Net changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss | 7,703 | (7,703) |
| Notes and accounts receivable | 214,816 | 1,685,004 |
| Other receivables | 94,639 | (71,978) |
| Inventories | 887,099 | 1,608,230 |
| Prepayments | 22,013 | (14,679) |
| Other current assets | 131,260 | 64,201 |
| Contract liabilities | 150,078 | 45,231 |
| Notes and accounts payable | (72,674) | (308,933) |
| Notes and accounts payable to related parties | (542,285) | (205,996) |
| Other payables | 219,637 | (64,417) |
| Financial liabilities at fair value through profit or loss | 10,619 | (6,832) |
| Other current liabilities | (49,659) | 23,580 |
| Net defined benefit liabilities | (331,645) | (262,357) |
| Cash generated from operations | 3,532,308 | 5,062,774 |
| Interest received | 13,945 | 22,444 |
| Dividends received | 7,928,924 | 10,015,403 |
| Interest paid | (969,737) | (1,011,388) |
| Income tax received | 8,475 | 3,478 |
| Net cash generated from operating activities | <u>10,513,915</u> | <u>14,092,711</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Decrease (increase) in financial assets at amortized cost | (300,000) | 700,000 |
| Acquisition of investments accounted for using the equity method | (1,108,414) | (8,452,235) |
| Acquisition of property, plant, equipment and prepayments for equipment | (1,180,312) | (2,583,491) |
| Proceeds from disposal of property, plant and equipment | 42,045 | 65,322 |
| Decrease (increase) in refundable deposits | 38,528 | (17,735) |
| (Increase) decrease in other receivables | (660,000) | 105,000 |
| | | (Continued) |

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

| | 2020 | 2019 |
|---|----------------------|----------------------|
| Acquisition of intangible assets | \$ (9,413) | \$ (11,219) |
| Acquisition of investment properties | (5,369) | (1,456) |
| Decrease (increase) in other financial assets | 1,229,030 | (1,262,373) |
| Decrease in other non-current assets | <u>694</u> | <u>17,915</u> |
| Net cash used in investing activities | <u>(1,953,211)</u> | <u>(11,440,272)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term borrowings | 1,062,078 | (343,419) |
| Proceeds from issue of bonds | 20,500,000 | 14,000,000 |
| Repayments of bonds payable | (13,700,000) | (10,600,000) |
| Proceeds from long-term borrowings | 180,330,464 | 245,578,252 |
| Repayments of long-term borrowings | (189,641,931) | (237,077,229) |
| Repayment of the principal portion of lease liabilities | (238,157) | (231,374) |
| Decrease in guarantee deposits received | (459) | (892) |
| Cash dividends paid | <u>(8,029,313)</u> | <u>(9,635,175)</u> |
| Net cash (used in) generated from financing activities | <u>(9,717,318)</u> | <u>1,690,163</u> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,156,614) | 4,342,602 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR | <u>20,592,925</u> | <u>16,250,323</u> |
| CASH AND CASH EQUIVALENTS, END OF THE YEAR | <u>\$ 19,436,311</u> | <u>\$ 20,592,925</u> |

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

(With Deloitte & Touche auditors' report dated March 31, 2021)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 24, 2021.

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

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

- 1) Amendment to IFRS 16 “Covid-19 - Related Rent Concessions”

The Group elected to apply the practical expedient provided in the amendment to IFRS 16 with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. The related accounting policies are stated in Note 4. Prior to the application of the amendment, the Group shall determine whether or not the abovementioned rent concessions need to be accounted for as lease modifications.

The Group applied the amendment from January 1, 2020. Because the abovementioned rent concessions affect only in 2020, retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

- b. The IFRSs endorsed by the FSC for application starting from 2021.

| New IFRSs | Effective Date Announced by IASB |
|---|---|
| Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9” | Effective immediately upon promulgation by the IASB |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2” | January 1, 2021 |

As of the date the financial statements were authorized for issue, the Company assessed that application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have significant impact on the Company’s financial position and financial performance and will disclose the impact when the assessment is completed.

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

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|--|--|
| “Annual Improvements to IFRS Standards 2018-2020” | January 1, 2022 (Note 2) |
| Amendments to IFRS 3 “Reference to the Conceptual Framework” | January 1, 2022 (Note 3) |
| 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, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2023 |
| Amendments to IAS 1 “Disclosure of Accounting Policies” | January 1, 2023 (Note 6) |
| Amendments to IAS 8 “Definition of Accounting Estimates” | January 1, 2023 (Note 7) |
| Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use” | January 1, 2022 (Note 4) |
| Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract” | January 1, 2022 (Note 5) |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

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 is not allocated to any asset, including goodwill, which 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 the Company 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 property, plant and equipment, right-of-use asset, intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset 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.

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

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

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

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. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the balance sheets.

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 Group considers the economic implications of the COVID-19 when making its critical accounting 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 Accounted for Using the Equity Method)

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

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

6. CASH AND CASH EQUIVALENTS

| | December 31 | |
|---|----------------------|----------------------|
| | 2020 | 2019 |
| Cash on hand and petty cash | \$ 6,389 | \$ 5,531 |
| Checking and demand accounts | 17,430,235 | 20,587,394 |
| Cash equivalents (investments with original maturities of less than three months) | | |
| Repurchase of commercial paper | <u>1,999,687</u> | <u>-</u> |
| | <u>\$ 19,436,311</u> | <u>\$ 20,592,925</u> |

As of December 31, 2020 and 2019, the deposits in foreign banks in Japan amounted to \$151,933 thousand (JPY549,883 thousand) and \$301,711 thousand (JPY1,093,158 thousand), respectively.

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

| | December 31 | |
|--------------------------------|--------------------|-------------|
| | 2020 | 2019 |
| Repurchase of commercial paper | 0.25% | - |

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | December 31 | |
|--|--------------------|-----------------|
| | 2020 | 2019 |
| <u>Financial assets - current</u> | | |
| Financial assets mandatorily classified as at FVTPL | | |
| Derivative financial assets (not under hedge accounting) | | |
| Forward exchange contracts | <u>\$ -</u> | <u>\$ 7,703</u> |

(Continued)

| | December 31 | |
|---|--------------------|----------------------------|
| | 2020 | 2019 |
| <u>Financial liabilities - current</u> | | |
| Held for trading | | |
| Derivative financial liabilities (not under hedge accounting) | | |
| Forward exchange contracts | <u>\$ 10,619</u> | <u>\$ -</u> (Concluded) |

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, 2020 and 2019, the Company had outstanding forward exchange contracts, which were stated as follows:

| | Currency | Maturity | Contract Amount (Thousands) |
|--------------------------|-----------------|---------------------|--|
| <u>December 31, 2020</u> | | | |
| Sell | USD/NTD | 2021.1.6-2021.4.19 | USD69,490/NTD1,960,358 |
| Sell | EUR/USD | 2021.1.29-2021.2.26 | EUR5,000/USD6,027 |
| Buy | USD/JPY | 2021.2.17-2021.3.15 | USD4,000/JPY415,085 |
| Sell | JPY/NTD | 2021.1.11-2021.1.11 | JYP80,000/NTD21,931 |
| <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 |

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, 2020 and 2019.

8. FINANCIAL ASSETS AT AMORTIZED COST

| | December 31 | |
|--|--------------------|-------------|
| | 2020 | 2019 |
| <u>Current</u> | | |
| Time deposits with original maturities of more than 3 months | <u>\$ 300,000</u> | <u>\$ -</u> |

The interest rate for time deposits with original maturities of more than 3 months was 0.30% as of December 31, 2020.

9. NOTES AND ACCOUNTS RECEIVABLE

| | <u>December 31</u> | |
|--------------------------------------|---------------------|---------------------|
| | <u>2020</u> | <u>2019</u> |
| <u>Notes and accounts receivable</u> | | |
| At amortized cost | | |
| Gross carrying amount | \$ 5,371,379 | \$ 5,602,119 |
| Less: Allowance for impairment loss | <u>(274,150)</u> | <u>(278,535)</u> |
| | <u>\$ 5,097,229</u> | <u>\$ 5,323,584</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 notes and accounts receivables:

December 31, 2020

| | 1 to 90 Days | 91 to 180 Days | 181 to 365 Days | Over 365 Days | Total |
|----------------------------------|---------------------|-----------------------|------------------------|----------------------|---------------------|
| Gross carrying amount | \$ 4,441,632 | \$ 694,591 | \$ 17,476 | \$ 217,680 | \$ 5,371,379 |
| Loss allowance (Lifetime ECL) | <u>(51,622)</u> | <u>(4,839)</u> | <u>(9)</u> | <u>(217,680)</u> | <u>(274,150)</u> |
| Amortized cost | <u>\$ 4,390,010</u> | <u>\$ 689,752</u> | <u>\$ 17,467</u> | <u>\$ -</u> | <u>\$ 5,097,229</u> |

December 31, 2019

| | 1 to 90 Days | 91 to 180 Days | 181 to 365 Days | Over 365 Days | Total |
|----------------------------------|---------------------|-----------------------|------------------------|----------------------|---------------------|
| Gross carrying amount | \$ 4,514,379 | \$ 832,659 | \$ 37,401 | \$ 217,680 | \$ 5,602,119 |
| Loss allowance (Lifetime ECL) | <u>(53,912)</u> | <u>(6,627)</u> | <u>(316)</u> | <u>(217,680)</u> | <u>(278,535)</u> |
| Amortized cost | <u>\$ 4,460,467</u> | <u>\$ 826,032</u> | <u>\$ 37,085</u> | <u>\$ -</u> | <u>\$ 5,323,584</u> |

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

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2020 | 2019 |
| Balance at January 1 | \$ 278,535 | \$ 283,174 |
| Less: Amounts written off | (15,924) | - |
| Less (Reversal of) impairment losses on receivables | <u>11,539</u> | <u>(4,639)</u> |
| Balance at December 31 | <u>\$ 274,150</u> | <u>\$ 278,535</u> |

10. INVENTORIES

| | December 31 | |
|--------------------------|---------------------|---------------------|
| | 2020 | 2019 |
| Finished goods | \$ 1,135,254 | \$ 1,303,950 |
| Work in progress | 1,623,315 | 1,960,123 |
| Raw materials | 1,051,348 | 1,608,599 |
| Supplies | 244,609 | 244,585 |
| Raw materials in transit | <u>226,787</u> | <u>53,191</u> |
| | <u>\$ 4,281,313</u> | <u>\$ 5,170,448</u> |

For the years ended December 31, 2020 and 2019, the costs of inventories sold were \$33,478,180 thousand and \$41,524,817 thousand, respectively. The cost of goods sold for the years ended December 31, 2020 and 2019, consisted the reversal of inventory write-downs (reversal of write-downs) of \$2,036 thousand and \$(106,178) thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | December 31 | |
|-----------------------------|-----------------------|-----------------------|
| | 2020 | 2019 |
| Investments in subsidiaries | \$ 238,461,100 | \$ 237,352,705 |
| Investments in associates | <u>30,931,181</u> | <u>30,681,517</u> |
| | <u>\$ 269,392,281</u> | <u>\$ 268,034,222</u> |

a. Investments in subsidiaries

| | December 31 | | | |
|---|----------------------------|---------------------------------|----------------------------|---------------------------------|
| | 2020 | | 2019 | |
| | Carrying Amount | % of Owner- ship | Carrying Amount | % of Owner- ship |
| Unlisted companies | | | | |
| Far Eastern Resources Development Co., Ltd. | \$ 106,334,081 | 100.00 | \$ 104,696,964 | 100.00 |
| Yuan Ding Investment Co., Ltd. | 41,433,997 | 99.40 | 41,097,475 | 99.40 |
| Far Eastern Investment (Holding) Ltd. | 25,734,569 | 100.00 | 26,235,260 | 100.00 |
| Far Eastern Construction Co., Ltd. | 9,956,499 | 65.11 | 8,917,885 | 65.11 |

(Continued)

| | December 31 | | | |
|---|-----------------------|------------------------|-----------------------|------------------------|
| | 2020 | | 2019 | |
| | Carrying Amount | % of Owner- ship | Carrying Amount | % of Owner- ship |
| Far Eastern Polytex (Holding) Ltd. | \$ 9,647,375 | 100.00 | \$ 9,565,589 | 100.00 |
| Oriental Petrochemical (Taiwan) Corporation | 9,057,496 | 75.56 | 9,810,611 | 75.56 |
| Yuan Tong Investment Co., Ltd. | 8,737,914 | 100.00 | 8,556,025 | 100.00 |
| Far Eastern Polychem Industries Ltd. | 7,739,405 | 73.04 | 7,526,541 | 73.04 |
| Kai Yuan International Investment Co., Ltd. | 5,582,758 | 100.00 | 5,567,871 | 100.00 |
| PET Far Eastern (Holding) Ltd. | 4,497,126 | 91.95 | 5,660,306 | 91.95 |
| Yuan Ding Co., Ltd. | 3,243,038 | 37.13 | 3,299,897 | 37.13 |
| Ding Yuan International Investment Co., Ltd. | 3,088,477 | 100.00 | 3,129,935 | 100.00 |
| An Ho Garment Co., Ltd. | 2,109,554 | 100.00 | 2,132,201 | 100.00 |
| FEDP (Holding) Ltd. | 913,226 | 50.43 | 907,883 | 50.43 |
| Fu Kwok Knitting & Garment Co., Ltd. | 211,101 | 100.00 | 233,520 | 100.00 |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | 165,064 | 100.00 | - | - |
| Ding Ding Hotel Co., Ltd. | 7,700 | 0.74 | 13,085 | 0.74 |
| Far Eastern Textile Ltd. | 1,720 | 100.00 | 1,657 | 100.00 |
| | <u>\$ 238,461,100</u> | | <u>\$ 237,352,705</u> | |

(Concluded)

On September 11, 2020, the Company's overseas subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. issue common stock for cash, for the amount of \$147,400 thousand. (US\$5,000 thousand.)

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 | | | |
|--|----------------------|------------------------|----------------------|------------------------|
| | 2020 | | 2019 | |
| | Carrying Amount | % of Owner- ship | Carrying Amount | % of Owner- ship |
| <u>Associates that are individually material</u> | | | | |
| Listed companies | | | | |
| Asia Cement Corporation | <u>\$ 19,555,827</u> | 22.33 | <u>\$ 19,447,206</u> | 22.33 |

(Continued)

| | December 31 | | | |
|--|----------------------------|---------------------------------|----------------------------|---------------------------------|
| | 2020 | | 2019 | |
| | Carrying Amount | % of Owner- ship | Carrying Amount | % of Owner- ship |
| <u>Associates that are not individually material</u> | | | | |
| Listed companies | | | | |
| Far Eastern Department Stores Co., Ltd. | \$ 5,078,558 | 17.06 | \$ 5,009,751 | 17.06 |
| Far Eastern International Bank | 1,166,486 | 2.62 | 1,109,853 | 2.62 |
| Oriental Union Chemical Corporation | 1,095,081 | 9.17 | 1,217,537 | 9.17 |
| Everest Textile Corporation | <u>1,180</u> | 0.03 | <u>1,490</u> | 0.03 |
| | <u>7,341,305</u> | | <u>7,338,631</u> | |
| Unlisted companies | | | | |
| Oriental Securities Corporation | 2,024,150 | 19.65 | 2,002,315 | 19.65 |
| Pacific Liu Tong Investment Co., Ltd. | <u>2,009,899</u> | 16.83 | <u>1,893,365</u> | 16.83 |
| | <u>4,034,049</u> | | <u>3,895,680</u> | |
| | <u>\$ 30,931,181</u> | | <u>\$ 30,681,517</u> | |

(Concluded)

1) Material associates

| Name of Associate | Nature of Activities | Principal Place of Business | Proportion of Ownership and Voting Rights | |
|--------------------------|-----------------------------|--|--|-------------|
| | | | December 31 2020 | 2019 |
| 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 | |
|--------------------------|----------------------|----------------------|
| | 2020 | 2019 |
| Asia Cement Corporation | <u>\$ 32,422,089</u> | <u>\$ 35,987,018</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 | |
|---|---------------------------------------|-----------------------|
| | 2020 | 2019 |
| Current assets | \$ 87,023,947 | \$ 89,242,066 |
| Non-current assets | 210,062,908 | 208,282,515 |
| Current liabilities | (64,027,610) | (74,338,007) |
| Non-current liabilities | <u>(63,172,293)</u> | <u>(53,491,467)</u> |
| Equity | 169,886,952 | 169,695,107 |
| Non-controlling interests | <u>(22,118,393)</u> | <u>(23,381,680)</u> |
| | <u>\$ 147,768,559</u> | <u>\$ 146,313,427</u> |
| Proportion of the Company's ownership | 22.33% | 22.33% |
| Equity attributable to the Company | \$ 32,996,719 | \$ 32,671,788 |
| Cross shareholdings | <u>(13,440,892)</u> | <u>(13,224,582)</u> |
| Carrying amount | <u>\$ 19,555,827</u> | <u>\$ 19,447,206</u> |
| | For the Year Ended December 31 | |
| | 2020 | 2019 |
| Operating revenue | <u>\$ 78,240,880</u> | <u>\$ 89,347,637</u> |
| Net income for the year | \$ 18,773,807 | \$ 22,243,953 |
| Other comprehensive (loss) income | <u>(1,189,331)</u> | <u>(617,304)</u> |
| Total comprehensive income for the year | <u>\$ 17,584,476</u> | <u>\$ 21,626,649</u> |
| Dividends received from Asia Cement Corporation | <u>\$ 2,251,534</u> | <u>\$ 2,101,432</u> |

2) Aggregate information of associates that are not individually material

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2020 | 2019 |
| The Company's share of: | | |
| Net income for the year | \$ 481,618 | \$ 532,201 |
| Other comprehensive income (loss) | <u>(50,171)</u> | <u>221,054</u> |
| Total comprehensive income for the year | <u>\$ 431,447</u> | <u>\$ 753,255</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% 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, 2020 and 2019.

12. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

| | | | <u>December 31</u> | | | |
|---|---------------------|-----------------------|------------------------------------|--|--|------------------------|
| | | | <u>2020</u> | <u>2019</u> | | |
| <u>Carrying amounts</u> | | | | | | |
| Total property, plant and equipment | | | \$ 24,271,372 | \$ 25,325,644 | | |
| Prepayments for equipment | | | <u>21,598</u> | <u>143,402</u> | | |
| | | | <u>\$ 24,292,970</u> | <u>\$ 25,469,046</u> | | |
| | Land | Buildings | Machinery and Equipment | Operating and Miscellaneous Equipment | Construction- in-progress and Prepayments for Equipment | Total |
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2020 | \$ 7,132,040 | \$ 9,538,494 | \$ 48,798,868 | \$ 5,775,192 | \$ 3,231,486 | \$ 74,476,080 |
| Additions | 68,509 | - | - | - | 1,111,432 | 1,179,941 |
| Disposals | - | (18,143) | (1,482,097) | (286,504) | - | (1,786,744) |
| Reclassification | - | 423,690 | 2,671,532 | 385,743 | (3,480,965) | - |
| Balance at December 31, 2020 | <u>\$ 7,200,549</u> | <u>\$ 9,944,041</u> | <u>\$ 49,988,303</u> | <u>\$ 5,874,431</u> | <u>\$ 861,953</u> | <u>\$ 73,869,277</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2020 | \$ - | \$ (5,979,972) | \$ (38,249,048) | \$ (4,778,014) | \$ - | \$ (49,007,034) |
| Disposals | - | 18,143 | 1,469,141 | 286,502 | - | 1,773,786 |
| Impairment loss | - | (1,960) | (142,757) | (5,713) | - | (150,430) |
| Depreciation expense (Note) | - | (215,951) | (1,467,066) | (509,612) | - | (2,192,629) |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ (6,179,740)</u> | <u>\$ (38,389,730)</u> | <u>\$ (5,006,837)</u> | <u>\$ -</u> | <u>\$ (49,576,307)</u> |
| Carrying amount at January 1, 2020/December 31, 2019 | <u>\$ 7,132,040</u> | <u>\$ 3,558,522</u> | <u>\$ 10,549,820</u> | <u>\$ 997,178</u> | <u>\$ 3,231,486</u> | <u>\$ 25,469,046</u> |
| Carrying amount at December 31, 2020 | <u>\$ 7,200,549</u> | <u>\$ 3,764,301</u> | <u>\$ 11,598,573</u> | <u>\$ 867,594</u> | <u>\$ 861,953</u> | <u>\$ 24,292,970</u> |
| <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 | 702,670 | 495,371 | 1,364,319 | 552,085 | (2,235,718) | 878,727 |
| 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> |
| <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 (Note) | - | (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> |
| Carrying amount at December 31, 2019 | <u>\$ 7,132,040</u> | <u>\$ 3,558,522</u> | <u>\$ 10,549,820</u> | <u>\$ 997,178</u> | <u>\$ 3,231,486</u> | <u>\$ 25,469,046</u> |

Note: For the years ended December 31, 2020 and 2019, the Company transferred depreciation expense of \$5,742 thousand and \$4,309 thousand to related parties, respectively.

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 \$150,430 thousand and \$20,554 thousand, respectively, for the years ended December 31, 2020 and 2019. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

For the year ended 2019 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 amounting to \$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 | 3-50 years |
| Machinery and equipment | 5-20 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, 2020 and 2019, farmland was recognized as property, plant and equipment amounting to \$241,912 thousand and \$238,430 thousand, respectively and recognized as investment properties amounting to \$39,489 thousand for both dates. 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

| | Land | Buildings | Machinery and Equipment | Operating and Miscellaneous Equipment | Total |
|--------------------------------------|-------------------|---------------------|-------------------------|---------------------------------------|---------------------|
| <u>Cost</u> | | | | | |
| Balance at January 1, 2020 | \$ 115,879 | \$ 1,237,465 | \$ 1,783 | \$ 12,896 | \$ 1,368,023 |
| Increase | 307 | 22,247 | - | 602 | 23,156 |
| Decrease | <u>(2,279)</u> | <u>(17,871)</u> | <u>(1,375)</u> | <u>(4,367)</u> | <u>(25,892)</u> |
| Balance at December 31, 2020 | <u>\$ 113,907</u> | <u>\$ 1,241,841</u> | <u>\$ 408</u> | <u>\$ 9,131</u> | <u>\$ 1,365,287</u> |
| <u>Accumulated depreciation</u> | | | | | |
| Balance at January 1, 2020 | \$ 46,449 | \$ 422,202 | \$ 1,324 | \$ 7,235 | \$ 477,210 |
| Depreciation expense | 17,095 | 218,250 | 267 | 3,866 | 239,478 |
| Decrease | <u>(2,279)</u> | <u>(7,063)</u> | <u>(1,376)</u> | <u>(4,365)</u> | <u>(15,083)</u> |
| Balance at December 31, 2020 | <u>\$ 61,265</u> | <u>\$ 633,389</u> | <u>\$ 215</u> | <u>\$ 6,736</u> | <u>\$ 701,605</u> |
| Carrying amount at December 31, 2020 | <u>\$ 52,642</u> | <u>\$ 608,452</u> | <u>\$ 193</u> | <u>\$ 2,395</u> | <u>\$ 663,682</u> |

(Continued)

| | 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 |
| Increase | 9,981 | 444 | 408 | 1,380 | 12,213 |
| Decrease | <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 |
| Decrease | <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> |

(Concluded)

b. Lease liabilities

| Item | Summary | Lease Term | Discount Rate | December 31, 2020 |
|---------------------------------------|--------------------------|-----------------------|----------------------|--------------------------|
| Land | Land for plant | 2011.06.01-2027.12.31 | 1.00% | \$ 53,500 |
| Buildings | Office, factory | 2016.05.01-2023.12.31 | 1.00% | 617,176 |
| Machinery and equipment | Equipment for production | 2013.09.01-2022.05.31 | 1.00-1.08% | 194 |
| Operating and miscellaneous equipment | Corporate vehicle | 2018.01.24-2024.10.30 | 0.95%-1.08% | <u>2,418</u> |
| | | | | <u>\$ 673,288</u> |

| Item | Summary | Lease Term | Discount Rate | December 31, 2019 |
|---------------------------------------|--------------------------|-----------------------|----------------------|--------------------------|
| Land | Land for plant | 2011.06.01-2027.12.31 | 1.00% | \$ 70,242 |
| Buildings | Office, factory | 2016.05.01-2023.12.31 | 1.00% | 822,798 |
| Machinery and equipment | Equipment for production | 2013.09.01-2022.05.31 | 1.00-1.08% | 465 |
| Operating and miscellaneous equipment | Corporate vehicle | 2017.03.31-2024.10.30 | 1.00%-1.08% | <u>5,700</u> |
| | | | | <u>\$ 899,205</u> |

| December 31 | |
|--------------------|-------------|
| 2020 | 2019 |

Carrying amounts

| | | |
|-------------|-------------------|-------------------|
| Current | <u>\$ 235,201</u> | <u>\$ 230,906</u> |
| Non-current | <u>\$ 438,087</u> | <u>\$ 668,299</u> |

| For the Year Ended December 31 | |
|---------------------------------------|-------------|
| 2020 | 2019 |

| | | |
|---|-----------------|------------------|
| Interest expense from lease liabilities | <u>\$ 7,917</u> | <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.

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2020 | 2019 |
| Expenses relating to short-term leases | \$ <u>27,135</u> | \$ <u>27,697</u> |
| Expenses relating to low-value asset leases | \$ <u>21</u> | \$ <u>22</u> |
| Total cash outflow for leases | \$ <u>(273,230)</u> | \$ <u>(269,904)</u> |

The Company 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.

14. INVESTMENT PROPERTIES

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

| | Completed Investment Properties |
|--|--|
| Balance at January 1, 2020 | \$ 978,404 |
| Additions | 5,369 |
| Recognized in profit (gain arising from the change in fair value of investment properties) | <u>39,639</u> |
| Balance at December 31, 2020 | <u>\$ 1,023,412</u> |
| Balance at January 1, 2019 | \$ 1,515,753 |
| Additions | 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> |

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 and the investment property in Taoyuan Guanyin District was reclassified to property, plant and equipment.

The fair values of investment properties were as follows:

| | December 31 | |
|-----------------------|---------------------|-------------------|
| | 2020 | 2019 |
| Independent valuation | <u>\$ 1,023,412</u> | <u>\$ 978,404</u> |

The fair value of the investment properties as of December 31, 2020 and 2019 was based on the valuations carried out at January 20, 2021 and January 21, 2020, respectively, by independent qualified professional valuers Mr. Chia-ho Tsai and Ms. Chun-Chun Hu from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

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

| | December 31 | |
|-----------------------------------|---------------------|---------------------|
| | 2020 | 2019 |
| Expected future cash inflows | \$ 1,126,505 | \$ 1,093,772 |
| Expected future cash outflows | <u>(51,544)</u> | <u>(51,677)</u> |
| Expected future cash inflows, net | <u>\$ 1,074,961</u> | <u>\$ 1,042,095</u> |
| Discount rate intervals | 1.845% | 2.095% |

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

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

15. OTHER INTANGIBLE ASSETS

| | Computer Software | Others | Total |
|------------------------------|------------------------------|---------------|------------------|
| Balance at January 1, 2020 | \$ 18,928 | \$ 20 | \$ 18,948 |
| Additions | 9,413 | | 9,413 |
| Amortization | <u>(12,061)</u> | <u>(20)</u> | <u>(12,081)</u> |
| Balance at December 31, 2020 | <u>\$ 16,280</u> | <u>\$ -</u> | <u>\$ 16,280</u> |
| 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> |

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 | |
|-------------------|---------------------|---------------------|
| | 2020 | 2019 |
| Bank credit loans | <u>\$ 3,462,493</u> | <u>\$ 2,400,415</u> |
| Interest rate | 0.72-0.85% | 2.25%-2.64% |

b. Long-term borrowings

| | December 31 | |
|--|----------------------|----------------------|
| | 2020 | 2019 |
| Bank loans | <u>\$ 23,469,556</u> | <u>\$ 45,281,023</u> |
| Long-term commercial paper | 20,000,000 | 7,500,000 |
| Less: Unamortized discount on commercial paper | <u>31,507</u> | <u>28,991</u> |
| | <u>19,968,493</u> | <u>7,471,009</u> |
| | <u>\$ 43,438,049</u> | <u>\$ 52,752,032</u> |

The foregoing loans are payable in New Taiwan dollars and U.S. dollars. The loans are repayable by lump sum payment of principal and interest on maturity, by lump sum payment of principal on maturity and monthly payments of interest, and by lump sum payment of principal on maturity and prepayment of interest. Some of the loans are revolving within 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:

| | <u>December 31</u> | |
|--------------------------|-----------------------------|----------------------------|
| | 2020 | 2019 |
| Maturity | January 2021 - June 2024 | January 2021 - May 2023 |
| Interest rates intervals | 0.68%-1.1943% | 0.68%-2.7273% |

17. BONDS PAYABLE

| | <u>December 31</u> | |
|-----------------------------------|----------------------|----------------------|
| | 2020 | 2019 |
| Non-convertible bonds | \$ 65,300,000 | \$ 58,500,000 |
| Discount of non-convertible bonds | <u>(71,458)</u> | <u>(63,547)</u> |
| | 65,228,542 | 58,436,453 |
| Less: Current portion | <u>11,297,104</u> | <u>13,695,421</u> |
| | <u>\$ 53,931,438</u> | <u>\$ 44,741,032</u> |

For details of bonds payable as of December 31, 2020, refer to Statement 9 following the Notes to Financial Statements. The details of bonds payable as of December 31, 2019 which were repaid in 2020 were as follows:

On February 6, 2015, the Company issued five-year unsecured bonds (the third tranche) amounting to \$2,600,000 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 1.38% 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 May 25, 2015, the Company issued five-year unsecured bonds (the first tranche) amounting to \$8,000,000 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 1.39% 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 October 2, 2015, the Company issued five-year unsecured bonds (the second tranche) amounting to \$5,200,000 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 1.28% 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 November 16, 2015, the Company issued five-year unsecured bonds (the third tranche) amounting to \$2,800,000 thousand at a unit face value of \$1,000 thousand. The five-year bonds are repayable at the fifth year of bond issuance, with a 1.25% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

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

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

| | December 31 | |
|---|---------------------|---------------------|
| | 2020 | 2019 |
| Present value of defined benefit obligation | \$ 5,035,876 | \$ 5,360,840 |
| Fair value of plan assets | <u>(5,604,577)</u> | <u>(5,778,268)</u> |
| Net defined benefit (assets) liabilities | <u>\$ (568,701)</u> | <u>\$ (417,428)</u> |

Movements in net defined benefit (assets) liabilities were as follows:

| | Present Value of the Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit (Assets) Liabilities |
|-------------------------------------|--|--|---|
| Balance at January 1, 2020 | <u>\$ 5,360,840</u> | <u>\$ (5,778,268)</u> | <u>\$ (417,428)</u> |
| Service cost | | | |
| Current service cost | 43,366 | - | 43,366 |
| Net interest expense (income) | <u>41,295</u> | <u>(46,226)</u> | <u>(4,931)</u> |
| Recognized in profit or loss (Note) | <u>84,661</u> | <u>(46,226)</u> | <u>38,435</u> |
| | | | (Continued) |

| | Present Value of the Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit (Assets) Liabilities |
|--|--|--|---|
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | \$ - | \$ 139,576 | \$ 139,576 |
| Actuarial (gain) loss - changes in financial assumptions | 161,251 | - | 161,251 |
| Actuarial (gain) loss - experience adjustments | <u>(120,455)</u> | <u>-</u> | <u>(120,455)</u> |
| Recognized in other comprehensive income | <u>40,796</u> | <u>139,576</u> | <u>180,372</u> |
| Contributions from the employer | - | (281,042) | (281,042) |
| Benefits paid | <u>(450,421)</u> | <u>361,383</u> | <u>(89,038)</u> |
| Balance at December 31, 2020 | <u>\$ 5,035,876</u> | <u>\$ (5,604,577)</u> | <u>\$ (568,701)</u> |
| 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> (Concluded) |

Note: For the years ended December 31, 2020 and 2019, the Company transferred defined benefit costs of \$156 thousand and \$177 thousand to related parties, respectively.

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

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

- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

| | December 31 | |
|-------------------------------------|--------------------|-------------|
| | 2020 | 2019 |
| Discount rate(s) | 0.30% | 0.80% |
| Expected rate(s) of salary increase | 2.00% | 2.00% |

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

| | December 31 | |
|-------------------------------------|---------------------|---------------------|
| | 2020 | 2019 |
| Discount rate(s) | | |
| 0.50% increase | <u>\$ (161,251)</u> | <u>\$ (174,724)</u> |
| 0.50% decrease | <u>\$ 170,932</u> | <u>\$ 185,304</u> |
| Expected rate(s) of salary increase | | |
| 0.50% increase | <u>\$ 167,230</u> | <u>\$ 182,220</u> |
| 0.50% decrease | <u>\$ (159,456)</u> | <u>\$ (173,615)</u> |

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

| | December 31 | |
|--|--------------------|-------------------|
| | 2020 | 2019 |
| The expected contributions to the plan for the next year | <u>\$ 458,139</u> | <u>\$ 397,948</u> |
| The average duration of the defined benefit obligation | 6.7 years | 6.8 years |

19. EQUITY

a. Share capital

1) Common stock

| | December 31 | |
|---|----------------------|----------------------|
| | 2020 | 2019 |
| 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, 2020 and 2019, there are 10 thousand and 6 thousand units outstanding, which were equal to 95 thousand and 60 thousand common stock of the Company.

b. Capital surplus

| | <u>December 31</u> | |
|--|---------------------|---------------------|
| | <u>2020</u> | <u>2019</u> |
| <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 | 495,232 |
| Treasury shares transactions | 16,638 | 15,469 |
| <u>May not be used for any purpose</u> | <u>153,335</u> | <u>104,722</u> |
| Changes in equity-method associates' capital surplus | <u>\$ 3,320,137</u> | <u>\$ 3,270,355</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.

The company issued amended dividend regulation on shareholders' meeting at June 30, 2020, 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 current net income plus other items for undistributed retained earnings 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 2019 and 2018 approved in the shareholders' meetings on June 30, 2020 and June 28, 2019, respectively, were as follows:

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

The appropriation of earnings for 2020 proposed by the Company's board of directors on March 24, 2021 were as follows:

| | Appropriation of Earnings | Dividends Per Share (NT\$) |
|-----------------|----------------------------------|-----------------------------------|
| Legal reserve | \$ 730,754 | |
| Special reserve | 2,109,237 | |
| Cash dividends | 7,226,382 | \$1.35 |

The appropriation of earnings for 2020 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 30, 2021.

d. Special reserve

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

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

| | For the Year Ended December 31 | |
|--------------------------------------|---------------------------------------|----------------------|
| | 2020 | 2019 |
| Balance at January 1 and December 31 | <u>\$ 21,552,496</u> | <u>\$ 21,552,496</u> |

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

| | For the Year Ended December 31 | |
|---|---------------------------------------|----------------------|
| | 2020 | 2019 |
| Balance at January 1 | \$ 90,776,716 | \$ 89,713,160 |
| Appropriation in respect of: | | |
| Application of the fair value method to investment properties | 1,838,006 | 1,089,437 |
| Reversal on elimination of the original mandatorily appropriated special reserve: | | |
| Disposal of associates | <u>-</u> | <u>(25,881)</u> |
| Balance at December 31 | <u>\$ 92,614,722</u> | <u>\$ 90,776,716</u> |

e. Other equity items

The changes in other equity items are summarized as follow:

| | Exchange Differences on Translation of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Gain (Loss) on Hedging Instruments | Gain on Property Revaluation | Total |
|---|--|---|---|-------------------------------------|-----------------------|
| Balance at January 1, 2019 | \$ (3,589,901) | \$ 771,912 | \$ 45,880 | \$ 702,778 | \$ (2,069,331) |
| 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) |
| Change in subsidiaries and associates accounted for using equity method | - | 5,415 | - | - | 5,415 |
| Associate disposed the investment in equity instruments designated as at FVTOCI | <u>-</u> | <u>(16,192)</u> | <u>-</u> | <u>-</u> | <u>(16,192)</u> |
| Balance at December 31, 2019 | (6,545,706) | 2,439,965 | 11,700 | 1,004,758 | (3,089,283) |
| Share of other comprehensive income (loss) of subsidiaries and associates | (673,235) | (469,545) | 7,780 | 1,288,861 | 153,861 |
| Change in subsidiaries and associates accounted for using equity method | - | 21,234 | - | - | 21,234 |
| Associate disposed the investment in equity instruments designated as at FVTOCI | <u>-</u> | <u>3,793</u> | <u>-</u> | <u>-</u> | <u>3,793</u> |
| Balance at December 31, 2020 | <u>\$ (7,218,941)</u> | <u>\$ 1,995,447</u> | <u>\$ 19,480</u> | <u>\$ 2,293,619</u> | <u>\$ (2,910,395)</u> |

f. Treasury shares

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

| Name of Subsidiary | Number of Shares Held (In Thousands) | Carrying Amount | Market Price |
|---------------------------|---|------------------------|---------------------|
| <u>December 31, 2020</u> | | | |
| Yuan Ding | 779 | <u>\$ 25,063</u> | <u>\$ 22,563</u> |
| <u>December 31, 2019</u> | | | |
| Yuan Ding | 779 | <u>\$ 25,063</u> | <u>\$ 23,265</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>2020</u> | <u>2019</u> |
| Revenue from contracts with customers | | |
| Net sales | <u>\$ 38,768,801</u> | <u>\$ 46,477,960</u> |

a. Description of customer contract

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

b. Contract balances

| | December 31, 2020 | December 31, 2019 | January 1, 2019 |
|---|--------------------------|--------------------------|------------------------|
| Notes and accounts receivable (Notes 9) | <u>\$ 5,097,229</u> | <u>\$ 5,323,584</u> | <u>\$ 7,003,949</u> |
| Contract liabilities | | | |
| Sale of goods | <u>\$ 294,756</u> | <u>\$ 144,678</u> | <u>\$ 99,447</u> |
| Current | <u>\$ 294,756</u> | <u>\$ 144,678</u> | <u>\$ 99,447</u> |

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

c. Disaggregation of revenue

Refer to Statement 10 for information about disaggregation of revenue.

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

| | For the Year Ended December 31 | |
|-------------------------------------|---------------------------------------|-------------|
| | 2020 | 2019 |
| Capitalized interests on properties | \$ 22,755 | \$ 27,068 |
| Capitalization rates | 0.88-1.05% | 1.00%-1.11% |

b. Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2020 | 2019 |
| Property, plant and equipment | \$ 2,186,887 | \$ 2,205,650 |
| Right-of-use assets | 239,478 | 234,535 |
| Other Intangible assets | <u>12,081</u> | <u>9,358</u> |
| | <u>\$ 2,438,446</u> | <u>\$ 2,449,543</u> |
| An analysis of deprecation by function | | |
| Operating costs | \$ 2,019,262 | \$ 2,051,754 |
| Operating expenses | 337,738 | 350,777 |
| Other expense | <u>69,365</u> | <u>37,654</u> |
| | <u>\$ 2,426,365</u> | <u>\$ 2,440,185</u> |
| An analysis of amortization by function | | |
| Operating costs | \$ 5,270 | \$ 4,451 |
| Operating expenses | <u>6,811</u> | <u>4,907</u> |
| | <u>\$ 12,081</u> | <u>\$ 9,358</u> |

c. Employee benefits expense

| | For the Year Ended December 31, 2020 | | |
|------------------------------|---|-------------------------------|---------------------|
| | Operating Costs | Operating Expenses | Total |
| Short-term employee benefits | <u>\$ 3,256,955</u> | <u>\$ 1,837,649</u> | <u>\$ 5,094,604</u> |
| Post-employment benefits | | | |
| Defined contribution plans | 79,492 | 52,918 | 132,410 |
| Defined benefit plans | <u>24,570</u> | <u>13,709</u> | <u>38,279</u> |
| | <u>104,062</u> | <u>66,627</u> | <u>170,689</u> |
| | <u>\$ 3,361,017</u> | <u>\$ 1,904,276</u> | <u>\$ 5,265,293</u> |

| | For the Year Ended December 31, 2019 | | |
|------------------------------|---|-------------------------------|---------------------|
| | Operating Costs | Operating Expenses | Total |
| Short-term employee benefits | \$ 3,467,702 | \$ 1,871,456 | \$ 5,339,158 |
| Post-employment benefits | | | |
| Defined contribution plans | 78,815 | 47,561 | 126,376 |
| Defined benefit plans | 37,145 | 20,256 | 57,401 |
| | <u>115,960</u> | <u>67,817</u> | <u>183,777</u> |
| | <u>\$ 3,583,662</u> | <u>\$ 1,939,273</u> | <u>\$ 5,522,935</u> |

d. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 2.0% to 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. However, the Company has to first offset losses from the previous years. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 24, 2021 and March 24, 2020, respectively, are as follows:

Accrual rate

| | For the Year Ended December 31 | |
|---------------------------|---------------------------------------|-------------|
| | 2020 | 2019 |
| Employees' compensation | 2.79% | 3.28% |
| Remuneration of directors | 1.76% | 1.80% |

Amount

| | For the Year Ended December 31 | |
|---------------------------|---------------------------------------|-------------|
| | 2020 | 2019 |
| Employees' compensation | \$ 230,231 | \$ 371,474 |
| Remuneration of directors | 145,673 | 204,277 |

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, 2019 and 2018. 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 2021 and 2020 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 (benefits) recognized in profit or loss

| | For the Year Ended December 31 | |
|--|---------------------------------------|------------------|
| | 2020 | 2019 |
| Current tax | | |
| In respect of the current year | \$ - | \$ - |
| Adjustments for prior year | <u>(4,475)</u> | <u>(15,693)</u> |
| | <u>(4,475)</u> | <u>(15,693)</u> |
| Deferred tax | | |
| In respect of the current period | <u>(173,622)</u> | <u>27,050</u> |
| Income tax expense (benefits) recognized in profit or loss | <u>\$ (178,097)</u> | <u>\$ 11,357</u> |

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

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2020 | 2019 |
| Profit before tax from continuing operations | <u>\$ 7,884,602</u> | <u>\$ 10,744,026</u> |
| Income tax expense at the statutory rate (20%) | \$ 1,576,920 | \$ 2,148,805 |
| Adjustment items effect on income tax | <u>(1,576,920)</u> | <u>(2,148,805)</u> |
| Current income tax | - | - |
| Deferred income tax | (173,622) | 27,050 |
| Adjustments for prior years | <u>(4,475)</u> | <u>(15,693)</u> |
| Income tax expense (benefits) recognized in profit or loss | <u>\$ (178,097)</u> | <u>\$ 11,357</u> |

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings.

- b. Income tax expense (benefits) recognized in other comprehensive income

| | For the Year Ended December 31 | |
|---------------------------------------|---------------------------------------|-------------------|
| | 2020 | 2019 |
| <u>Deferred tax</u> | | |
| In respect of the current year | | |
| Remeasurement on defined benefit plan | \$ (36,074) | \$ 133,834 |
| Gain on property revaluation | <u>-</u> | <u>34,501</u> |
| | <u>\$ (36,074)</u> | <u>\$ 168,335</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, 2020

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Closing Balance |
|---|----------------------------|---|---|------------------------|
| <u>Deferred tax assets</u> | | | | |
| Allowance for doubtful accounts | \$ 4,577 | \$ 1,121 | \$ - | \$ 5,698 |
| Inventory write-downs | 7,077 | 1,979 | - | 9,056 |
| Impairment loss | 31,109 | 10,702 | - | 41,811 |
| Others | <u>5,307</u> | <u>1,481</u> | <u>-</u> | <u>6,788</u> |
| | <u>\$ 48,070</u> | <u>\$ 15,283</u> | <u>\$ -</u> | <u>\$ 63,353</u> |
| <u>Deferred tax liabilities</u> | | | | |
| Unrealized foreign exchange gain | \$ 6,910 | \$ 8,767 | \$ - | \$ 15,677 |
| Share of profit of subsidiaries and associates | 587,570 | (237,241) | - | 350,329 |
| Provision of land value incremental tax | 1,584,791 | 3,647 | - | 1,588,438 |
| Defined benefit obligation | 186,305 | 66,329 | (36,074) | 216,560 |
| Investment properties | <u>16,261</u> | <u>159</u> | <u>-</u> | <u>16,420</u> |
| | <u>\$ 2,381,837</u> | <u>\$ (158,339)</u> | <u>\$ (36,074)</u> | <u>\$ 2,187,424</u> |

For the year ended December 31, 2019

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Closing Balance |
|---|----------------------------|---|---|------------------------|
| <u>Deferred tax assets</u> | | | | |
| Allowance for doubtful accounts | \$ 5,193 | \$ (616) | \$ - | \$ 4,577 |
| Inventory write-downs | 10,448 | (3,371) | - | 7,077 |
| Impairment loss | 36,340 | (5,231) | - | 31,109 |
| Defined benefit obligation | 17,972 | (17,972) | - | - |
| Others | <u>5,889</u> | <u>(582)</u> | <u>-</u> | <u>5,307</u> |
| | <u>\$ 75,842</u> | <u>\$ (27,772)</u> | <u>\$ -</u> | <u>\$ 48,070</u> |
| <u>Deferred tax liabilities</u> | | | | |
| Unrealized foreign exchange gain | \$ 23,063 | \$ (16,153) | \$ - | \$ 6,910 |
| Share of profit of 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> |

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

| | December 31 | |
|----------------------------------|---------------------|---------------------|
| | 2020 | 2019 |
| Deductible temporary differences | <u>\$ 2,521,263</u> | <u>\$ 2,518,178</u> |

- e. Income tax assessments

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

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

| | For the Year Ended December 31 | |
|----------------------------|---------------------------------------|----------------|
| | 2020 | 2019 |
| Basic earnings per share | <u>\$ 1.62</u> | <u>\$ 2.15</u> |
| Diluted earnings per share | <u>\$ 1.61</u> | <u>\$ 2.14</u> |

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

Net Income for the Year

| | For the Year Ended December 31 | |
|-------------------------|---------------------------------------|----------------------|
| | 2020 | 2019 |
| Net income for the year | <u>\$ 8,062,699</u> | <u>\$ 10,732,669</u> |

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousand Shares

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2020 | 2019 |
| Weighted average number of common stock used in the computation of basic earnings per share | 4,984,665 | 4,998,304 |
| Effect of potentially dilutive common stock | | |
| Employees' compensation | <u>14,106</u> | <u>15,887</u> |
| Weighted average number of common stock used in the computation of diluted earnings per share | <u>4,998,771</u> | <u>5,014,191</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, 2020 and 2019, the Company's basic EPS was NT\$1.51 and NT\$2.01, 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 | | | |
|------------------------------|----------------------------|----------------------|----------------------------|----------------------|
| | 2020 | | 2019 | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| <u>Financial liabilities</u> | | | | |
| Bonds payable | <u>\$ 65,228,542</u> | <u>\$ 65,622,061</u> | <u>\$ 58,436,453</u> | <u>\$ 58,660,706</u> |

2) Fair value hierarchy

December 31, 2020

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|----------------------|----------------|----------------|----------------------|
| <u>Financial liabilities</u> | | | | |
| Bonds payable | <u>\$ 65,622,061</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 65,622,061</u> |

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> |

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

1) Fair value hierarchy

December 31, 2020

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|-----------------------|-----------------------|--------------------|--------------------|
| Financial liabilities at FVTPL | | | | |
| Forward exchange contracts | \$ <u> -</u> | \$ <u> -</u> | \$ <u> 10,619</u> | \$ <u> 10,619</u> |

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> |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2020 and 2019.

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

For the year ended 2020

| | |
|------------------------------|---|
| | Financial Liabilities at Fair Value Through Profit or Loss |
| Balance at January 1, 2020 | \$ 7,703 |
| Recognized in profit or loss | (43,132) |
| Settlements | <u>24,810</u> |
| Balance at December 31, 2020 | <u>\$ (10,619)</u> |

For the year ended 2019

| | |
|------------------------------|---|
| | Financial Liabilities at Fair Value Through Profit or Loss |
| Balance at January 1, 2019 | \$ (6,832) |
| Recognized in profit or loss | 24,749 |
| Settlements | <u>(10,214)</u> |
| Balance at December 31, 2019 | <u>\$ 7,703</u> |

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

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

c. Categories of financial instruments

| | <u>December 31</u> | |
|---|--------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| <u>Financial assets</u> | | |
| Financial assets at FVTPL | \$ - | \$ 7,703 |
| Financial assets at amortized cost (Note 1) | 25,855,465 | 27,634,889 |
| <u>Financial liabilities</u> | | |
| Financial liabilities at FVTPL | 10,619 | - |
| Financial liabilities measured at amortized cost (Note 2) | 118,443,747 | 120,309,960 |

Note 1: The balances included financial assets measured at amortized cost, which comprised cash and cash equivalents, financial assets measured at amortized cost, 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.

| | <u>December 31</u> | |
|-----------------------------|--------------------|--------------------|
| | 2020 | 2019 |
| 5% change in profit or loss | | |
| USD | <u>\$ (83,617)</u> | <u>\$ (79,204)</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:

| | <u>December 31</u> | |
|-------------------------------|--------------------|--------------|
| | 2020 | 2019 |
| Fair value interest rate risk | | |
| Financial assets | \$ 2,371,030 | \$ 1,300,373 |
| Financial liabilities | 99,139,879 | 105,387,690 |
| Cash flow interest rate risk | | |
| Financial assets | 4,115,493 | 858,128 |
| Financial liabilities | 13,662,493 | 9,100,415 |

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 \$5,913 thousand and \$3,243 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rates would have increased/decreased by \$10,289 thousand and \$2,145 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 \$247,232 thousand and \$262,812 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rates would have decreased/increased by \$34,156 thousand and \$22,751 thousand, respectively.

2) Credit risk

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

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

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

3) Liquidity risk

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

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

| | 1-2 Years | 2-3 Years | 3-5 Years | 5-10 Years |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| <u>December 31, 2020</u> | | | | |
| Long-term borrowings | \$ 10,208,049 | \$ 13,260,000 | \$ 19,970,000 | \$ 43,438,049 |
| Bonds payable | <u>9,500,000</u> | <u>10,000,000</u> | <u>34,500,000</u> | <u>54,000,000</u> |
| | <u>\$ 19,708,049</u> | <u>\$ 23,260,000</u> | <u>\$ 54,470,000</u> | <u>\$ 97,438,049</u> |
| <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> |

Additional information about the maturity analysis for lease liabilities

| | 1-2 Years | 2-3 Years | 3-5 Years | 5-10 Years |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| <u>December 31, 2020</u> | | | | |
| Lease liabilities | <u>\$ 234,009</u> | <u>\$ 202,755</u> | <u>\$ 3,196</u> | <u>\$ 2,315</u> |
| <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, 2020 and 2019 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 1, 2 and 3.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

| | December 31 | |
|---|---------------------|---------------------|
| | 2020 | 2019 |
| Other financial assets - non-current | | |
| Pledged time deposits | \$ 71,343 | \$ 1,300,373 |
| Investments accounted for using the equity method | 518,528 | 515,648 |
| Property, plant and equipment | 5,915,090 | 5,964,658 |
| Investment properties | <u>890,373</u> | <u>844,442</u> |
| | <u>\$ 7,395,334</u> | <u>\$ 8,625,121</u> |

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2020 and 2019:

- a. Issued unused letters of credit aggregated at approximately \$153,895 thousand and \$274,297 thousand, respectively.
- b. Unpaid construction contracts and property, plant and equipment amounting to \$40,639 thousand and \$37,247 thousand, respectively.
- c. Undelivered cotton contracts which were unable to be canceled amounting to \$87,106 thousand and \$123,588 thousand, respectively.
- d. Endorsements and guarantees provided to related parties are shown in Table 5 (attached).

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On March 24, 2021, the Company's board of directors approved to issue ten-year unsecured bonds amounting to \$15,000,000 thousand (or equivalent value in foreign currency) at a unit face value of \$1,000 thousand (face value in foreign currency will be decided by the board of directors); the bonds will be issued one time or multiple times depending on the market condition.
- b. On March 24, 2021, in order to reduce the related management costs, the Company's board of directors resolved to terminate the GDR program and to delist from the Luxembourg Stock Exchange.
- c. On March 24, 2021, the Company's board of directors decided to increase investment in Far Eastern Investment (Holding) Limited by US\$500,000 thousand.

30. 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, 2020

| | Foreign Currencies (In Thousands) | Exchange Rate | Carrying Amount (NT\$) |
|------------------------------|--|----------------------|-----------------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 184,274 | 28.48 | \$ 5,248,124 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 125,554 | 28.48 | 3,575,786 |

December 31, 2019

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

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 4 (attached)
- 2) Endorsements/guarantees provided: Table 5 (attached)
- 3) Marketable securities held: Table 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: Table 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: Table 8 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 9 (attached)
- 9) Trading in derivative instruments: Note 7
- 10) Information on investees: Table 10 (attached)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Tables 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: Tables 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.
- d. Information on major shareholders: shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Table 12

TABLE 1**FAR EASTERN NEW CENTURY CORPORATION****RELATED PARTY NAMES AND CATEGORIES****DECEMBER 31, 2020**

| Related Party Names | Related Party Categories |
|--|--------------------------|
| Fu Kwok Knitting & Garment Co., Ltd. | Subsidiary |
| Far Eastern Apparel Co., Ltd. | Subsidiary |
| Far Eastern Apparel (Vietnam) Ltd. | Subsidiary |
| Far Eastern Polytex (Vietnam) Ltd. | Subsidiary |
| Far Eastern New Apparel (Vietnam) Ltd. | Subsidiary |
| Far Eastern Apparel (Suzhou) Co., Ltd. | Subsidiary |
| Far Eastern Industries (Shanghai) Ltd. | Subsidiary |
| Far Eastern Industries (Wuxi) Ltd. | Subsidiary |
| Oriental Resources Development Co., Ltd. | Subsidiary |
| Oriental Green Materials Limited | Subsidiary |
| Oriental Industries (Suzhou) Ltd. | Subsidiary |
| PET Far Eastern (M) Sdn. Bhd. | Subsidiary |
| Wuhan Far Eastern New Material Ltd. | Subsidiary |
| Worldwide Polychem (HK) Ltd. (WWPI) | Subsidiary |
| Far Eastern Fibertech Co., Ltd. | Subsidiary |
| Far Eastern Resources Development Co., Ltd. | Subsidiary |
| Far EasTone Telecommunications Co., Ltd. | Subsidiary |
| New Century InfoComm Tech Co., Ltd. | Subsidiary |
| Yuanshi Digital Technology Co., Ltd. | Subsidiary |
| DataExpress Infotech Co., Ltd. | Subsidiary |
| Information Security Service Digital United Inc. | Subsidiary |
| Oriental Petrochemical (Taiwan) Corporation | Subsidiary |
| Oriental Textile (Holding) Ltd. (OTTI) | Subsidiary |
| Yuan Cheng Human Resources Consultant Corporation | Subsidiary |
| Yuan Ding Co., Ltd. | Subsidiary |
| Yuan Ding Investment Co., Ltd. | Subsidiary |
| YDT Technology International Co., Ltd. | Subsidiary |
| Far Eastern Polychem Industries Ltd. (FEPI) | Subsidiary |
| Far Eastern Construction Co., Ltd. | Subsidiary |
| Far Eastern Ishizuka Green Pet Corporation (FIGP) | Subsidiary |
| Far Eastern Polytex (Holding) Ltd | Subsidiary |
| FE Oriental Investment Holding (Singapore) Pte. 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) |
| Oriental Institute of Technology | Other related party (the same chairman) |
| Far Eastern Memorial Hospital | 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 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

| | For the Year Ended December 31 | |
|---|---------------------------------------|----------------------|
| | 2020 | 2019 |
| Sales | | |
| Subsidiaries | \$ 5,207,962 | \$ 4,990,094 |
| Associates | 168,397 | 195,087 |
| Other related parties | <u>401,370</u> | <u>429,285</u> |
| | <u>\$ 5,777,729</u> | <u>\$ 5,614,466</u> |
| Operating cost and expense | | |
| Purchase | | |
| Subsidiaries | | |
| Oriental Petrochemical (Taiwan) Corporation | \$ 9,756,113 | \$ 14,481,116 |
| Other subsidiaries | 1,420,112 | 1,191,051 |
| Associates | 935,862 | 1,053,951 |
| Other related parties | <u>215,164</u> | <u>177,406</u> |
| | <u>\$ 12,327,251</u> | <u>\$ 16,903,524</u> |
| Contract costs | | |
| Subsidiaries | \$ 31,671 | \$ 31,309 |
| Other related parties | <u>255,854</u> | <u>233,786</u> |
| | <u>\$ 287,525</u> | <u>\$ 265,095</u> |
| Computer processing expense | | |
| Subsidiaries | \$ 2,009 | \$ 6,034 |
| Other related parties | <u>106,462</u> | <u>101,733</u> |
| | <u>\$ 108,471</u> | <u>\$ 107,767</u> |
| Non-operating expenses | | |
| Other expenses - endorsement/guarantee expenses | | |
| Subsidiary | <u>\$ 6,745</u> | <u>\$ 10,771</u> |

The Company provided agent services to subsidiaries and recognized commission income amounting to \$27,026 thousand and \$27,069 thousand for the years ended December 31, 2020 and 2019, respectively. In addition, the Company recognized other receivables amounting to \$11,104 thousand and \$11,519 thousand as of December 31, 2020 and 2019, respectively.

Lease arrangements - Company is lessee

| | For the Year Ended December 31 | |
|-------------------------------------|---------------------------------------|-------------------|
| | 2020 | 2019 |
| Acquisitions of right-of-use assets | | |
| Other related parties | \$ <u>-</u> | \$ <u>107</u> |
| | | |
| | December 31 | |
| | 2020 | 2019 |
| Lease liabilities | | |
| Subsidiaries | | |
| Yuan Ding Co., Ltd. | \$ 374,440 | \$ 509,972 |
| Others | 114,384 | 152,998 |
| Associates | 130,831 | 170,340 |
| Other related parties | <u>32,649</u> | <u>45,959</u> |
| | <u>\$ 652,304</u> | <u>\$ 879,269</u> |
| | | |
| | For the Year Ended December 31 | |
| | 2020 | 2019 |
| Interest expense | | |
| Subsidiaries | \$ 5,730 | \$ 7,411 |
| Associates | 1,531 | 1,915 |
| Other related parties | <u>399</u> | <u>541</u> |
| | <u>\$ 7,660</u> | <u>\$ 9,867</u> |
| Rent expense | | |
| Subsidiaries | \$ 15,338 | \$ 5,853 |
| Other related parties | <u>4,822</u> | <u>4,245</u> |
| | <u>\$ 20,160</u> | <u>\$ 10,098</u> |

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

Lease arrangement - Company is lessor

| | <u>December 31</u> | |
|----------------------------|--------------------|------------------|
| | <u>2020</u> | <u>2019</u> |
| Operating lease receivable | | |
| Subsidiaries | \$ 1,286 | \$ 1,668 |
| Other related parties | <u>449</u> | <u>444</u> |
| | <u>\$ 1,735</u> | <u>\$ 2,112</u> |
| Future lease receivable | | |
| Subsidiaries | \$ 11,064 | \$ 15,394 |
| Other related parties | <u>5,402</u> | <u>4,336</u> |
| | <u>\$ 16,466</u> | <u>\$ 19,730</u> |

| | <u>December 31</u> | |
|-----------------------|--------------------|------------------|
| | <u>2020</u> | <u>2019</u> |
| Rent revenue | | |
| Subsidiaries | \$ 8,130 | \$ 12,979 |
| Other related parties | <u>5,399</u> | <u>4,868</u> |
| | <u>\$ 13,529</u> | <u>\$ 17,847</u> |

The Company leases the plants and spaces for operation and business to subsidiaries 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:

| | <u>December 31</u> | |
|------------------------------|--------------------|-------------------|
| | <u>2020</u> | <u>2019</u> |
| Short-term employee benefits | \$ 286,007 | \$ 371,659 |
| Post-employment benefits | <u>1,154</u> | <u>1,665</u> |
| | <u>\$ 287,161</u> | <u>\$ 373,324</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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

| | December 31 | |
|--|---------------------|---------------------|
| | 2020 | 2019 |
| Notes and accounts receivable | | |
| Subsidiaries | | |
| WWPI | \$ 811,846 | \$ 493,598 |
| Far Eastern Industries (Shanghai) Ltd. | 348,274 | 301,418 |
| Other subsidiaries | 79,627 | 163,010 |
| Associates | 27,754 | 15,416 |
| Other related parties | <u>123,712</u> | <u>68,402</u> |
| | <u>\$ 1,391,213</u> | <u>\$ 1,041,844</u> |
| Refundable deposits | | |
| Subsidiaries | | |
| Yuan Ding Co., Ltd. | \$ 33,251 | \$ 33,682 |
| Other subsidiaries | 3,585 | 3,421 |
| Associates | 5,406 | 5,116 |
| Other related parties | | |
| Da Ju Fiber Co., Ltd. | <u>8,000</u> | <u>8,000</u> |
| | <u>\$ 50,242</u> | <u>\$ 50,219</u> |
| Notes and accounts payable to related parties | | |
| Subsidiaries | | |
| Oriental Petrochemical (Taiwan) Corporation | \$ 495,955 | \$ 1,065,381 |
| Other subsidiaries | 151,288 | 124,250 |
| Associates | 84,844 | 86,339 |
| Other related parties | <u>11,818</u> | <u>10,220</u> |
| | <u>\$ 743,905</u> | <u>\$ 1,286,190</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) | 2,653 | 2,738 |
| Other related parties (Note c) | 2,579 | 2,579 |
| Disposal of property, plant and equipment (Note d) | | |
| Subsidiary | | |
| Far Eastern Polytex (Vietnam) Ltd. | <u>10,857</u> | <u>11,693</u> |
| | <u>\$ 46,345</u> | <u>\$ 47,266</u> |

(Continued)

Bank deposits

| | <u>December 31</u> | |
|--------------------------------|---------------------|---------------------|
| | <u>2020</u> | <u>2019</u> |
| Far Eastern International Bank | <u>\$ 3,755,437</u> | <u>\$ 1,900,767</u> |

The Company had bank deposits and time deposits in Far Eastern International Bank. The interest income was \$5,660 thousand and \$15,643 thousand for the years ended December 31, 2020 and 2019, respectively.

Financial assets (liabilities) at FVTPL - current

| | <u>December 31</u> | |
|--------------------------------|--------------------|-------------------|
| | <u>2020</u> | <u>2019</u> |
| Far Eastern International Bank | <u>\$ (4,290)</u> | <u>\$ (4,114)</u> |

The Company signed forward exchange contracts and combined foreign exchange options with Far Eastern International Bank. The (loss) gain of financial (liabilities) assets at FVTPL was \$(46,663) thousand and \$6,390 thousand for the years ended December 31, 2020 and 2019, respectively.

Financing to related parties

Loans to related parties:

| | <u>December 31</u> | | | |
|--------------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| | <u>2020</u> | | <u>2019</u> | |
| | <u>Other Receivable</u> | <u>Interest Receivable</u> | <u>Other Receivable</u> | <u>Interest Receivable</u> |
| Subsidiaries | <u>\$ 660,000</u> | <u>\$ 88</u> | <u>\$ -</u> | <u>\$ -</u> |

The interest income from loans to subsidiaries was \$88 thousand and \$162 thousand for the years ended December 31, 2020 and 2019, respectively.

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

| | <u>December 31</u> | |
|--------------------------------|--------------------|---------------------|
| | <u>2020</u> | <u>2019</u> |
| Far Eastern International Bank | <u>\$ -</u> | <u>\$ 1,500,000</u> |

The interest expense from loans from associate was \$88 thousand and \$189 thousand for the years ended December 31, 2020 and 2019, respectively.

In 2020 and 2019, the Company bought machinery, equipment and construction from subsidiaries, for \$40,456 thousand and \$19,710 thousand, respectively. As of December 31, 2020 and 2019, the payables on these purchases had been paid.

In 2020, the Company bought machinery, equipment, construction and software from other related party, amounting to \$6,815 thousand. As of December 31, 2020, the payables on these purchases had been paid

In 2020, the Company sold machinery and equipment to subsidiaries Oriental Green Materials Limited and Far Eastern Industries (Shanghai) Ltd. amounting to \$15,443 thousand and \$3,231 thousand, respectively. And the Company recognized Gain on sales of machinery and equipment amounting to \$7,450 thousand and \$80 thousand, respectively.

(Continued)

In 2020 and 2019, the Company invested in 100%-owned foreign subsidiary, Far Eastern Investment (Holding) Ltd., amounting to \$961,014 thousand (or US\$32,000 thousand) and \$4,934,979 thousand (or US\$158,000 thousand), respectively.

In 2020, the Company invested in 100%-owned foreign subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. amounting to \$147,400 thousand (or US\$5,000 thousand).

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

In 2019, the Company invested in 100%-owned foreign 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 \$638,977 thousand and deferred the gain on disposal of equipment \$12,528 thousand (recognized as deferred credit - gain on related-party accounts), and amortized the deferred credit according to the useful lives for \$836 thousand and \$835 thousand, respectively in 2020 and 2019.
- e. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-------------------------|-------------------------------------|--|----------------------------------|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|------------|---|----------------------------|---|
| | | | | | | | | | | | | | Item | Value | | | |
| 0 | Far Eastern New Century Corporation | Far Eastern Resources Development Co., Ltd. | Receivables from related parties | Yes | \$ 2,500,000 | \$ 2,500,000 | \$ 660,000 | 0.594 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 10,201,459 | \$ 102,014,594 | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G) |
| | | Oriental Green Materials Limited | Receivables from related parties | Yes | 1,300,000 | 1,300,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 10,201,459 | 102,014,594 | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note G) |
| 1 | Yuan Ding Investment Co., Ltd. | Far Eastern Resources Development Co., Ltd. | Receivables from related parties | Yes | 1,500,000 | 1,000,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Oriental Resources Development Co., Ltd. | Receivables from related parties | Yes | 50,000 | 50,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Yuan Tong Investment Co., Ltd. | Receivables from related parties | Yes | 750,000 | 500,000 | 500,000 | 0.9878 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Ding Yuan International Investment Co., Ltd. | Receivables from related parties | Yes | 400,000 | 200,000 | 176,000 | 0.9878 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Yu Ding Industry Co., Ltd. | Receivables from related parties | Yes | 810,000 | 810,000 | 470,000 | 0.9878-1.05 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Da Ju Fiber Co., Ltd. | Receivables from related parties | Yes | 1,060,000 | 742,000 | 477,000 | 0.9878-1.05 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Kai Yuan International Investment Co., Ltd. | Receivables from related parties | Yes | 1,200,000 | 600,000 | 600,000 | 0.9878 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Oriental Green Materials Limited | Receivables from related parties | Yes | 600,000 | 400,000 | - | 0.9878-1.05 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Oriental Petrochemical (Taiwan) Corporation | Receivables from related parties | Yes | 1,500,000 | 1,000,000 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Far Eastern Apparel Co., Ltd. | Receivables from related parties | Yes | 350,000 | - | - | 1.055 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| An Ho Garment Co., Ltd. | Receivables from related parties | Yes | 800,000 | 400,000 | 400,000 | 0.9878 | 2 | - | For revolving fund | - | Promissory note | - | 4,201,284 | 21,006,419 | Amounts allowed for ending period (Note C); 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 | | | |
| 2 | Yuan Tong Investment Co., Ltd. | Sino Belgium (Holding) Ltd. | Receivables from related parties | Yes | \$ 181,500 | \$ - | \$ - | 0.25727-2.09922 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 829,983 | \$ 4,464,916 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | Far Eastern Apparel Co., Ltd. | Receivables from related parties | Yes | 340,000 | 340,000 | 170,000 | 0.9889 | 2 | - | For revolving fund | - | Promissory note | - | 829,983 | 4,464,916 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| 3 | Far Eastern Resources Development Co., Ltd. | Kai Yuan International Investment Co., Ltd. | Receivables from related parties | Yes | 250,000 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 2,705,361 | 13,526,806 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| | | An Ho Garment Co., Ltd. | Receivables from related parties | Yes | 250,000 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 2,705,361 | 13,526,806 | Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note G) |
| 4 | New Century InfoComm Tech Co., Ltd. | Yuanshi Digital Technology Co., Ltd. | Receivables from related parties | Yes | 300,000 | - | - | 1.28-1.53 | 2 | - | For revolving fund | - | - | - | 9,794,950 | 12,243,687 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G) |
| | | Far EasTone Telecommunications Co., Ltd. | Receivables from related parties | Yes | 1,500,000 | 1,500,000 | 1,500,000 | 0.53-0.83 | 1 | 2,294,182 | - | - | - | - | 2,294,182 | 12,243,687 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note L) |
| | | Far EasTone Telecommunications Co., Ltd. | Receivables from related parties | Yes | 9,500,000 | 8,500,000 | 6,500,000 | 0.58-0.83 | 2 | - | For revolving fund | - | - | - | 9,794,950 | 12,243,687 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note G) |
| 5 | Yuan Ding Co., Ltd. | Ding Ding Hotel Co., Ltd. | Receivables from related parties | Yes | 800,000 | 800,000 | 200,000 | 0.8590-0.8857 | 2 | - | For revolving fund | - | Promissory note | - | 1,651,306 | 4,128,266 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G) |
| | | Ding Ding Integrated Marketing Service Co., Ltd. | Receivables from related parties | Yes | 200,000 | 200,000 | 50,000 | 0.8767 | 2 | - | For revolving fund | - | Promissory note | - | 1,651,306 | 4,128,266 | Amounts allowed for ending period (Note E); maximum amounts allowed for the period (Note G) |
| 6 | Far Eastern Investment (Holding) Ltd. | Far Eastern New Apparel (Vietnam) Ltd. | Receivables from affiliates | Yes | 569,600 | 569,600 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 12,577,832 | 37,733,497 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) |
| | | Far Eastern Polytex (Vietnam) Ltd. | Receivables from affiliates | Yes | 1,424,000 | - | - | 0-2.67173 | 2 | - | For revolving fund | - | Promissory note | - | 12,577,832 | 37,733,497 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) |
| | | FE New Century Industry (Singapore) PTE. LTD. | Receivables from affiliates | Yes | 142,400 | 142,400 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 12,577,832 | 37,733,497 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) |
| | | FILSYN Corporation | Receivables from affiliates | Yes | 256,320 | 256,320 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 10,062,266 | 10,062,266 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) |
| | | FYN Green PET Corporation | Receivables from affiliates | Yes | 85,440 | 85,440 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 10,062,266 | 10,062,266 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) |
| 7 | Oriental Textile (Holding) Ltd. | Far Eastern Polytex (Vietnam) Ltd. | Receivables from affiliates | Yes | - | - | - | 2.09922 | 2 | - | For revolving fund | - | Promissory note | - | 3,589,586 | 11,003,190 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note | |
|-----|--|--|--|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-----------------|-----------------------------------|----------------------------|---|---|
| | | | | | | | | | | | | | Item | Value | | | | |
| 8 | FEDP (Holding) Ltd. | Sino Belgium (Holding) Ltd. | Receivables from affiliates | Yes | \$ 170,880 | \$ 170,880 | \$ 156,640 | - | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 720,144 | \$ 720,144 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) | |
| 9 | APG Polytech USA Holdings, Inc. | Phoenix Technologies International, LLC | Receivables from affiliates | Yes | 142,400 | 142,400 | - | - | 2 | - | For revolving fund | - | Promissory note | - | 7,170,222 | 21,978,947 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note J) | |
| 10 | Malaysia Garment Manufactures Pte. Ltd. | Arpeggio International Resources Corporation | Receivables from affiliates | Yes | 71,200 | - | - | 0.25727-2.09922 | 2 | - | For revolving fund | - | Promissory note | - | 106,679 | 106,679 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) | |
| 11 | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 2,188,500 | 2,188,500 | 2,049,933 | 2.91-3.94 | 2 | - | For revolving fund | - | Promissory note | - | 2,670,748 | 5,934,996 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) | |
| 12 | Far Eastern Apparel (Suzhou) Co., Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 1,225,560 | 1,225,560 | 1,018,160 | 2.60-3.69 | 2 | - | For revolving fund | - | Promissory note | - | 1,391,033 | 3,091,184 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) | |
| 13 | Far Eastern Industries (Suzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 1,356,870 | 1,356,870 | 1,292,799 | 2.60-3.10 | 2 | - | For revolving fund | - | Promissory note | - | 1,411,248 | 3,136,107 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) | |
| 14 | Oriental Industries (Suzhou) Ltd. | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | Other receivables - loans to related parties | Yes | 218,850 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,224,569 | 11,610,152 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) | |
| | | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes | 218,850 | - | - | 3.90980 | 2 | - | For revolving fund | - | Promissory note | - | 5,224,569 | 11,610,152 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) | |
| | | Far Eastern Apparel (Suzhou) Co., Ltd. | Other receivables - loans to related parties | Yes | 437,700 | 437,700 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,224,569 | 11,610,152 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 437,700 | 437,700 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,224,569 | 11,610,152 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Far Eastern Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 1,313,100 | 1,313,100 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,414,343 | 12,031,873 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Far Eastern Industries (Wuxi) Ltd. | Other receivables - loans to related parties | Yes | 875,400 | 875,400 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 5,414,343 | 12,031,873 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Sino Belgium Beer (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 1,094,250 | 1,094,250 | 761,370 | 3.20-3.91 | - | 2 | - | For revolving fund | - | Promissory note | - | 5,414,343 | 12,031,873 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Oriental Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes | 700,320 | - | - | 3.47-3.91 | - | 2 | - | For revolving fund | - | Promissory note | - | 2,406,375 | 2,406,375 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes | 393,930 | 393,930 | 393,930 | 3.47 | 2 | - | For revolving fund | - | Promissory note | - | 2,406,375 | 2,406,375 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) | |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Maximum Amounts Allowed for the Period | Amounts Allowed for Ending Period | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limits | Note |
|-----|--|---|--|-----------------|--|-----------------------------------|-------------------------|-------------------|---------------------|------------------------------|----------------------------------|-------------------------------|-----------------|-------|-----------------------------------|----------------------------|---|
| | | | | | | | | | | | | | Item | Value | | | |
| 15 | Far Eastern Industries (Wuxi) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | \$ 875,400 | \$ 875,400 | \$ 171,206 | 2.60-4.31 | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 2,537,215 | \$ 5,638,255 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| 16 | Suzhou An Ho Apparel Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 39,393 | 39,393 | 39,393 | 2.60-3.10 | 2 | - | For revolving fund | - | Promissory note | - | 50,310 | 111,800 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| 17 | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 437,700 | 437,700 | 437,700 | 2.60-3.10 | 2 | - | For revolving fund | - | Promissory note | - | 969,153 | 2,153,673 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 787,860 | 656,550 | 586,623 | 2.60-3.10 | 2 | - | For revolving fund | - | Promissory note | - | 969,153 | 2,153,673 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| 18 | Oriental Petrochemical (Shanghai) Corporation | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes | 218,850 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 225,916 | 677,749 | Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note D) |
| 19 | Far Eastern Industries (Shanghai) Ltd. | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes | 1,313,100 | 1,313,100 | 1,313,100 | 3.40-3.87 | 2 | - | For revolving fund | - | Promissory note | - | 3,448,366 | 3,448,366 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) |
| | | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes | 656,550 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 4,310,458 | 7,758,824 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H) |
| 20 | Wuhan Far Eastern New Material Ltd. | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes | 131,310 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 470,667 | 847,200 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H) |
| 21 | Far Eastern New Century (China) Investment Co., Ltd. | Shanghai Yuan Zi Information Technology Co., Ltd. | Other receivables - loans to related parties | Yes | 43,770 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 9,636,298 | 13,490,817 | Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M) |
| | | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 1,094,250 | - | - | 1.21 | 2 | - | For revolving fund | - | Promissory note | - | 9,636,298 | 13,490,817 | Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M) |
| | | Wuhan Far Eastern New Material Ltd. | Other receivables - loans to related parties | Yes | 131,310 | - | - | 1.21 | 2 | - | For revolving fund | - | Promissory note | - | 9,636,298 | 13,490,817 | Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M) |
| | | Far Eastern Industries (Shanghai) Ltd. | Other receivables - loans to related parties | Yes | 3,063,900 | - | - | 1.21 | 2 | - | For revolving fund | - | Promissory note | - | 9,636,298 | 13,490,817 | Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M) |
| | | Shanghai Far Eastern Petrochemical Logistic Corporation | Other receivables - loans to related parties | Yes | 52,524 | - | - | 1.21 | 2 | - | For revolving fund | - | Promissory note | - | 9,636,298 | 13,490,817 | Amounts allowed for ending period (Note L); maximum amounts allowed for the period (Note M) |
| | | Oriental Petrochemical (Shanghai) Corporation | Other receivables - loans to related parties | Yes | 218,850 | 87,540 | 87,540 | 1.21 | 2 | - | For revolving fund | - | Promissory note | - | 1,541,808 | 1,541,808 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) |

(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 | | | |
| 22 | Shanghai Yuan Zi Information Technology Co., Ltd. | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes | \$ 43,770 | \$ - | \$ - | - | 2 | \$ - | For revolving fund | \$ - | Promissory note | \$ - | \$ 58,187 | \$ 87,280 | Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note J) |
| 23 | Shanghai Far Eastern Petrochemical Logistic Corporation | Far Eastern New Century (China) Investment Co., Ltd. | Other receivables - loans to related parties | Yes | 52,524 | - | - | - | 2 | - | For revolving fund | - | Promissory note | - | 48,428 | 87,170 | Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H) |
| 24 | Far Eastern Industries (Yangzhou) Ltd. | Oriental Industries (Suzhou) Ltd. | Other receivables - loans to related parties | Yes | 306,390 | 306,390 | 306,390 | 3.00-3.60 | 2 | - | For revolving fund | - | Promissory note | - | 1,245,712 | 2,768,248 | Amounts allowed for ending period (Note H); maximum amounts allowed for the period (Note K) |
| | | Far Eastern Union Petrochemical (Yangzhou) Corporation | Other receivables - loans to related parties | Yes | 525,240 | 525,240 | 525,240 | 3.00-3.60 | 2 | - | For revolving fund | - | Promissory note | - | 553,650 | 553,650 | Amounts allowed for ending period (Note F); maximum amounts allowed for the period (Note F) |

Notes: A. Reasons for financing are as follows:

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Endorser/Guarantor | Endorsee/Guarantee | | Limits on Each Counterparty's Endorsement/Guarantee Amounts | Maximum Amounts Allowed for the Period | Outstanding Endorsement/Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/Guaranteed by Collateral | Ratio of Accumulated Endorsements/Guarantees to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/Guarantee Limit | Endorsements/Guarantees Given by Parent on Behalf of Subsidiaries (Note 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 A) | \$ 21,006,419 | \$ 268,000 | \$ 228,000 | \$ - | \$ - | 0.54 | \$ 42,012,837 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F) | |
| | | APG Polytech, LLC | (Note B) | 20,402,919 | 6,724,480 | 6,521,920 (Note N) | 1,851,200 | - | 15.52 | 20,402,919 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H) | |
| | | APG Polytech USA Holdings, Inc. | (Note B) | 20,402,919 | 2,692,250 | 2,107,520 (註十四) | 108,224 | - | 5.02 | 20,402,919 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H) | |
| | | Far Eastern Ishizuka Green Pet Corporation | (Note B) | 20,402,919 | 677,520 | - | - | - | - | - | 20,402,919 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H) |
| | | Phoenix Technologies International, LLC | (Note B) | 20,402,919 | 1,296,450 | 1,281,600 | 572,448 | - | 3.05 | 20,402,919 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note H) | |
| 2 | Far Eastern Resources Development Co., Ltd. | Far Eastern New Century Corporation | (Note C) | 13,526,806 | 5,658,332 | 5,158,332 | 2,640,000 | 5,158,332 | 2.53 | 27,053,611 | - | Yes | - | Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F) | |
| 3 | Yuan Ding Co., Ltd. | Ding Ding Hotel Co., Ltd. | (Note D) | 4,128,266 | 1,650,000 | 1,650,000 | 739,026 | 350,000 | 0.81 | 8,256,531 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note E); maximum amounts allowed for the period (Note F) | |
| 4 | Far Eastern Investment (Holding) Ltd. | APG Polytech USA Holdings, Inc. | (Note D) | 102,014,594 | 6,664,075 | 6,274,144 | 569,600 | - | 3.08 | 204,029,187 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J) | |
| | | APG Polytech, LLC | (Note D) | 102,014,594 | 2,607,550 | 1,429,696 | 297,331 | - | 0.70 | 204,029,187 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J) | |
| | | Phoenix Technologies International, LLC | (Note D) | 102,014,594 | 605,000 | - | - | - | - | 204,029,187 | - | - | - | Limits on each counterparty's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note J) | |

Notes: A. Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.

B. Companies in which the Company directly or indirectly holds more than 90% of the voting shares.

C. Companies that directly and indirectly hold more than 50% of the voting rights in the Company.

D. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

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 latest audited financial statements.

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 latest audited financial statements.

I. 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.

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

(Continued)

- K. The ratio of accumulated endorsements/guarantees to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
- L. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in mainland China.
- M. The tariff guarantee maximum amounts allowed for a subsidiary in mainland China for the period and the actual appropriation as of period end are as follows: Oriental Industries (Suzhou) Ltd.: RMB6,000 thousand (NT\$26,262 thousand), the actual remittance: RMB6,000 thousand (NT\$26,262 thousand). Far Eastern Apparel (Suzhou) Co., Ltd.: RMB4,000 thousand (NT\$17,508 thousand), the actual remittance: RMB4,000 thousand (NT\$17,508 thousand). Far Eastern Industries (Shanghai) Ltd.: RMB13,000 thousand (NT\$56,901 thousand), the actual remittance: RMB13,000 thousand (NT\$56,901 thousand).
- N. Endorsement/guarantee in the amount of \$64,000 thousand was provided to APG USA Holdings, Inc. which provided by Yuan Ding Investment Co., Ltd. and co-used by APG Polytech, LLC. and APG USA Holdings, Inc.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2020

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

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|--------------------------------------|--|---|---|--|-----------------|-----------------------------|--|---|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| Far Eastern New Century Corporation | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 750,511 | \$ 19,555,827 | 22.33 | \$ 32,422,089 | 19,900 thousand shares pledged or mortgaged as collateral for loans. (Note F) |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 241,770 | 5,078,558 | 17.06 | 5,802,473 | |
| | Oriental Union Chemical Corporation | (Note A) | Investments accounted for using the equity method | 81,216 | 1,095,081 | 9.17 | 1,648,685 | |
| | Everest Textile Corporation | (Note A) | Investments accounted for using the equity method | 140 | 1,180 | 0.03 | 1,377 | |
| | Oriental Securities Corporation | (Note A) | Investments accounted for using the equity method | 141,961 | 2,024,150 | 19.65 | - | |
| | Pacific Liu Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 135,000 | 2,009,899 | 16.83 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 87,767 | 1,166,486 | 2.62 | 978,458 | |
| | Yuan Ding Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,822,822 | 41,433,997 | 99.40 | - | |
| | Far Eastern Resources Development Co., Ltd. | (Note A) | Investments accounted for using the equity method | 775,836 | 106,334,081 | 100.00 | - | |
| | Far Eastern Polytex (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 168 | 9,647,375 | 100.00 | - | |
| | Far Eastern Polychem Industries Ltd. | (Note A) | Investments accounted for using the equity method | 830,815 | 7,739,405 | 73.04 | - | |
| | Yuan Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 739,953 | 8,737,914 | 100.00 | - | |
| | Kai Yuan International Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 367,143 | 5,582,758 | 100.00 | - | |
| | Far Eastern Investment (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 5,072 | 25,734,569 | 100.00 | - | |
| | PET Far Eastern (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 397 | 4,497,126 | 91.95 | - | |
| | Oriental Petrochemical (Taiwan) Corporation | (Note A) | Investments accounted for using the equity method | 1,712,218 | 9,057,496 | 75.56 | - | |
| | Far Eastern Construction Co., Ltd. | (Note A) | Investments accounted for using the equity method | 245,829 | 9,956,499 | 65.11 | - | |
| | Yuan Ding Co., Ltd. | (Note A) | Investments accounted for using the equity method | 186,929 | 3,243,038 | 37.13 | - | |
| | An Ho Garment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 75,704 | 2,109,554 | 100.00 | - | |
| | Ding Yuan International Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 255,031 | 3,088,477 | 100.00 | - | |
| FEDP (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 244 | 913,226 | 50.43 | - | | |
| Fu Kwok Knitting & Garment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 4,000 | 211,101 | 100.00 | - | | |
| Ding Ding Hotel Co., Ltd. | (Note A) | Investments accounted for using the equity method | 769 | 7,700 | 0.74 | - | | |
| Far Eastern Textile Ltd. | (Note A) | Investments accounted for using the equity method | 100 | 1,720 | 100.00 | - | | |
| Yuan Ding Investment Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 52,722 | 2,205,639 | 1.57 | 2,277,570 | 8,807 thousand shares pledged or mortgaged as collateral for loans. 31,600 thousand shares pledged or mortgaged as collateral for loans. 10,000 thousand shares pledged or mortgaged as collateral for loans. |
| | Oriental Union Chemical Corporation | (Note A) | Investments accounted for using the equity method | 70,818 | 1,130,946 | 8.00 | 1,437,599 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 139,785 | 3,355,101 | 9.87 | 3,354,840 | |
| | Everest Textile Corporation | (Note A) | Investments accounted for using the equity method | 128,618 | 831,947 | 25.23 | 1,266,891 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,066,658 | 21,968,490 | 32.73 | 65,279,446 | |
| | Far Eastern Polychem Industries Ltd. | (Note A) | Investments accounted for using the equity method | 306,644 | 2,856,714 | 26.96 | - | |
| | Far Eastern Apparel (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 111 | 4,314,142 | 100.00 | - | |
| | Da Ju Fiber Co., Ltd. | (Note A) | Investments accounted for using the equity method | 64,662 | 2,303,416 | 41.86 | - | |
| | Far Eastern Apparel Co., Ltd. | (Note A) | Investments accounted for using the equity method | 24,772 | 70,445 | 100.00 | - | |
| | Yuan Faun Co., Ltd. | (Note A) | Investments accounted for using the equity method | 5,000 | 144,492 | 100.00 | - | |
| | Yue Ming Corporation | (Note A) | Investments accounted for using the equity method | 4,745 | 64,307 | 45.50 | - | |
| | Yuan Ding Leasing Corporation | (Note A) | Investments accounted for using the equity method | 36,706 | 398,076 | 46.20 | - | |
| | Far Eastern Fibertech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 91,000 | 1,133,113 | 100.00 | - | |
| | Oriental Resources Development Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,484 | 68,642 | 100.00 | - | |
| | Liquid Air Far East Co., Ltd. | (Note A) | Investments accounted for using the equity method | 86,615 | 2,432,813 | 35.00 | - | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note A) | Investments accounted for using the equity method | 33,003 | 586,556 | 29.80 | - | |
| | Oriental Securities Corporation | (Note A) | Investments accounted for using the equity method | 187,470 | 2,779,679 | 25.96 | - | |
| | Yuan Ding Co., Ltd. | (Note A) | Investments accounted for using the equity method | 64,759 | 1,136,900 | 12.86 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|---------------------------------------|--|---------------------------------------|---|--|-----------------|-----------------------------|--|----------|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| | Far Eastern International Leasing Corporation | (Note A) | Investments accounted for using the equity method | 75,268 | \$ 949,125 | 16.87 | \$ - | (Note F) |
| | Oriental Textile (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 110 | 7,950,473 | 100.00 | - | |
| | Pacific Liu Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 119,653 | 1,695,192 | 14.92 | - | |
| | Yu Yuan Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 98,198 | 958,927 | 18.96 | - | |
| | Far Eastern General Contractor Inc. | (Note A) | Investments accounted for using the equity method | 1,490 | 23,624 | 1.00 | - | |
| | Oriental Petrochemical (Taiwan) Corporation | (Note A) | Investments accounted for using the equity method | 117,746 | 643,372 | 5.20 | - | |
| | Oriental Green Materials Limited | (Note A) | Investments accounted for using the equity method | 55,311 | 606,730 | 100.00 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 122,687 | 1,586,439 | 3.56 | 1,331,149 | |
| | Chung Nan Textile Co., Ltd. | (Note L) | Financial asset at FVTOCI - non-current | 2,985 | 95,874 | 5.27 | 89,456 | |
| | Overseas Investment and Development Co., Ltd. | - | Financial asset at FVTOCI - non-current | 1,000 | 7,060 | 1.11 | 6,230 | |
| | Universal Venture Capital Investment Corporation | - | Financial asset at FVTOCI - non-current | 1,400 | 10,444 | 1.16 | 10,444 | |
| | China Investment and Development Co., Ltd. | (Note L) | Financial asset at FVTOCI - non-current | 1,287 | 10,939 | 0.80 | 10,939 | |
| | Taiwan Stock Exchange Corporation | - | Financial asset at FVTOCI - non-current | 1,169 | 64,267 | 0.16 | 64,267 | |
| | 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 | 32,071 | 0.50 | 32,071 | |
| | U-Ming Marine Transport Corporation | (Note B) | Financial asset at FVTOCI - non-current | 8,869 | 327,266 | 1.05 | 327,266 | |
| | Financial assets under asset management contracts (Note E) | | | | | | | |
| | Yuanta Taiwan 50 ETF | - | Financial assets at fair value through profit or loss - current | 105 | 705 | - | 705 | |
| | Cathay FTSE China A50 ETF | - | Financial assets at fair value through profit or loss - current | 128 | 3,514 | - | 3,514 | |
| | Tainan Spinning Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 600 | 9,000 | - | 9,000 | |
| | Makalot Industrial Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 50 | 9,575 | - | 9,575 | |
| | Eternal Materials Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 430 | 15,717 | - | 15,717 | |
| | Ta Chen Stainless Pipe Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 150 | 4,695 | - | 4,695 | |
| | Hon Hai Precision Industry Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 100 | 9,200 | - | 9,200 | |
| | Taiwan Semiconductor Manufacturing Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 30 | 15,900 | - | 15,900 | |
| | Lelon Electronics Corp. | - | Financial assets at fair value through profit or loss - current | 210 | 13,398 | - | 13,398 | |
| | Faraday Technology | - | Financial assets at fair value through profit or loss - current | 290 | 14,761 | - | 14,761 | |
| | Advanced Ceramic X Corporation | - | Financial assets at fair value through profit or loss - current | 31 | 15,810 | - | 15,810 | |
| | Gemtek Technology Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 560 | 17,052 | - | 17,052 | |
| | Taiwan Semiconductor Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 76 | 4,727 | - | 4,727 | |
| | Farglory F T Z Investment Holding Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 170 | 5,057 | - | 5,057 | |
| | Chipbond Technology Corporation | - | Financial assets at fair value through profit or loss - current | 200 | 13,280 | - | 13,280 | |
| | Taiwan Surface Mounting Technology Corp. | - | Financial assets at fair value through profit or loss - current | 80 | 10,320 | - | 10,320 | |
| | Formosa Petrochemical Corp | - | Financial assets at fair value through profit or loss - current | 100 | 9,980 | - | 9,980 | |
| | E Ink Holdings Inc. | - | Financial assets at fair value through profit or loss - current | 115 | 5,267 | - | 5,267 | |
| | Feng Tay Enterprises Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 50 | 9,975 | - | 9,975 | |
| | Oriental Petrochemical (Taiwan) Corporation | - | Financial assets at fair value through profit or loss - current | 0.03 | 3,000,000 | - | - | |
| | 2020 First Term Unsecured Privately Placed Corporate Bonds | | | | | | | |
| Far Eastern Investment (Holding) Ltd. | Filsyn Corporation | (Note A) | Investments accounted for using the equity method | 45,066 | - | 21.85 | - | |
| | FETG Investment Antilles N.V. | (Note A) | Investments accounted for using the equity method | 6 | 32,236 | 100.00 | - | |
| | PET Far Eastern (M) Sdn. Bhd. | (Note A) | Investments accounted for using the equity method | Common stock 5,000 | 198,447 | 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) | 939,969 | 100.00 | - | |
| | Worldwide Polychem (HK) Ltd. | (Note A) | Investments accounted for using the equity method | 2,700 | 109,670 | 100.00 | - | |
| | Opas Fund Segregated Portfolio Company | (Note A) | Investments accounted for using the equity method | (Note G) | 1,585 | 34.00 | - | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 7,481,568 | 100.00 | - | |
| | Far Eastern New Apparel (Vietnam) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 149,719 | 100.00 | - | |
| | Magna View Sdn. Bhd. | (Note A) | Investments accounted for using the equity method | 3,000 | 198,472 | 100.00 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|--|---|---------------------------------------|---|--|-----------------|-----------------------------|--|--|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| | Malaysia Garment Manufactures Pte. Ltd. | (Note A) | Investments accounted for using the equity method | 30 | \$ 460,650 | 37.92 | \$ - | |
| | Drive Catalyst SPC | (Note A) | Investments accounted for using the equity method | (Note G) 495 | 495 | 34.00 | - | |
| | APG Polytech USA Holdings, Inc. | (Note A) | Investments accounted for using the equity method | 5 | 14,246,026 | 100.00 | - | |
| | Drive Catalyst SPC-SP Tranche One | (Note A) | Investments accounted for using the equity method | 4 | 106,357 | 25.00 | - | |
| | Drive Catalyst SPC-SP Tranche Three | (Note A) | Investments accounted for using the equity method | 4 | 127,616 | 25.00 | - | |
| | Far Eastern International Garments | (Note A) | Other liabilities - other | 59 | (11,732) | 41.00 | - | |
| | Cemtex Apparel Inc. | (Note A) | Other liabilities - other | 90 | (10,886) | 50.00 | - | |
| | Opas Fund Segregated Portfolio Tranche B | (Note K) | Financial assets at fair value through profit or loss - current | 5 | 185,135 | - | 185,135 | |
| | Opas Fund Segregated Portfolio Tranche C | (Note K) | Financial assets at fair value through profit or loss - current | 6 | 371,256 | - | 371,256 | |
| APG Polytech USA Holdings, Inc. | Corpus Christi Polymers LLC | (Note N) | Investments accounted for using the equity method | (Note G) | 11,853,091 | 33.33 | - | |
| | APG Polytech, LLC | (Note A) | Investments accounted for using the equity method | (Note G) | 2,865,479 | 100.00 | - | |
| | Phoenix Technologies International, LLC | (Note A) | Investments accounted for using the equity method | (Note G) | 237,358 | 100.00 | - | |
| Magna View Sdn. Bhd. | PET Far Eastern (M) Sdn. Bhd. | (Note A) | Investments accounted for using the equity method | Common stock 5,000 Preferred stock 3,000 | 198,447 | 50.00 | - | |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 12,279 | 464,945 | 0.37 | 530,440 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 11,983 | 278,893 | 0.85 | 278,592 | |
| | Everest Textile Corporation | (Note A) | Investments accounted for using the equity method | 1,183 | 6,549 | 0.23 | 11,650 | |
| | Oriental Union Chemical Corporation | (Note A) | Investments accounted for using the equity method | 27,365 | 605,182 | 3.09 | 555,520 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 920 | 41,032 | 0.03 | 56,283 | |
| | Pacific Liu Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 18,000 | 249,576 | 2.24 | - | (Note F) |
| | Yu Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 15,738 | 425,408 | 13.20 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 91,166 | 1,178,220 | 2.64 | 989,147 | 5,000 thousand shares pledged or mortgaged as collateral for loans. |
| | U-Ming Marine Transport Corporation | (Note C) | Financial asset at FVTOCI - non-current | 2,694 | 99,409 | 0.32 | 99,409 | |
| Kai Yuan International Investment Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 25,312 | 1,009,524 | 0.75 | 1,093,500 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 34,299 | 1,107,782 | 1.05 | 2,099,101 | 13,950 thousand shares pledged or mortgaged as collateral for loans. |
| | Oriental Union Chemical Corporation | (Note A) | Investments accounted for using the equity method | 32,474 | 598,227 | 3.67 | 659,226 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 20,672 | 597,205 | 1.46 | 496,133 | |
| | Kowloon Cement Corporation | (Note A) | Investments accounted for using the equity method | 1,127 | 450,602 | 49.00 | - | |
| | Far Eastern International Leasing Corporation | (Note A) | Investments accounted for using the equity method | 74,970 | 950,069 | 16.80 | - | |
| | Pacific Liu Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 18,000 | 249,777 | 2.24 | - | (Note F) |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 110,679 | 1,430,986 | 3.21 | 1,200,866 | |
| | U-Ming Marine Transport Corporation | (Note C) | Financial asset at FVTOCI - non-current | 1,861 | 68,671 | 0.22 | 68,671 | |
| Far Eastern Polychem Industries Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 7,555,371 | 87.64 | - | |
| | PET Far Eastern (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 35 | 394,067 | 8.05 | - | |
| | FEDP (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 240 | 897,653 | 49.57 | - | |
| | Far Eastern Industries (Yangzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 1,384,124 | 100.00 | - | |
| | Far Eastern Ishizuka Green Pet Corporation | (Note A) | Investments accounted for using the equity method | 3,578 | 1,142,565 | 90.00 | - | |
| | Nippon Parison Co., Ltd | - | Financial asset at FVTOCI - non-current | 4 | 127,029 | 10.00 | 127,029 | |
| Far Eastern Construction Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 17,726 | 612,922 | 0.53 | 765,768 | |
| | Far Eastern General Contractor Inc. | (Note A) | Investments accounted for using the equity method | 147,413 | 2,173,332 | 98.95 | - | |
| | U-Ming Marine Transport Corporation | (Note C) | Financial asset at FVTOCI - current | 1,590 | 58,663 | 0.19 | 58,663 | |
| Far Eastern Apparel (Holding) Ltd. | Far Eastern Apparel (Suzhou) Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 615,828 | 38.46 | - | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 3,307,071 | 100.00 | - | |
| | Far Eastern Innovation Apparel (Suzhou) Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 1,076,836 | 100.00 | - | |
| | Opas Fund Segregated Portfolio Tranche C | (Note K) | Financial assets at fair value through profit or loss - current | 5 | 323,019 | - | 323,019 | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|---|--|---|---|--|-----------------|-----------------------------|--|--|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| Far Eastern Apparel Co., Ltd. | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 469 | \$ 16,359 | 0.01 | \$ 20,261 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 90 | 6,022 | - | 5,508 | |
| | Yu Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 12 | 156 | 0.01 | - | |
| Far Eastern General Contractor Inc. | Far Eastern Technical Consultants Co., Ltd. | (Note A) | Investments accounted for using the equity method | 450 | 6,939 | 9.00 | - | |
| | U-Ming Marine Transport Corporation | (Note C) | Financial asset at FVTOCI - current | 746 | 27,546 | 0.09 | 27,546 | |
| | Kaohsiung Rapid Transit Corporation | (Note K) | Financial asset at FVTOCI - non-current | 9,687 | 54,539 | 3.48 | 54,539 | |
| | Ya-Li Precast Prestressed Concrete Industries Corporation | (Note I) | Financial asset at FVTOCI - non-current | 3,106 | 12,764 | 16.03 | 12,764 | |
| | Jih Sun Money Market | - | Financial assets at fair value through profit or loss - current | 1,484 | 22,185 | - | 22,185 | |
| | CTBC Hwa-Win Money Market Fund | - | Financial assets at fair value through profit or loss - current | 20,707 | 230,002 | - | 230,002 | |
| Malaysia Garment Manufactures Pte. Ltd. | Union Money Market Fund | - | Financial assets at fair value through profit or loss - current | 2,257 | 30,035 | - | 30,035 | |
| | 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 | - | |
| An Ho Garment Co., Ltd. | PT Malaysia Garment Bintan | (Note A) | Other liabilities - other | (Note G) | (38) | 99.00 | - | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 40,818 | 1,018,618 | 1.25 | 2,498,037 | 8,200 thousand shares pledged or mortgaged as collateral for loans. |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 6,094 | 257,100 | 0.18 | 263,247 | |
| | Oriental Union Chemical Corporation | (Note A) | Investments accounted for using the equity method | 11,204 | 235,825 | 1.26 | 227,441 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 370 | 11,925 | 0.03 | 8,875 | |
| | Oriental Securities Corporation | (Note A) | Investments accounted for using the equity method | 8,723 | 118,874 | 1.21 | - | |
| | Yu Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 18,682 | 406,573 | 15.66 | - | |
| | Pacific Liu Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 9,681 | 139,586 | 1.21 | - | (Note F) |
| | Yuan Ding Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 5,502 | 168,700 | 0.30 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 22,702 | 293,641 | 0.66 | 246,313 | |
| Yuan Faun Co., Ltd. | Yuan Cheng Human Resources Consultant Corporation | (Note A) | Investments accounted for using the equity method | 745 | 12,513 | 55.19 | - | |
| | Yi Tong Fiber Co., Ltd. | - | Financial asset at FVTOCI - non-current | 3,154 | 55,413 | 3.56 | 55,413 | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 4,811 | 62,253 | 0.14 | 52,194 | |
| Fu Kwok Knitting & Garment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 520 | 19,037 | 0.02 | 31,824 | |
| Yuan Tong Investment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 100,237 | 2,673,311 | 3.08 | 6,134,506 | 29,700 thousand shares pledged or mortgaged as collateral for loans. |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 59,073 | 1,776,669 | 4.17 | 1,417,741 | |
| | Oriental Union Chemical Corporation | (Note A) | Investments accounted for using the equity method | 49,705 | 1,570,671 | 5.61 | 1,009,020 | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 32,465 | 1,349,928 | 0.97 | 1,402,505 | |
| | Pacific Liu Tong Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 18,000 | 248,579 | 2.24 | - | (Note F) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | (Note A) | Investments accounted for using the equity method | 35,934 | 514,235 | 11.98 | - | |
| | Liquid Air Far East Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1 | 35 | - | - | |
| | Sino Belgium (Holding) Ltd. | (Note A) | Other liabilities - other | 36 | (741,428) | 90.88 | - | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note A) | Investments accounted for using the equity method | 3 | 54 | - | - | |
| | Malaysia Garment Manufactures Pte. Ltd. | (Note A) | Investments accounted for using the equity method | 10 | 157,923 | 13.00 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 110,457 | 1,427,704 | 3.20 | 1,198,462 | |
| | Ding Shen Investment Co., Ltd. | (Note M) | Financial asset at FVTOCI - non-current | 40,329 | 301,356 | 18.00 | 301,356 | |
| | Bockhold N.V - stock | - | Financial asset at FVTOCI - non-current | 1 | 324,005 | 12.51 | 324,005 | |
| | Financial assets under asset management contracts (Note E) | | | | | | | |
| | Yuanta Taiwan 50 ETF | - | Financial assets at fair value through profit or loss - current | 60 | 7,335 | - | 7,335 | |
| | Yuanta Daily CSI300 Bull 2X ETF | - | Financial assets at fair value through profit or loss - current | 280 | 7,809 | - | 7,809 | |
| Yuanta FTSE4Good TIP Taiwan ESG ETF | - | Financial assets at fair value through profit or loss - current | 379 | 11,071 | - | 11,071 | | |
| Taiwan Cement Corporation | - | Financial assets at fair value through profit or loss - current | 470 | 20,304 | - | 20,304 | | |
| Tainan Spinning Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 1,300 | 19,500 | - | 19,500 | | |
| Delta Electronics, Inc. | - | Financial assets at fair value through profit or loss - current | 26 | 6,838 | - | 6,838 | | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|--|---|---------------------------------------|---|--|-----------------|-----------------------------|--|----------|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| | Yageo Corporation | - | Financial assets at fair value through profit or loss - current | 20 | \$ 10,360 | - | \$ 10,360 | |
| | MediaTek Inc. | - | Financial assets at fair value through profit or loss - current | 10 | 7,470 | - | 7,470 | |
| | Lelon Electronics Corp. | - | Financial assets at fair value through profit or loss - current | 180 | 11,484 | - | 11,484 | |
| | Ardentec Corporation | - | Financial assets at fair value through profit or loss - current | 244 | 9,431 | - | 9,431 | |
| | Auras Technology Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 20 | 4,280 | - | 4,280 | |
| | Gemtek Technology Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 100 | 3,045 | - | 3,045 | |
| | Sonix Technology Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 35 | 2,299 | - | 2,299 | |
| | Feng Tay Enterprises Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 30 | 5,985 | - | 5,985 | |
| Far Eastern Apparel (Suzhou) Co., Ltd. | Suzhou An Ho Apparel Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 55,900 | 100.00 | - | |
| PET Far Eastern (Holding) Ltd. | Oriental Petrochemical (Shanghai) Corporation | (Note A) | Investments accounted for using the equity method | (Note G) | 2,504,418 | 54.72 | - | |
| | Far Eastern Union Petrochemical (Yangzhou) Corporation | (Note A) | Investments accounted for using the equity method | (Note G) | 2,815,672 | 44.20 | - | (Note Q) |
| Oriental Textile (Holding) Ltd. | Far Eastern Industries (Wuxi) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 2,819,128 | 100.00 | - | |
| | Oriental Industries (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 6,015,936 | 100.00 | - | |
| | Opas Fund Segregated Portfolio Tranche A | (Note K) | Financial assets at fair value through profit or loss - current | 8 | 300,819 | - | 300,819 | |
| | Opas Fund Segregated Portfolio Tranche C | (Note K) | Financial assets at fair value through profit or loss - current | 4 | 210,876 | - | 210,876 | |
| FEDP (Holding) Ltd. | Far Eastern Industries (Suzhou) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 1,600,766 | 100.00 | - | |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | FE New Century Industrial (Singapore) Pte. Ltd. | (Note A) | Investments accounted for using the equity method | 49 | 162,367 | 100.00 | - | |
| | Oriental Investment Holding (Netherlands) B.V. | (Note A) | Investments accounted for using the equity method | - | - | 100.00 | - | (Note O) |
| Oriental Investment Holding (Netherlands) B.V. | Oriental Martens (Netherlands) B.V. | (Note A) | Investments accounted for using the equity method | - | - | 100.00 | - | (Note P) |
| Far Eastern Polytex (Holding) Ltd. | Wuhan Far Eastern New Material Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 941,333 | 100.00 | - | |
| | Far Eastern Apparel (Suzhou) Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 985,388 | 61.54 | - | |
| | Far Eastern New Century (China) Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 3,873,694 | 100.00 | - | |
| | Far Eastern Yihua Petrochemical (Yangzhou) Corporation | (Note A) | Investments accounted for using the equity method | (Note G) | 3,844,424 | 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) | 1,065,545 | 12.36 | - | |
| | Shanghai Yuan Zi Information Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 58,187 | 100.00 | - | |
| | Oriental Petrochemical (Shanghai) Corporation | (Note A) | Investments accounted for using the equity method | (Note G) | 269,715 | 6.63 | - | |
| | Yuan Ding Enterprise (Shanghai) Limited | (Note A) | Investments accounted for using the equity method | (Note G) | 2,794,170 | 40.00 | - | |
| Sino Belgium (Holding) Ltd. | Sino Belgium Beer (Suzhou) Ltd. | (Note A) | Other liabilities - other | (Note G) | (677,683) | 100.00 | - | |
| | Martens Beers (Shanghai) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 14,922 | 100.00 | - | |
| Oriental Petrochemical (Shanghai) Corporation | Shanghai Far Eastern Petrochemical Logistic Corporation | (Note A) | Investments accounted for using the equity method | (Note G) | 146,362 | 100.00 | - | |
| Far Eastern Industries (Yangzhou) Ltd. | Harvest Money Market A | - | Financial assets at fair value through profit or loss - current | 986 | 4,316 | - | 4,316 | |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | Harvest Money Market A | - | Financial assets at fair value through profit or loss - current | 625,169 | 2,736,363 | - | 2,736,363 | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|---|--|---|---|--|-----------------|-----------------------------|--|---|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| Yuan Ding Co., Ltd. | YDT Technology International Co., Ltd. | (Note A) | Investments accounted for using the equity method | 13,992 | \$ 263,419 | 100.00 | \$ - | 119,000 thousand shares pledged or mortgaged as collateral for loans. |
| | Ding Ding Integrated Marketing Service Co., Ltd. | (Note A) | Investments accounted for using the equity method | 21,787 | 154,063 | 60.00 | - | |
| | Far Eastern Technical Consultants Co., Ltd. | (Note A) | Investments accounted for using the equity method | 4,550 | 68,953 | 91.00 | - | |
| | YDC (Virgin Islands) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) 10,226 | 10,226 | 17.70 | - | |
| | Yuanshi Digital Technology Co., Ltd. | (Note A) | Other liabilities - other | 1,499 | (934) | 1.35 | - | |
| | FET Consulting Engineers Co., Ltd. | (Note A) | Investments accounted for using the equity method | 37,000 | 50,695 | 100.00 | - | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 5,329 | 214,368 | 0.16 | 230,197 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note A) | Investments accounted for using the equity method | 4,164 | 107,673 | 0.13 | 254,806 | |
| | Yu Yuan Investment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 129,637 | 2,052,950 | 25.02 | - | |
| | Yue Ming Corporation | (Note A) | Investments accounted for using the equity method | 104 | 607 | 1.00 | - | |
| | Yu Ding Industry Co., Ltd. | (Note A) | Investments accounted for using the equity method | 3,091 | 66,869 | 2.59 | - | |
| | FEDS Asia Pacific Development Co., Ltd. | (Note A) | Investments accounted for using the equity method | 10,650 | 131,214 | 5.00 | - | |
| | Far Eastern Electronic Toll Collection Co., Ltd. | (Note A) | Investments accounted for using the equity method | 44,796 | 635,567 | 14.93 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 8,582 | 111,087 | 0.25 | 93,115 | |
| Yuan Hsin Digital Payment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 10,968 | 82,421 | 14.66 | - | | |
| Ding Ding Hotel Co., Ltd. | (Note A) | Investments accounted for using the equity method | 102,509 | 81,826 | 98.52 | - | | |
| Far Eastern New Century Corporation | (Note D) | Financial assets at fair value through profit or loss - current | 779 | 22,563 | - | 22,563 | | |
| Ding Ding Integrated Marketing Service Co., Ltd. | Yuanshi Digital Technology Co., Ltd. | (Note A) | Other liabilities - other | 5 | (3) | - | - | |
| | Yuan Hsin Digital Payment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 28,231 | 212,070 | 37.72 | - | |
| | DDIM (Virgin Islands) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) 23,329 | 23,329 | 46.13 | - | |
| | Pacific SOGO Department Stores Co., Ltd. | (Note J) | Financial asset at FVTOCI - non-current | 1 | 42 | - | 42 | |
| Far Eastern Technical Consultants Co., Ltd. | Cosmos Foreign Exchange Intl. Co., Ltd. | - | Financial asset at FVTOCI - non-current | 480 | 9,648 | 4.00 | 9,648 | |
| FET Consulting Engineers Co., Ltd. | DDIM (Virgin Islands) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 27,243 | 53.87 | - | |
| YDC (Virgin Islands) Ltd. | Yuan Ding Integrated Information Service (Shanghai) Inc. | (Note A) | Investments accounted for using the equity method | (Note G) | 233 | 0.46 | - | |
| | Speedy (Shanghai) digital Tech. Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 56,337 | 100.00 | - | |
| DDIM (Virgin Islands) Ltd. | Yuan Ding Integrated Information Service (Shanghai) Inc. | (Note A) | Investments accounted for using the equity method | (Note G) | 50,359 | 99.54 | - | |
| YDT Technology International Co., Ltd. | Everest Textile Corporation | (Note A) | Investments accounted for using the equity method | 130 | 818 | 0.03 | 1,283 | |
| | Far Eastern Department Stores Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,764 | 98,929 | 0.20 | 66,333 | |
| | Asia Cement Corporation | (Note A) | Investments accounted for using the equity method | 61 | 2,421 | - | 2,615 | |
| | YDC (Virgin Islands) Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 47,547 | 82.30 | - | |
| | Far Eastern International Bank | (Note A) | Investments accounted for using the equity method | 3,018 | 39,308 | 0.09 | 32,745 | |
| 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 | 142,750 | 100.00 | - | |
| | Millerful No.1 REIT | - | Financial asset at FVTOCI - non-current | 30,000 | 316,200 | - | 316,200 | |
| | Subordinated perpetual corporate bonds of Cathy Life Insurance Co., Ltd. | - | Financial assets at amortized cost | 5,000 | 500,000 | - | - | |
| FETC International Co., Ltd | FETC International (Thailand) Co., Ltd | (Note A) | Investments accounted for using the equity method | 825 | 6772 | 100.00 | - | |
| Far EasTone Telecommunications Co., Ltd. | New Century InfoComm Tech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,100,000 | 26,974,867 | 100.00 | - | |
| | ARCOA Communication Co., Ltd. | (Note A) | Investments accounted for using the equity method | 82,762 | 679,411 | 61.63 | - | |
| | KGEx.com Co., Ltd. | (Note A) | Investments accounted for using the equity method | 68,897 | 903,588 | 99.99 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2020 | | | | Note |
|-------------------------------------|---|---------------------------------------|---|--|-----------------|-----------------------------|--|------|
| | | | | Shares or Units (All Common Stock Unless Stated Otherwise) (Thousands) | Carrying Amount | Percentage of Ownership (%) | Market Value or Net Asset Value (Note H) | |
| | Yuanshi Digital Technology Co., Ltd. | (Note A) | Other liabilities - other | 107,004 | \$ (66,543) | 96.18 | \$ - | |
| | Yuan Cing Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,000 | 40,712 | 100.00 | - | |
| | Far Eastern Info Service (Holding) Ltd. | (Note A) | Investments accounted for using the equity method | 1 | 4,811 | 100.00 | - | |
| | Yuan Bao Fintech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 6,000 | 52,045 | 100.00 | - | |
| | Far EasTone Property Insurance Agent Co., Ltd. | (Note A) | Investments accounted for using the equity method | 500 | 64,587 | 100.00 | - | |
| | Far Eastern Electronic Toll Collection Co., Ltd. | (Note A) | Investments accounted for using the equity method | 118,251 | 1,269,488 | 39.42 | - | |
| | Ding Ding Integrated Marketing Service Co., Ltd. | (Note A) | Investments accounted for using the equity method | 5,447 | 38,681 | 15.00 | - | |
| | Yuan Hsin Digital Payment Co., Ltd. | (Note A) | Investments accounted for using the equity method | 16,452 | 123,425 | 21.98 | - | |
| | App Works Fund II Co., Ltd. | (Note L) | Financial asset at FVTOCI - non-current | 7,500 | 68,251 | 11.11 | 68,251 | |
| | CDIB Capital Innovation Accelerator Co., Ltd. | (Note L) | Financial asset at FVTOCI - non-current | 9,000 | 91,491 | 10.71 | 91,491 | |
| | LINE Bank Taiwan Limited | - | Financial asset at FVTOCI - non-current | 50,000 | 456,110 | 5.00 | 456,110 | |
| ARCOA Communication Co., Ltd. | DataExpress Infotech Co., Ltd. | (Note A) | Investments accounted for using the equity method | 13,896 | 246,341 | 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 | 82,075 | 100.00 | - | |
| | Information Security Service Digital United Inc. | (Note A) | Investments accounted for using the equity method | 10,249 | 129,170 | 100.00 | - | |
| | Digital United (Cayman) Ltd. | (Note A) | Investments accounted for using the equity method | 10,320 | 163,344 | 100.00 | - | |
| | Yuanshi Digital Technology Co., Ltd. | (Note A) | Other liabilities - other | 750 | (466) | 0.67 | - | |
| | Ding Ding Integrated Marketing Service Co., Ltd. | (Note A) | Investments accounted for using the equity method | 1,816 | 12,894 | 5.00 | - | |
| | Prime EcoPower Co., Ltd. | (Note A) | Investments accounted for using the equity method | 16,000 | 127,430 | 100.00 | - | |
| | Drive Catalyst SPC-SP Tranche One | (Note A) | Investments accounted for using the equity method | 4 | 108,173 | 25.00 | - | |
| | Drive Catalyst SPC-SP Tranche Three | (Note A) | Investments accounted for using the equity method | 4 | 128,857 | 25.00 | - | |
| | Nextlink Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | 3,430 | 428,018 | 70.00 | - | |
| | Kaohsiung Rapid Transit Corporation | (Note K) | Financial asset at FVTOCI - non-current | 8,858 | 49,872 | 3.18 | 49,872 | |
| | 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 | 8,299 | 2.50 | 8,299 | |
| | Opas Fund Segregated Portfolio Tranche A | (Note K) | Financial assets at fair value through profit or loss - current | 13 | 498,042 | - | 498,042 | |
| | Opas Fund Segregated Portfolio Tranche B | (Note K) | Financial assets at fair value through profit or loss - current | 5 | 192,597 | - | 192,597 | |
| New Diligent Co., Ltd. | Sino Lead Enterprise Limited | (Note A) | Investments accounted for using the equity method | 30 | 290 | 100.00 | - | |
| | Far East New Diligent Company Ltd. | (Note A) | Investments accounted for using the equity method | - | 20,068 | 100.00 | - | |
| | New Diligent Hong Kong Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 2,291 | 100.00 | - | |
| DataExpress Infotech Co., Ltd. | Home Master Technology Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 47,290 | 100.00 | - | |
| Nextlink Technology Co., Ltd. | Microfusion Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | 2,600 | 30,209 | 100.00 | - | |
| | Nextlink (HK) Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | - | 8,463 | 100.00 | - | |
| | Microfusion (HK) Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | - | 1,109 | 100.00 | - | |
| Digital United (Cayman) Ltd. | Digital United Information Technology (Shanghai) Ltd. | (Note A) | Other liabilities - other | (Note G) | 5,987 | 100.00 | - | |
| | TBCASoft, Inc. | - | Financial asset at FVTOCI - non-current | 980 | 117,229 | 6.77 | 117,229 | |
| Nextlink (HK) Technology Co., Ltd. | Nextlink (Shanghai) Technology Co., Ltd. | (Note A) | Investments accounted for using the equity method | (Note G) | 1,207 | 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.
- O. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- P. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- Q. The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates of subsidiary-PET Far Eastern (Holding) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation are the dissolved companies. Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Petrochemical (YangZhou) Corporation were associates of PET Far Eastern (Holding) Ltd., a subsidiary. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The tentative record date of the merger was December 31, 2020.

(Concluded)

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, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name | Type and Name of Marketable Securities | Financial Statement Account | Counterparty | Relationship | Beginning Balance | | Acquisition | | Disposal | | | | Investment Income under the Equity Method | Ending Balance | |
|--|--|--|---|--------------|---------------------------------------|------------------|---------------------------------------|------------|---------------------------------------|---------|------------|---------------|---|---------------------------------------|---------------|
| | | | | | Shares (Thousands)/ Thousand Units | Amount | Shares (Thousands)/ Thousand Units | Amount | Shares (Thousands)/ Thousand Units | Price | Book Value | Disposal Gain | | Shares (Thousands)/ Thousand Units | Amount |
| Far Eastern New Century Corporation | Far Eastern Investment (Holding) Ltd. | Investments accounted for using the equity method | Cash capital increase | (Note A) | 4,894 | \$ 26,235,260 | 178 | \$ 961,014 | - | \$ - | \$ - | \$ - | \$ (1,461,705) | 5,072 | \$ 25,734,569 |
| Yuan Ding Investment Co., Ltd. | Asia Cement Corporation | Investments accounted for using the equity method | - | (Note B) | 32,458 | 1,270,042 | 20,264 | 934,254 | - | - | - | - | 1,343 | 52,722 | 2,205,639 |
| | Far Eastern Department Stores Co., Ltd. | Investments accounted for using the equity method | - | (Note B) | 37,652 | 866,925 | 102,133 | 2,476,030 | - | - | - | - | 12,146 | 139,785 | 3,355,101 |
| | Oriental Petrochemical (Taiwan) Corporation for the year ended 2020 first unsecured bond | Financial assets at amortized cost - noncurrent | Oriental Petrochemical (Taiwan) Corporation | (Note C) | - | - | 0.03 | 3,000,000 | - | - | - | - | - | 0.03 | 3,000,000 |
| Far Eastern General Contractor Inc. | CTBC Hwa-Win Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | 12,659 | 140,031 | 96,102 | 1,066,000 | 88,054 | 976,302 | 976,031 | 271 | (Note E) | 20,707 | 230,002 |
| | Capital Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | - | 52,071 | 692,000 | 49,814 | 662,183 | 661,972 | 211 | (Note E) | 2,257 | 30,035 |
| | Hua Nan Phoenix Money Market Fund | Financial assets at fair value through profit or loss - current | - | - | - | - | 21,894 | 358,000 | 21,894 | 358,067 | 358,000 | 67 | - | - | - |
| Far Eastern Electronic Toll Collection Co., Ltd. | LINE Bank Taiwan Limited | Financial assets at fair value through other comprehensive income - noncurrent | Cash capital increase | - | - | 100,000 (Note D) | 50,000 | 400,000 | - | - | - | - | (43,890) (Note F) | 50,000 | 456,110 |
| | YuanShi Digital Technology Co., Ltd. | Investments accounted for using the equity method | Cash capital increase | (Note A) | 90,014 | (582,357) | 80,000 | 800,000 | - | - | - | - | (284,186) | 107,004 (Note C) | (66,543) |

Notes: A. Subsidiary.

B. Associates.

C. Same ultimate parent company.

D. Amount including investment prepayment, originally account for other noncurrent assets.

E. Unrealized gain on financial asset at FVTPL.

F. Unrealized gain on financial asset at FVTOCI.

G. A total of 63,010,095 shares were deducted from the ending balance of the number of shares held, which were eliminated due to Yuanshi Digital Technology Co., Ltd.'s capital reduction to offset its accumulated deficit.

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, 2020
(In Thousands of New Taiwan Dollars)

| Company Name | Related Party | Nature of Relationship | Transaction Details | | | | Abnormal Transactions | | Notes Payable or Receivable | | Accounts Payable or Receivable | | Note |
|--|--|------------------------|----------------------|--------------|------------|-------------------|-----------------------|---------------|-----------------------------|------------|--------------------------------|------------|------|
| | | | Purchase/Sale | Amount | % of Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % of Total | Ending Balance | % of Total | |
| Far Eastern New Century Corporation | Far Eastern Apparel (Vietnam) Ltd. | (Note A) | Sale | \$ (201,888) | (1) | Based on contract | - | - | \$ - | - | \$ 23,062 | - | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note A) | Sale | (417,797) | (1) | Based on contract | - | - | - | - | 34,922 | 1 | |
| | Worldwide Polychem (HK) Ltd. | (Note A) | Sale | (1,851,936) | (5) | Based on contract | - | - | - | - | 811,846 | 16 | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note A) | Sale | (2,454,535) | (6) | Based on contract | - | - | - | - | 348,274 | 7 | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note D) | Sale | (397,999) | (1) | Based on contract | - | - | - | - | 123,706 | 2 | |
| | Everest Textile Corporation | (Note D) | Sale | (167,269) | - | Based on contract | - | - | - | - | 27,582 | 1 | |
| | Oriental Petrochemical (Taiwan) Corporation | (Note A) | Purchase | 9,756,113 | 29 | Based on contract | - | - | - | - | (495,955) | (25) | |
| | Oriental Green Materials Limited | (Note A) | Purchase | 1,063,682 | 3 | Based on contract | - | - | - | - | (85,466) | (4) | |
| | Far Eastern Ishizuka Green Pet Corporation | (Note A) | Purchase | 169,071 | 1 | Based on contract | - | - | - | - | (49,926) | (3) | |
| | Oriental Union Chemical Corporation | (Note A) | Purchase | 935,704 | 3 | Based on contract | - | - | - | - | (84,844) | (4) | |
| Far Eastern Fibertech Co., Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Sale | (245,850) | (16) | Based on contract | - | - | - | - | 70,798 | 39 | |
| | Everest Textile Corporation | (Note D) | Sale | (173,762) | (11) | Based on contract | - | - | - | - | 14,586 | 8 | |
| Far Eastern General Contractor Inc. | Far Eastern Construction Co., Ltd. | (Note C) | Construction revenue | (397,895) | 5 | Based on contract | - | - | - | - | 127,511 | 11 | |
| | Far Eastern Resources Development Co., Ltd. | (Note C) | Construction revenue | (307,522) | (4) | Based on contract | - | - | - | - | 54,627 | 5 | |
| | Far Eastern Department Stores Co., Ltd. | (Note D) | Construction revenue | (146,318) | (2) | Based on contract | - | - | - | - | 298,198 | - | |
| | Chubei New Century Shopping Mall Co., Ltd. | (Note E) | Construction revenue | (207,954) | (3) | Based on contract | - | - | - | - | - | - | |
| | Ya Tung Ready-mixed Concrete Corporation | (Note E) | Purchase | 480,950 | 6 | Based on contract | - | - | - | - | (30,996) | (4) | |
| Far Eastern Construction Co., Ltd. | Far Eastern General Contractor Inc. | (Note C) | Purchase | 335,114 | 100 | Based on contract | - | - | - | - | (127,511) | - | |
| Oriental Petrochemical (Taiwan) Corporation | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Sale | (461,502) | (2) | Based on contract | - | - | - | - | 49,056 | 2 | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note C) | Sale | (4,431,853) | (19) | Based on contract | - | - | - | - | 663,857 | 25 | |
| | Far Eastern New Century Corporation | (Note B) | Sale | (9,756,113) | (43) | Based on contract | - | - | - | - | 495,995 | 19 | |
| Far Eastern Apparel (Holding) Ltd. | Far Eastern Apparel (Vietnam) Ltd. | (Note C) | Purchase | 1,256,690 | 34 | Based on contract | - | - | - | - | - | - | |
| | Far Eastern New Apparel (Vietnam) Ltd. | (Note C) | Purchase | 567,060 | 15 | Based on contract | - | - | - | - | - | - | |
| | Far Eastern Apparel (Suzhou) Co., Ltd. | (Note C) | Purchase | 201,345 | 5 | Based on contract | - | - | - | - | (84) | (4) | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note C) | Purchase | 1,642,086 | 43 | Based on contract | - | - | - | - | (1,871) | (96) | |
| Far Eastern New Apparel (Vietnam) Ltd. | FE New Century Industrial (Singapore) Pte. Ltd | (Note C) | Sale | (110,037) | (8) | Based on contract | - | - | - | - | 14,662 | 9 | |
| | Far Eastern Apparel (Holding) Ltd. | (Note C) | Sale | (567,060) | (41) | Based on contract | - | - | - | - | - | - | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note C) | Purchase | 227,777 | 15 | Based on contract | - | - | - | - | (14,278) | - | |
| Far Eastern Polytex (Vietnam) Ltd. | Far Eastern New Apparel (Vietnam) Ltd. | (Note C) | Sale | (227,777) | (2) | Based on contract | - | - | - | - | 14,278 | 1 | |
| | Pet Far Eastern (M) Sdn. Bhd. | (Note C) | Sale | (274,459) | (2) | Based on contract | - | - | - | - | 9,327 | 1 | |
| | Far Eastern Apparel (Vietnam) Ltd. | (Note C) | Sale | (287,985) | (2) | Based on contract | - | - | - | - | 25,440 | 1 | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Sale | (298,816) | (2) | Based on contract | - | - | - | - | 85,542 | 5 | |
| | Worldwide Polychem (HK) Limited | (Note C) | Sale | (1,535,889) | (11) | Based on contract | - | - | - | - | 826,954 | 45 | |
| | Far Eastern New Century Corporation | (Note B) | Purchase | 417,797 | 4 | Based on contract | - | - | - | - | (34,922) | (2) | |
| | Oriental Petrochemical (Taiwan) Corporation | (Note C) | Purchase | 4,431,853 | 39 | Based on contract | - | - | - | - | (663,857) | (29) | |
| Far Eastern Ishizuka Green Pet Corporation | Far Eastern New Century Corporation | (Note B) | Sale | (169,071) | (9) | Based on contract | - | - | - | - | 49,926 | 21 | |
| FE New Century Industrial (Singapore) Pte. Ltd | Pet Far Eastern (M) Sdn. Bhd. | (Note C) | Sale | (241,886) | (8) | Based on contract | - | - | - | - | 130,974 | 12 | |
| | Far Eastern New Apparel (Vietnam) Ltd. | (Note C) | Purchase | 110,037 | 4 | Based on contract | - | - | - | - | (14,662) | (1) | |
| | Far Eastern Apparel (Vietnam) Ltd. | (Note C) | Purchase | 937,550 | 33 | Based on contract | - | - | - | - | (418,950) | (29) | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Purchase | 693,416 | 24 | Based on contract | - | - | - | - | (708,865) | (46) | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note C) | Purchase | 879,354 | 31 | Based on contract | - | - | - | - | (348,558) | (24) | |

(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 Apparel (Vietnam) Ltd. | FE New Century Industrial (Singapore) Pte. Ltd | (Note C) | Sale | \$ (937,550) | (35) | Based on contract | - | - | \$ - | - | \$ 418,950 | 81 | |
| | Far Eastern Apparel (Holding) Ltd. | (Note C) | Sale | (1,256,690) | (47) | Based on contract | - | - | - | - | - | - | |
| | Far Eastern New Century Corporation | (Note B) | Purchase | 201,888 | 8 | Based on contract | - | - | - | - | (23,062) | (15) | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note C) | Purchase | 287,985 | 12 | Based on contract | - | - | - | - | (25,440) | (17) | |
| Worldwide Polychem (HK) Ltd. | Far Eastern New Century Corporation | (Note B) | Purchase | 1,851,936 | 55 | Based on contract | - | - | - | - | (811,846) | (50) | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note C) | Purchase | 1,535,889 | 45 | Based on contract | - | - | - | - | (826,954) | (50) | |
| Pet Far Eastern (M) Sdn. Bhd. | Far Eastern Polytex (Vietnam) Ltd. | (Note C) | Purchase | 274,459 | 32 | Based on contract | - | - | - | - | (9,327) | (12) | |
| | FE New Century Industrial (Singapore) Pte. Ltd | (Note C) | Purchase | 241,886 | 28 | Based on contract | - | - | - | - | (130,974) | (88) | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Purchase | 167,233 | 2 | Based on contract | - | - | - | - | - | - | |
| Far Eastern Polychem Industries Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Purchase | 197,302 | 67 | Based on contract | - | - | - | - | - | - | |
| Oriental Textile (Holding) Ltd. | Oriental Industries (Suzhou) Ltd. | (Note C) | Purchase | 1,537,031 | 97 | Based on contract | - | - | - | - | (3,074) | (24) | |
| Shanghai Far Eastern Petrochemical Logistic Corporation | Oriental Petrochemical (Shanghai) Corporation | (Note C) | Sale | (121,735) | (92) | Based on contract | - | - | - | - | 46,386 | 92 | |
| Far Eastern Industries (Shanghai) Ltd. | Pet Far Eastern (M) Sdn. Bhd. | (Note C) | Sale | (167,233) | (1) | Based on contract | - | - | - | - | - | - | |
| | Far Eastern Polychem Industries Ltd. | (Note C) | Sale | (197,302) | (1) | Based on contract | - | - | - | - | - | - | |
| | Oriental Industries (Suzhou) Ltd. | (Note C) | Sale | (367,266) | (2) | Based on contract | - | - | - | - | 121,212 | 5 | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note C) | Sale | (460,306) | (2) | Based on contract | - | - | - | - | 137,172 | 5 | |
| | Wuhan Far Eastern New Material Ltd. | (Note C) | Sale | (218,928) | (1) | Based on contract | - | - | - | - | 62,831 | 8 | |
| | FE New Century Industrial (Singapore) Pte. Ltd | (Note C) | Sale | (693,416) | (4) | Based on contract | - | - | - | - | 708,865 | 27 | |
| | Far Eastern New Century Corporation | (Note B) | Purchase | 2,454,535 | 15 | Based on contract | - | - | - | - | (348,203) | (17) | |
| | Far Eastern Fibertech Co., Ltd. | (Note C) | Purchase | 245,850 | 1 | Based on contract | - | - | - | - | (70,798) | (4) | |
| | Oriental Petrochemical (Taiwan) Corporation | (Note C) | Purchase | 461,502 | 3 | Based on contract | - | - | - | - | (49,056) | (2) | |
| | Far Eastern Polytex (Vietnam) Ltd. | (Note C) | Purchase | 298,816 | 2 | Based on contract | - | - | - | - | (85,542) | (4) | |
| | Oriental Petrochemical (Shanghai) Corporation | (Note C) | Purchase | 4,609,361 | 27 | Based on contract | - | - | (306,390) | (79) | (172,235) | (9) | |
| Far Eastern Apparel (Suzhou) Co., Ltd. | Far Eastern Apparel (Holding) Ltd. | (Note C) | Sale | (201,345) | (10) | Based on contract | - | - | - | - | 84 | - | |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note C) | Purchase | 359,630 | 20 | Based on contract | - | - | - | - | (90,879) | (31) | |
| Wuhan Far Eastern New Material Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Purchase | 218,928 | 25 | Based on contract | - | - | - | - | (62,831) | (28) | |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Far Eastern Apparel (Suzhou) Co., Ltd. | (Note C) | Sale | (359,630) | (9) | Based on contract | - | - | - | - | 90,879 | 13 | |
| | FE New Century Industrial (Singapore) Pte. Ltd | (Note C) | Sale | (879,354) | (21) | Based on contract | - | - | - | - | 348,558 | 49 | |
| | Far Eastern Apparel (Holding) Ltd. | (Note C) | Sale | (1,642,086) | (39) | Based on contract | - | - | - | - | 1,871 | - | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Purchase | 460,306 | 13 | Based on contract | - | - | - | - | (137,172) | (19) | |
| Oriental Industries (Suzhou) Ltd. | Oriental Textile (Holding) Ltd. | (Note C) | Sale | (1,537,031) | (24) | Based on contract | - | - | - | - | 3,074 | - | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Purchase | 367,266 | 6 | Based on contract | - | - | - | - | (121,212) | (21) | |
| Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Sale | (4,609,361) | (44) | Based on contract | - | - | 306,390 | 30 | 172,235 | 100 | |
| | Shanghai Far Eastern Petrochemical Logistic Corporation | (Note C) | Purchase | 121,735 | 1 | Based on contract | - | - | - | - | (46,386) | (13) | |
| Far EasTone Telecommunications Co., Ltd. | ARCOA Communication Co., Ltd. | (Note C) | Cost of sales and marketing expenses | 6,506,929 | 13 | Based on contract | - | - | - | - | (874,204) | (5) | |
| | ARCOA Communication Co., Ltd. | (Note C) | Operating revenue | (1,133,697) | (2) | Based on contract | - | - | - | - | 408,678 | 7 | |
| | New Century InfoComm Tech Co., Ltd. | (Note C) | Operating revenue | (176,957) | - | Based on contract | - | - | - | - | 1,320 | - | |
| | New Century InfoComm Tech Co., Ltd. | (Note C) | Cost of sales | 2,117,225 | 5 | Based on contract | - | - | - | - | (522,915) | (3) | Note F |
| | DataExpress Infotech Co., Ltd. | (Note C) | Cost of sales and marketing expenses | 122,754 | - | Based on contract | - | - | - | - | (66,155) | - | |
| | Yuanshi Digital Technology Co., Ltd. | (Note C) | Operating revenue | (149,779) | - | Based on contract | - | - | - | - | 26,541 | - | |
| Far EasTone Property Insurance Agent Co., Ltd. | (Note C) | Operating revenue | (282,045) | - | Based on contract | - | - | - | - | 95,990 | 2 | | |

(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 | |
| New Century InfoComm Tech Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Operating revenue | \$ (2,117,225) | (21) | Based on contract | - | - | \$ - | - | \$ 522,915 | 33 | Note G |
| | Far EasTone Telecommunications Co., Ltd. | (Note C) | Cost of sales | 176,957 | 3 | Based on contract | - | - | - | - | (1,320) | - | |
| | KGEx.com Co., Ltd. | (Note C) | Cost of sales and rent expenses | 140,701 | 2 | Based on contract | - | - | - | - | (30,336) | (2) | |
| Far Eastern Polytex (Vietnam) Ltd. | Worldwide Polychem (HK) Limited | (Note C) | Sale | (1,535,889) | (11) | Based on contract | - | - | - | - | 826,954 | 45 | |
| | Pet Far Eastern (M) Sdn. Bhd. | (Note C) | Sale | (274,459) | (2) | Based on contract | - | - | - | - | 9,327 | 1 | |
| | Far Eastern New Apparel (Vietnam) Ltd. | (Note C) | Sale | (227,777) | (2) | Based on contract | - | - | - | - | 14,278 | 1 | |
| | Far Eastern Apparel (Vietnam) Ltd. | (Note C) | Sale | (287,985) | (2) | Based on contract | - | - | - | - | 25,440 | 1 | |
| | Far Eastern Industries (Shanghai) Ltd. | (Note C) | Sale | (198,816) | (2) | Based on contract | - | - | - | - | 85,542 | 5 | |
| | Far Eastern New Century Corporation | (Note B) | Purchase | 417,797 | 4 | Based on contract | - | - | - | - | (34,922) | (2) | |
| | Oriental Petrochemical (Taiwan) Corporation | (Note C) | Purchase | 4,431,853 | 39 | Based on contract | - | - | - | - | (663,857) | (29) | |
| ARCOA Communication Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Operating revenue | (6,506,929) | (64) | Based on contract | - | - | - | - | 874,204 | 56 | |
| | Far EasTone Telecommunications Co., Ltd. | (Note C) | Cost of sales | 1,133,697 | 12 | Based on contract | - | - | - | - | (408,678) | (31) | |
| | Home Master Technology Ltd. | (Note C) | Operating revenue | (923,095) | (9) | Based on contract | - | - | - | - | 330,027 | 21 | |
| KGEx.com Co., Ltd. | New Century InfoComm Tech Co., Ltd. | (Note C) | Operating revenue | (140,701) | (25) | Based on contract | - | - | - | - | 30,336 | 52 | |
| DataExpress Infotech Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Sale revenue | (122,754) | (3) | Based on contract | - | - | - | - | 66,155 | 13 | |
| Yuanshi Digital Technology Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Cost of sales | 149,779 | 7 | Based on contract | - | - | - | - | (26,541) | (10) | |
| Home Master Technology Ltd. | ARCOA Communication Co., Ltd. | (Note C) | Operating revenue | 923,095 | 66 | Based on contract | - | - | - | - | (330,027) | (97) | |
| Far EasTone Property Insurance Agent Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note C) | Operating revenue | 282,045 | 90 | Based on contract | - | - | - | - | (95,990) | (97) | |
| Microfusion Technology | Nextlink (HK) Technology | (Note C) | Sale revenue | (143,525) | (23) | Based on contract | - | - | - | - | 44,558 | 29 | |
| Nextlink (HK) Technology | Microfusion Technology | (Note C) | Operating revenue | 143,525 | 15 | Based on contract | - | - | - | - | (44,558) | (19) | |

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 ultimate parent company of the consolidated company's investee which accounted for using the equity method.

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND 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, 2020

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

| Company Name | Related Party | Relationship | Ending Balance | Turnover Rate | Overdue | | Amounts Received in Subsequent Period | Allowance for Bad Debts |
|--|--|--------------|----------------|---------------|---------|---------------|---------------------------------------|-------------------------|
| | | | | | Amount | Actions Taken | | |
| Far Eastern New Century Corporation | Worldwide Polychem (HK) Ltd. | (Note B) | \$ 811,846 | 2.84 | \$ - | \$ - | \$ 337,008 | \$ - |
| | Far Eastern Industries (Shanghai) Ltd. | (Note B) | 348,203 | 7.56 | - | - | 317,824 | - |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | (Note E) | 123,706 | 4.16 | - | - | 123,706 | - |
| Oriental Petrochemical (Taiwan) Corporation | Far Eastern Polytex (Vietnam) Ltd. | (Note D) | 663,857 | 5.55 | - | - | 663,857 | - |
| | Far Eastern New Century Corporation | (Note C) | 492,530 | 12.52 | - | - | 492,530 | - |
| Far Eastern Polytex (Vietnam) Ltd. | Worldwide Polychem (HK) Ltd. | (Note D) | 826,954 | 1.89 | - | - | 327,115 | - |
| Far Eastern Industries (Shanghai) Ltd. | FE New Century Industrial (Singapore) Pte. Ltd | (Note D) | 708,865 | 1.96 | - | - | 70,125 | - |
| | Wuhan Far Eastern New Material Ltd. | (Note D) | 62,831 | 2.67 | - | - | 44,801 | - |
| | Far Eastern Dyeing & Finishing (Suzhou) Ltd. | (Note D) | 137,172 | 3.38 | - | - | 137,172 | - |
| | Oriental Industries (Suzhou) Ltd. | (Note D) | 121,212 | 2.24 | - | - | 114,773 | - |
| Far Eastern New Apparel (Vietnam) Ltd. | FE New Century Industrial (Singapore) Pte. Ltd | (Note D) | 418,950 | 4.48 | - | - | 418,950 | - |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | FE New Century Industrial (Singapore) Pte. Ltd | (Note D) | 348,558 | 5.05 | - | - | 293,854 | - |
| Oriental Petrochemical (Shanghai) Corporation | Far Eastern Industries (Shanghai) Ltd. | (Note D) | 478,625 | 10.11 | - | - | 320,863 | - |
| FE New Century Industrial (Singapore) Pte. Ltd | Pet Far Eastern (M) Sdn. Bhd. | (Note D) | 130,974 | 3.69 | - | - | 130,974 | - |
| Far Eastern General Contractor Inc. | Far Eastern Construction Co., Ltd. | (Note D) | 127,511 | (Note I) | - | - | 72,806 | - |
| | Far Eastern Department Stores Co., Ltd. | (Note E) | 298,198 | (Note I) | - | - | - | - |
| Wuhan Far Eastern New Material Ltd. | Far Eastern Industries (Shanghai) Ltd. | (Note D) | 115,336 | 4.73 | - | - | 54,581 | - |
| Ding Ding Integrated Marketing Service Co., Ltd. | Pacific SOGO Department Stores Co., Ltd. | (Note F) | 106,966 | (Note G) | - | - | 8,360 | - |
| Far EasTone Telecommunications Co., Ltd. | ARCOA Communication Co., Ltd. | (Note D) | 408,678 | 8.78 | - | - | 410,620 | - |
| | Far EasTone Property Insurance Agent Co., Ltd. | (Note D) | 102,682 | 5.49 | - | - | 34,294 | - |
| New Century InfoComm Tech Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note D) | 522,915 | (Note H) | - | - | 211,710 | - |
| ARCOA Communication Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | (Note D) | 874,204 | 7.05 | - | - | 421,719 | - |
| | Yuanshi Digital Technology Co., Ltd. | (Note D) | 110,406 | 9.81 | - | - | 110,395 | - |
| | Home Master Technology Ltd. | (Note D) | 330,027 | 3.11 | - | - | 97,755 | - |

(Continued)

Notes: A. This table does not include the receivables from financier. For more details, refer to Table 5.

B. Subsidiary.

C. Parent company.

D. Same ultimate parent company.

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

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

G. The turnover rate was unavailable due to the receivables were points collections and payments on behalf of others.

H. All interconnection revenue, costs and collection of revenue from international direct dialing between the Company and NCIC were settled in net amounts and included in accounts receivable/payable-related parties. The turnover rate was unavailable as the receivables from related parties were due to the collection of telecommunications bills by the Company on behalf of NCIC and the financing provided by NCIC to the Company.

I. The turnover rate was unavailable due to the fact that request for payment is made according to the progress of the construction contract, which is irrelevant to the construction revenue recognized according to the costs incurred relative to the total expected costs.

(Concluded)

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, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2020 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes |
|--|--|--------------------|--|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|---|
| | | | | December 31, 2020 | December 31, 2019 | Shares (Thousands) | % of Ownership | Carrying Amount | | | |
| Far Eastern New Century Corporation | Asia Cement Corporation | Taiwan | Cement production | \$ 2,652,282 | \$ 2,652,282 | 750,511 | 22.33 | \$ 19,555,827 | \$ 14,664,682 | \$ 3,009,171 | 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 | 5,078,558 | 1,939,139 | 330,817 | (Note A) |
| | Oriental Union Chemical Corporation | Taiwan | Petrochemical materials production | 1,176,211 | 1,176,211 | 81,216 | 9.17 | 1,095,081 | (975,945) | (89,494) | (Note A) |
| | Everest Textile Corporation | Taiwan | Chemical fiber production | 1,689 | 1,689 | 140 | 0.03 | 1,180 | (936,987) | (281) | (Note A) |
| | Oriental Securities Corporation | Taiwan | Brokering | 159,823 | 159,823 | 140,278 | 19.65 | 2,024,150 | 97,350 | 19,129 | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. | Taiwan | Investment | 810,000 | 810,000 | 135,000 | 16.83 | 2,009,899 | 814,794 | 137,130 | (Notes A and E) |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 805,598 | 805,598 | 87,767 | 2.62 | 1,166,486 | 2,518,703 | 84,317 | (Notes A and K) |
| | Yuan Ding Investment Co., Ltd. | Taiwan | Investment | 100,052 | 100,052 | 1,822,822 | 99.40 | 41,433,997 | 4,274,881 | 4,250,564 | Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$1,332 (Notes B and H) |
| | Far Eastern Resources Development Co., Ltd. | Taiwan | Real estate construction and sales | 14,931,733 | 14,931,733 | 775,836 | 100.00 | 106,334,081 | 1,569,370 | 1,583,149 | Including the adjustments of the transactions between subsidiaries \$13,779 (Note B) |
| | Far Eastern Polytex (Holding) Ltd. | Bermuda | Investment | 10,382,911 | 10,382,911 | 168 | 100.00 | 9,647,375 | (95,091) | (95,091) | (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 | 7,739,405 | 107,429 | 78,466 | (Note B) |
| | Yuan Tong Investment Co., Ltd. | Taiwan | Investment | 5,850,000 | 5,850,000 | 739,953 | 100.00 | 8,737,914 | 573,219 | 583,125 | 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 | 5,582,758 | 323,009 | 323,009 | (Note B) |
| | Far Eastern Investment (Holding) Ltd. | Bermuda | Investment and sale of petrochemicals | 23,386,997 | 23,386,997 | 4,894 | 100.00 | 25,734,569 | (100,906) | (100,906) | (Note B) |
| | PET Far Eastern (Holding) Ltd. | Bermuda | Investment | 6,626,110 | 6,626,110 | 397 | 91.95 | 4,497,126 | (1,189,775) | (1,084,271) | Including discounted amortization \$9,727 (Note B) |
| | Oriental Petrochemical (Taiwan) Corporation | Taiwan | Petrochemical materials production | 16,209,038 | 16,209,038 | 1,712,218 | 75.56 | 9,057,496 | (2,512,959) | (1,084,271) | Including the adjustments of the difference between individual and consolidated investment properties, and the transactions between subsidiaries \$(20,312) (Notes B and H) |
| | Far Eastern Construction Co., Ltd. | Taiwan | Real estate construction and sales | 143,450 | 143,450 | 223,481 | 65.11 | 9,956,499 | 1,701,033 | 1,088,745 | (Note B) |
| | Yuan Ding Co., Ltd. | Taiwan | Real estate leasing and hotel | 857,511 | 857,511 | 186,929 | 37.13 | 3,243,038 | 47,072 | 25,454 | (Notes B and I) |
| | An Ho Garment Co., Ltd. | Taiwan | Garment production and Investment | 1,023 | 1,023 | 75,704 | 100.00 | 2,109,554 | 176,101 | 176,204 | Including the adjustments of the transactions between subsidiaries \$103 (Note B) |
| | Ding Yuan International Investment Co., Ltd. | Taiwan | Investment | 2,000,062 | 2,000,062 | 253,977 | 100.00 | 3,088,477 | 134,679 | 134,758 | Including the adjustments of the transactions between subsidiaries \$79 (Note B) |
| | FEDP (Holding) Ltd. | Bermuda | Investment | 676,315 | 676,315 | 244 | 50.43 | 913,226 | (15,700) | (7,917) | (Note B) |
| | Fu Kwok Knitting & Garment Co., Ltd. | Taiwan | Garment production | 9,205 | 9,205 | 4,000 | 100.00 | 211,101 | 15,615 | 15,615 | (Note B) |
| | Ding Ding Hotel Co., Ltd. | Taiwan | Hotel | 401,042 | 401,042 | 769 | 0.74 | 7,700 | (703,961) | (5,409) | (Note B) |
| Far Eastern Textile Ltd. | Taiwan | Textile production | 1,000 | 1,000 | 100 | 100.00 | 1,720 | 63 | 63 | (Note B) | |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | Singapore | Investment | 147,400 | - | 50 | 100.00 | 165,064 | 23,515 | 23,515 | (Note B) | |
| Yuan Ding Investment Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 2,051,009 | 1,116,755 | 52,722 | 1.57 | 2,205,639 | 14,664,682 | - | (Note A) |
| | Oriental Union Chemical Corporation | Taiwan | Petrochemical materials production | 1,085,488 | 1,085,488 | 70,818 | 8.00 | 1,130,946 | (975,945) | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 3,288,166 | 812,136 | 139,785 | 9.87 | 3,355,101 | 1,939,139 | - | (Note A) |
| | Everest Textile Corporation | Taiwan | Chemical fiber production | 470,103 | 470,103 | 128,618 | 25.23 | 831,947 | (936,987) | - | (Note A) |
| | Far Eastone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 2,723,598 | 2,723,598 | 1,066,658 | 32.73 | 21,968,490 | 8,354,128 | - | (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 | 2,856,714 | 107,429 | - | (Note B) |
| | Far Eastern Apparel (Holding) Ltd. | Bermuda | Investment and sale of textile | 2,179,442 | 2,179,442 | 111 | 100.00 | 4,314,142 | 339,556 | - | (Note B) |
| | Da Ju Fiber Co., Ltd. | Taiwan | Sale of polychemical products | 263,790 | 263,790 | 64,662 | 41.86 | 2,303,416 | 183,254 | - | (Note A) |
| | Far Eastern Apparel Co., Ltd. | Taiwan | Sale of textiles, garments, and clothing | 387,984 | 387,984 | 24,772 | 100.00 | 70,445 | (44,789) | - | (Note B) |
| | Yuan Faun Co., Ltd. | Taiwan | Production management consulting | 51,671 | 51,671 | 5,000 | 100.00 | 144,492 | 5,337 | - | (Note B) |
| | Yue Ming Corporation | Taiwan | Trading | 97,852 | 97,852 | 4,745 | 45.50 | 64,307 | 446 | - | (Note A) |
| | Yuan Ding Leasing Corporation | Taiwan | Real estate construction and sales | 319,380 | 319,380 | 36,706 | 46.20 | 398,076 | 22,666 | - | (Note A) |

(Continued)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2020 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes | |
|--|---|-------------------------------------|--|-----------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|----------|
| | | | | December 31, 2020 | December 31, 2019 | 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 | \$ 1,133,113 | \$ 56,445 | \$ - | (Note B) | |
| | Oriental Resources Development Co., Ltd. | Taiwan | Medical materials manufacturing | 13,475 | 13,475 | 2,484 | 100.00 | 68,642 | 36,761 | - | (Note B) | |
| | Liquid Air Far East Co., Ltd. | Taiwan | Industrial gas production and sales | 504,806 | 504,806 | 86,615 | 35.00 | 2,432,813 | 2,036,627 | - | (Note A) | |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | Taiwan | Production of nonwoven industrial fabrics | 144,786 | 144,786 | 33,003 | 29.80 | 586,556 | 461,314 | - | (Note A) | |
| | Oriental Securities Corporation | Taiwan | Brokering | 255,424 | 255,424 | 187,470 | 25.96 | 2,77,679 | 97,350 | - | (Note A) | |
| | Yuan Ding Co., Ltd. | Taiwan | Real estate leasing and hotel | 188,846 | 188,846 | 64,759 | 12.86 | 1,136,900 | 47,072 | - | (Note B) | |
| | Far Eastern International Leasing Corporation | Taiwan | Leasing | 1,012,057 | 1,012,057 | 75,268 | 16.87 | 949,125 | 173,611 | - | (Note A) | |
| | Oriental Textile (Holding) Ltd. | Bermuda | Investment and sale of textile | 7,142,602 | 7,142,602 | 110 | 100.00 | 7,950,473 | 11,005 | - | (Note B) | |
| | Pacific Liu Tong Investment Co., Ltd. | Taiwan | Investment | 796,491 | 796,491 | 119,653 | 14.92 | 1,695,192 | 814,794 | - | (Notes A and E) | |
| | Yu Yuan Investment Co., Ltd. | Taiwan | Investment | 673,704 | 673,704 | 98,198 | 18.96 | 958,927 | 712,538 | - | (Note A) | |
| | Far Eastern General Contractor Inc. | Taiwan | Real estate construction | 14,682 | 14,682 | 1,490 | 1.00 | 23,624 | 202,829 | - | (Note B) | |
| | Oriental Petrochemical (Taiwan) Corporation | Taiwan | Petrochemical materials production | 779,399 | 779,399 | 117,746 | 5.20 | 643,372 | (2,512,959) | - | (Note B) | |
| | Oriental Green Materials Limited | Taiwan | waste recycling and processing | 647,083 | 647,083 | 55,311 | 100.00 | 606,730 | 51,533 | - | (Note B) | |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 1,095,981 | 1,095,981 | 122,687 | 3.56 | 1,586,439 | 2,518,703 | - | (Note A) | |
| | Far Eastern Investment (Holding) Ltd. | Filsyn Corporation | Philippines | Polychemical products | PESO 225,324 | PESO 225,324 | 45,066 | 21.85 | - | - | - | (Note A) |
| | | FETG Investment Antilles N.V. | Nederlandse Antillen | Investment | US\$ 6 | US\$ 6 | 6 | 100.00 | 32,236 | (1,221) | - | (Note B) |
| | | PET Far Eastern (M) Sdn. Bhd. Com2B | Malaysia | Bottle production | MYR 8,000 | MYR 8,000 | (Note C) | 50.00 | 198,447 | 14,705 | - | (Note B) |
| | | Far Eastern Apparel (Vietnam) Ltd. | Cayman Islands | E-business | US\$ 3,375 | US\$ 3,375 | 9,000 | 20.00 | - | - | - | (Note A) |
| | | Worldwide Polychem (HK) Ltd. | Vietnam | Clothing production | US\$ 9,000 | US\$ 9,000 | (Note D) | 100.00 | 939,969 | (47,138) | - | (Note B) |
| Opas Fund Segregated Portfolio Company | | Hong Kong | Foreign trade | US\$ 3,500 | US\$ 3,500 | 2,700 | 100.00 | 109,670 | 46,901 | - | (Note B) | |
| Far Eastern Polytex (Vietnam) Ltd. | | Cayman Islands | Investment | US\$ 51 | US\$ 51 | (Note D) | 34.00 | 1,585 | 34 | - | (Note A) | |
| Far Eastern New Apparel (Vietnam) Ltd. | | Vietnam | Chemical fiber and Textile production | US\$ 240,000 | US\$ 240,000 | (Note D) | 100.00 | 7,481,568 | 816,407 | - | (Note B) | |
| Magna View Sdn. Bhd. | | Vietnam | Garment production | US\$ 18,000 | US\$ 18,000 | (Note D) | 100.00 | 149,719 | (217,110) | - | (Note B) | |
| Malaysia Garment Manufactures Pte. Ltd. | | Malaysia | Investment | US\$ 3,465 | US\$ 3,465 | 3,000 | 100.00 | 198,472 | 7,158 | - | (Note B) | |
| Drive Catalyst SPC | | Singapore | Garment production and Investment | US\$ 15,849 | US\$ 15,849 | 30 | 37.92 | 460,650 | (3,790) | - | (Note B) | |
| APG Polytech USA Holdings, Inc. | | Cayman Islands | Investment | US\$ 17 | US\$ 17 | (Note D) | 34.00 | 495 | 2 | - | (Note A) | |
| Drive Catalyst SPC-SP Tranche One | | America | Investment | US\$ 506,467 | US\$ 506,467 | 5 | 100.00 | 14,246,026 | (56,585) | - | (Note B) | |
| Drive Catalyst SPC-SP Tranche Three | | Cayman Islands | Investment | US\$ 4,000 | US\$ 4,000 | 4 | 25.00 | 106,357 | (27,519) | - | (Note A) | |
| Far Eastern International Garments | Cayman Islands | Investment | US\$ 4,000 | US\$ 4,000 | 4 | 25.00 | 127,616 | (5,572) | - | (Note A) | | |
| Cemtex Apparel Inc. | Philippines | Garment production | US\$ 1 | US\$ 1 | 59 | 41.00 | (11,732) | - | - | (Note A) | | |
| Cemtex Apparel Inc. | Philippines | Clothing O.E.M. | US\$ 1 | US\$ 1 | 90 | 50.00 | (10,886) | - | - | (Note A) | | |
| APG Polytech USA Holdings, Inc. | Corpus Christi Polymers LLC | America | Petrochemical materials production and Polychemical products production | US\$ 422,800 | US\$ 422,800 | (Note D) | 33.33 | 11,853,091 | (300,219) | - | (Note K) | |
| | APG Polytech, LLC | America | Polychemical products production | US\$ 90,000 | US\$ 90,000 | (Note D) | 100.00 | 2,865,479 | 220,047 | - | (Note B) | |
| | Phoenix Technologies International, LLC | America | Production and sale of recycled plastic resins and their waste and general industrial waste handling | US\$ 16,500 | US\$ 10,000 | (Note D) | 100.00 | 237,358 | (142,601) | - | (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 | 19,447 | 14,705 | - | (Note B) | |
| Ding Yuan International Investment Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 339,088 | 337,260 | 12,279 | 0.37 | 464,945 | 14,664,682 | - | (Note A) | |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 258,946 | 110,306 | 11,983 | 0.85 | 278,893 | 1,939,139 | - | (Note A) | |
| | Everest Textile Corporation | Taiwan | Chemical fiber production | 34,561 | 34,561 | 1,183 | 0.23 | 6,549 | (936,987) | - | (Note A) | |
| | Oriental Union Chemical Corporation | Taiwan | Petrochemical materials production | 677,665 | 677,665 | 27,365 | 3.09 | 605,182 | (975,945) | - | (Note A) | |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 38,457 | 38,457 | 920 | 0.03 | 41,032 | 8,354,128 | - | (Note B) | |
| | Pacific Liu Tong Investment Co., Ltd. | Taiwan | Investment | 90,000 | 90,000 | 18,000 | 2.24 | 249,576 | 814,794 | - | (Notes A and E) | |
| | Yu Ding Industry Co., Ltd. | Taiwan | Department store operations | 95,624 | 95,624 | 15,738 | 13.20 | 425,408 | 123,495 | - | (Note A) | |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 814,399 | 814,399 | 91,166 | 2.64 | 1,178,220 | 2,518,703 | - | (Note A) | |
| Kai Yuan International Investment Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 732,627 | 732,627 | 25,312 | 0.75 | 1,009,524 | 14,664,682 | - | (Note A) | |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 803,672 | 793,702 | 34,299 | 1.05 | 1,107,782 | 8,354,128 | - | (Note B) | |
| | Oriental Union Chemical Corporation | Taiwan | Petrochemical materials production | 742,702 | 742,686 | 32,474 | 3.67 | 598,227 | (975,945) | - | (Note A) | |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 519,473 | 519,473 | 20,672 | 1.46 | 597,205 | 1,939,139 | - | (Note A) | |
| | Kowloon Cement Corporation | Hong Kong | Cement production | 226,896 | 226,896 | 1,127 | 49.00 | 450,602 | 45,515 | - | (Note A) | |
| | Far Eastern International Leasing Corporation | Taiwan | Leasing | 1,026,489 | 1,026,489 | 74,970 | 16.80 | 950,069 | 173,611 | - | (Note A) | |
| | Pacific Liu Tong Investment Co., Ltd. | Taiwan | Investment | 90,000 | 90,000 | 18,000 | 2.24 | 249,777 | 814,794 | - | (Notes A and E) | |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 988,714 | 988,714 | 110,679 | 3.21 | 1,430,986 | 2,518,703 | - | (Note A) | |
| Far Eastern Polychem Industries Ltd. | PET Far Eastern (Holding) Ltd. | Bermuda | Investment | US\$ 17,622 | US\$ 17,622 | 35 | 8.05 | 394,067 | (1,189,775) | - | (Note B) | |
| | FEDP (Holding) Ltd. | Bermuda | Investment | US\$ 29,240 | US\$ 29,240 | 240 | 49.57 | 897,653 | (15,700) | - | (Note B) | |
| | Far Eastern Ishizuka Green Pet Corporation | Japan | Production and sale of recycled plastic resins and their waste and general industrial waste handling | JPY 2,991,678 | JPY 2,991,678 | 3,578 | 90.00 | 1,142,565 | 185,334 | - | (Note B) | |
| Far Eastern Construction Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | 216,959 | 216,959 | 17,726 | 0.53 | 612,922 | 14,664,682 | - | (Note A) | |
| | Far Eastern General Contractor Inc. | Taiwan | Real estate construction | 271,587 | 271,587 | 147,413 | 98.95 | 2,173,332 | 202,829 | - | (Note B) | |

(Continued)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2020 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes |
|--|---|-------------------------------|---|-------------------|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
| | | | | December 31, 2020 | December 31, 2019 | Shares (Thousands) | % of Ownership | Carrying Amount | | | |
| Far Eastern Apparel Co., Ltd. | Asia Cement Corporation | Taiwan | Cement production | \$ 16,246 | \$ 16,246 | 469 | 0.01 | \$ 16,35 | \$ 14,664,682 | \$ - | (Note A) |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 6,353 | 6,353 | 90 | - | 6,022 | 8,354,128 | - | (Note B) |
| | Yu Ding Industry Co., Ltd. | Taiwan | Department store operations | 29 | 29 | 12 | 0.01 | 156 | 123,495 | - | (Note A) |
| Far Eastern General Contractor Inc. | Far Eastern Technical Consultants Co., Ltd. | Taiwan | Real estate development business consulting and management | 3,864 | 3,864 | 450 | 9.00 | 6,939 | 11,909 | - | (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 | (38) | - | - | (Note B) |
| An Ho Garment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 748,158 | 748,158 | 40,818 | 1.25 | 1,018,618 | 8,354,128 | - | (Note B) |
| | Asia Cement Corporation | Taiwan | Cement production | 206,551 | 206,551 | 6,094 | 0.18 | 257,100 | 14,664,682 | - | (Note A) |
| | Oriental Union Chemical Corporation | Taiwan | Petrochemical materials production | 287,121 | 287,121 | 11,204 | 1.26 | 235,825 | (975,945) | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 10,483 | 10,483 | 370 | 0.03 | 11,925 | 1,939,139 | - | (Note A) |
| | Oriental Securities Corporation | Taiwan | Brokering | 122,420 | 119,933 | 8,723 | 1.21 | 118,874 | 97,350 | - | (Note A) |
| | Yu Ding Industry Co., Ltd. | Taiwan | Department store operations | 111,997 | 111,997 | 18,682 | 15.66 | 406,573 | 123,495 | - | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. | Taiwan | Investment | 67,285 | 67,285 | 9,681 | 1.21 | 139,586 | 814,794 | - | (Notes A and E) |
| | Yuan Ding Investment Co., Ltd. | Taiwan | Investment | 148,994 | 148,994 | 5,502 | 0.30 | 168,700 | 4,274,881 | - | (Note B) |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 202,798 | 202,798 | 22,702 | 0.66 | 293,641 | 2,518,703 | - | (Note A) |
| Yuan Faun Co., Ltd. | Yuan Cheng Human Resources Consultant Corporation | Taiwan | Personnel recruitment | 7,214 | 7,214 | 745 | 55.19 | 12,513 | 2,049 | - | (Note B) |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 42,973 | 42,973 | 4,811 | 0.14 | 62,253 | 2,518,703 | - | (Note A) |
| Fu Kwok Knitting & Garment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 19,663 | 19,663 | 520 | 0.02 | 19,037 | 8,354,128 | - | (Note B) |
| Yuan Tong Investment Co., Ltd. | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 2,246,035 | 2,246,035 | 100,237 | 3.08 | 2,673,311 | 8,354,128 | - | (Note B) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 1,632,237 | 1,391,618 | 59,073 | 4.17 | 1,776,669 | 1,939,139 | - | (Note A) |
| | Oriental Union Chemical Corporation | Taiwan | Petrochemical materials production | 1,755,017 | 1,755,017 | 49,705 | 5.61 | 1,570,671 | (975,945) | - | (Note A) |
| | Asia Cement Corporation | Taiwan | Cement production | 1,067,775 | 1,067,775 | 32,465 | 0.97 | 1,349,928 | 14,664,682 | - | (Note A) |
| | Pacific Liu Tong Investment Co., Ltd. | Taiwan | Investment | 90,000 | 90,000 | 18,000 | 2.24 | 248,579 | 814,794 | - | (Notes A and E) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan | Electronic toll collection services | 787,104 | 787,104 | 35,934 | 11.98 | 514,235 | 541,109 | - | (Note B) |
| | Liquid Air Far East Co., Ltd. | Taiwan | Industrial gas production and sales | 20 | 20 | 1 | - | 35 | 2,036,627 | - | (Note A) |
| | Sino Belgium (Holding) Ltd. | Bermuda | Investment | 2,255,510 | 2,255,510 | 36 | 90.88 | (741,428) | (33,926) | - | (Note B) |
| | Freudenberg Far Eastern Spunweb Co., Ltd. | Taiwan | Production of nonwoven industrial fabrics | 34 | 34 | 3 | - | 54 | 461,314 | - | (Note A) |
| | Malaysia Garment Manufactures Pte. Ltd. | Singapore | Garment production and investment | SGD 7,354 | SGD 7,354 | 10 | 13.00 | 157,923 | (3,790) | - | (Note B) |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 986,735 | 986,735 | 110,457 | 3.20 | 1,427,704 | 2,518,703 | - | (Note A) |
| FE Oriental Investment Holding (Singapore) Pte. Ltd. | FE New Century Industrial (Singapore) Pte. Ltd. | Singapore | Textile product sales | US\$ 4,900 | US\$ - | 49 | 100.00 | 162,367 | 23,672 | - | (Note B) |
| | Oriental Investment Holding (Netherlands) B.V. | Netherlands | Investment | - | - | - | 100.00 | - | - | - | (Notes B and L) |
| Oriental Investment Holding (Netherlands) B.V. | Oriental Martens (Netherlands) B.V. | Netherlands | Investment | - | - | - | 100.00 | - | - | - | (Notes B and M) |
| 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 | 263,419 | 11,798 | - | (Note B) |
| | Ding Ding Integrated Marketing Service Co., Ltd. | Taiwan | Marketing | 558,000 | 558,000 | 21,787 | 60.00 | 154,063 | (15,753) | - | (Note B) |
| | Far Eastern Technical Consultants Co., Ltd. | Taiwan | Real estate development business consulting and management | 45,182 | 45,182 | 4,550 | 91.00 | 68,953 | 11,909 | - | (Note B) |
| | YDC (Virgin Islands) Ltd. | British Virgin Islands | Investment | US\$ 200 | US\$ 200 | (Note D) | 17.70 | 10,226 | 4,775 | - | (Note B) |
| | Yuanshi Digital Technology Co., Ltd. | Taiwan | Electronic information providing services | 566,896 | 566,896 | 1,499 | 1.35 | (934) | (195,262) | - | (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 | 50,695 | (3,408) | - | (Note B) |
| | Asia Cement Corporation | Taiwan | Cement production | 136,037 | 136,037 | 5,329 | 0.16 | 214,368 | 14,664,682 | - | (Note A) |
| | Far EasTone Telecommunications Co., Ltd. | Taiwan | Telecommunications | 100,412 | 100,412 | 4,164 | 0.13 | 107,673 | 8,354,128 | - | (Note B) |
| | Yu Yuan Investment Co., Ltd. | Taiwan | Investment | 411,187 | 411,187 | 129,637 | 25.02 | 2,052,950 | 712,538 | - | (Note A) |
| | Yue Ming Corporation | Taiwan | Trading | 787 | 787 | 104 | 1.00 | 607 | 446 | - | (Note A) |
| | Yu Ding Industry Co., Ltd. | Taiwan | Department store operations | 22,676 | 22,676 | 3,091 | 2.59 | 66,869 | 123,495 | - | (Note A) |
| | FEDS Asia Pacific Development Co., Ltd. | Taiwan | Department store operations | 100,000 | 100,000 | 10,650 | 5.00 | 131,214 | 109,694 | - | (Note A) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan | Electronic toll collection services | 977,650 | 977,650 | 44,796 | 14.93 | 635,567 | 541,109 | - | (Note B) |
| | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 76,665 | 76,665 | 8,582 | 0.25 | 111,087 | 2,518,703 | - | (Note A) |
| Yuan Hsin Digital Payment Co., Ltd. | Taiwan | Electronic stored value cards | 400,000 | 400,000 | 10,968 | 14.66 | 82,421 | (186,581) | - | (Note B) | |
| Ding Ding Hotel Co., Ltd. | Taiwan | Hotel | 2,630,238 | 2,630,238 | 102,509 | 98.52 | 81,826 | (730,961) | - | (Note B) | |

(Continued)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of December 31, 2020 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Notes |
|--|--|--------------------------------|--|---|-------------------|---------------------------------|----------------|-----------------|-----------------------------------|------------------------|-----------------|
| | | | | December 31, 2020 | December 31, 2019 | Shares (Thousands) | % of Ownership | Carrying Amount | | | |
| Ding Ding Integrated Marketing Service Co., Ltd. | Yuanshi Digital Technology Co., Ltd. | Taiwan | Electronic information providing services | \$ 1,828 | \$ 1,828 | 5 | - | \$ (3) | \$ (195,262) | \$ - | (Note B) |
| | Yuan Hsin Digital Payment Co., Ltd. | Taiwan | Electronic stored value cards | 500,200 | 300,200 | 28,231 | 37.72 | 212,070 | (186,581) | - | (Note B) |
| | DDIM (Virgin Islands) Ltd. | British Virgin Islands | Investment | US\$ 11,000 | US\$ 11,000 | (Note D) | 46.13 | 23,329 | (6,370) | - | (Note B) |
| FET Consulting Engineers Co., Ltd. | DDIM (Virgin Islands) Ltd. | British Virgin Islands | Investment | 384,970 | 384,970 | (Note D) | 53.87 | 27,243 | (6,370) | - | (Note B) |
| YDT Technology International Co., Ltd. | Everest Textile Corporation | Taiwan | Chemical fiber production | 2,451 | 2,451 | 130 | 0.03 | 818 | (936,987) | - | (Note A) |
| | Far Eastern Department Stores Co., Ltd. | Taiwan | Department store operations | 51,673 | 51,673 | 2,764 | 0.20 | 98929 | 1,939,139 | - | (Note A) |
| | Asia Cement Corporation | Taiwan | Cement production | 862 | 862 | 61 | - | 2,421 | 14,664,682 | - | (Note A) |
| | YDC (Virgin Islands) Ltd. | British Virgin Islands | Investment | US\$ 930 | US\$ 930 | (Note D) | 82.30 | 47,547 | 4,775 | - | (Note B) |
| Far Eastern International Bank | Far Eastern International Bank | Taiwan | Deposit, loan and guarantee services | 26,960 | 26,960 | 3,018 | 0.09 | 39,308 | 2,518,703 | - | (Note A) |
| | | | | | | | | | | | |
| Far Eastern Electronic Toll Collection Co., Ltd. | FETC International Co., Ltd | Taiwan | Dispatched labor, procuring equipment, and sales agent services | 200,000 | 200,000 | 20,000 | 100.00 | 142,750 | 30,104 | - | (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 | 26,974,867 | 2,016,549 | - | (Note B) |
| | | Taiwan | Telecommunications services, sales of communications products and office equipment | 1,305,802 | 1,305,802 | 82,762 | 61.63 | 679,411 | 168,637 | - | (Note B) |
| | KGEx.com Co., Ltd. | Taiwan | Type II telecommunications services | 2,340,472 | 2,340,472 | 68,897 | 99.99 | 903,588 | 160,925 | - | (Note B) |
| | Yuanshi Digital Technology Co., Ltd. | Taiwan | Electronic information providing services | 1,686,169 | 886,169 | 107,004 | 96.18 | (66,543) | (195,262) | - | (Note B) |
| | Yuan Cing Co., Ltd. | Taiwan | Call center services | - | - | 2,000 | 100.00 | 40,712 | 16,326 | - | (Notes B and J) |
| | Far Eastern Info Service (Holding) Ltd. | Bermuda | Investment | 92,616 | 92,616 | 1 | 100.00 | 4,811 | (96) | - | (Note B) |
| | O-music Co., Ltd. | Taiwan | Electronic information providing services | - | - | - | - | - | 1,431 | - | (Note B) |
| | Yuan Bao Fintech Co., Ltd. | Taiwan | Type II telecommunications services | 60,000 | 60,000 | 6,000 | 100.00 | 52,045 | (7,635) | - | (Note B) |
| | Far EasTone Property Insurance Agent Co., Ltd. | Taiwan | Property insurance agent | 5,000 | - | 500 | 100.00 | 64,587 | 59,587 | - | (Note B) |
| | Far Eastern Electronic Toll Collection Co., Ltd. | Taiwan | Electronic toll collection services | 2,542,396 | 2,542,396 | 118,251 | 39.42 | 1,269,488 | 541,109 | - | (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 | 38,681 | (15,573) | - | (Note B) |
| | Yuan Hsin Digital Payment Co., Ltd. | Taiwan | Other financing and supporting services | 600,000 | 600,000 | 16,452 | 21.98 | 123,425 | (186,581) | - | (Note B) |
| | ARCOA Communication Co., Ltd. | DataExpress Infotech Co., Ltd. | Taiwan | Electronic information providing services | 141,750 | 141,750 | 13,896 | 70.00 | 246,341 | 95,205 | - |
| New Century InfoComm Tech Co., Ltd. | New Diligent Co., Ltd. | Taiwan | Investment | 540,000 | 540,000 | 54,000 | 100.00 | 82,075 | (4,630) | - | (Note B) |
| | | Taiwan | Security and monitoring service via internet | 148,777 | 148,777 | 10,249 | 100.00 | 129,170 | 17,482 | - | (Note B) |
| | Information Security Service Digital United Inc. | Cayman Islands | Investment | 317,446 | 317,446 | 10,320 | 100.00 | 163,344 | 3,691 | - | (Note B) |
| | Digital United (Cayman) Ltd. | Taiwan | Electronic information providing services | 20,000 | 20,000 | 750 | 0.67 | (466) | (195,262) | - | (Note B) |
| | Yuanshi Digital Technology Co., Ltd. | Taiwan | Marketing | 46,500 | 46,500 | 1,816 | 5.00 | 12,894 | (15,573) | - | (Note B) |
| | Ding Ding Integrated Marketing Service Co., Ltd. | Cayman Islands | Investment | 123,220 | 123,220 | 4 | 25.00 | 108,173 | (27,519) | - | (Note A) |
| | Drive Catalyst SPC-SP Tranche One | Cayman Islands | Investment | 122,300 | 122,300 | 4 | 25.00 | 128,857 | (5,572) | - | (Note A) |
| | Drive Catalyst SPC-SP Tranche Three | Taiwan | Energy technology services | 160,000 | 160,000 | 16,000 | 100.00 | 127,430 | (13,018) | - | (Note B) |
| | Prime EcoPower Co., Ltd. | Taiwan | Electronic information providing services | 420,000 | 420,000 | 3,430 | 70.00 | 428,018 | 43,098 | - | (Note B) |
| | Nextlink Technology Co., Ltd. | | | | | | | | | | |
| New Diligent Co., Ltd. | Sino Lead Enterprise Limited | Hong Kong | Telecommunication services | 125 | 125 | 30 | 100.00 | 290 | (4) | - | (Note B) |
| | Far East New Diligent Company Ltd. | British Virgin Islands | Investment | 330,598 | 330,598 | - | 100.00 | 20,068 | (4,369) | - | (Note B) |
| | New Diligent Hong Kong Co., Ltd. | Hong Kong | Investment | 3,051 | 3,051 | - | 100.00 | 2,291 | (418) | - | (Note B) |
| DataExpress Infotech Co., Ltd. | Linkwell Tech. Co., Ltd. | Taiwan | Electronic information providing services | - | 10,000 | (Note D) | - | - | 1,443 | - | (Note B and N) |
| | Home Master Technology Ltd. | Taiwan | Electronic information providing services | 10,000 | 10,000 | (Note D) | 100.00 | 47,290 | 28,050 | - | (Note B) |
| Nextlink Technology Co., Ltd. | Microfusion Technology Co., Ltd | Taiwan | Electronic information providing services | 17,000 | 17,000 | 2,600 | 100.00 | 30,29 | 13,747 | - | (Note B) |
| | Nextlink (HK) Technology Co., Ltd | Hong Kong | Electronic information providing services | 973 | 973 | - | 100.00 | 8,463 | 3,331 | - | (Note B) |
| | Microfusion (HK) Technology Co., Ltd. | Hong Kong | Electronic information providing services | 1,494 | - | - | 100.00 | 1,109 | (341) | - | (Note B) |

Notes: A. Equity-method investee.

B. Subsidiary.

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

D. Company limited.

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

F. Shares in thousands.

G. For investments in mainland China, refer to Table 11.

(Continued)

- 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 \$7,976 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. Joint operation entity
- L. Oriental Investment Holding (Netherlands) was established and registered on January 23, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- M. Oriental Martens (Netherlands) B.V. was established and registered on February 12, 2020, but as of December 31, 2020, the relevant investment funds have not been remitted.
- N. DataExpress Infotech Co., Ltd. merged with Linkwell Tech. Ltd. on April 1, 2020. DataExpress Infotech Co., Ltd. was the surviving company and Linkwell Tech. Ltd. was the dissolved company

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, 2020 | Investment Flows | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of December 31, 2020 (Note B) | Accumulated Repatriation of Investment Income as of December 31, 2020 | Note |
|---|---|---|-------------------------------------|--|------------------|--------|---|---|---|---------------------------|--|--|---------------|
| | | | | | Outflow | Inflow | | | | | | | |
| Far Eastern Industries (Shanghai) Ltd. | Manufacture and sales of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments | \$ 8,230,508 (RMB 1,880,399 thousand) | 2 | \$ 3,700,967 | \$ - | \$ - | \$ 3,700,967 | \$ 101,704 | 100.00 | \$ 101,704 | \$ 8,620,916 | \$ 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 | 895,434 (RMB 204,577 thousand) | 2 | 1,010,901 | - | - | 1,010,901 | 16,163 | 100.00 | 16,163 | 1,601,216 | 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 | 1,040,056 (RMB 237,619 thousand) | 3 | - | - | - | - | 19,004 | 100.00 | 19,004 | 1,076,836 | - | |
| 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, grievie woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics | 2,107,397 (RMB 481,471 thousand) | 2 | 2,018,430 | - | - | 2,018,430 | (70,842) | 100.00 | (70,842) | 2,819,128 | 313,458 | Notes H and I |
| Oriental Petrochemical (Shanghai) Corporation | Manufacture and distribution of PTA and its by-products | 7,850,541 (RMB 1,793,590 thousand) | 2 | 3,791,007 | - | - | 3,791,007 | (1,458,015) | 61.35 | (894,492) | 2,774,133 | 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 | 1,616,308 (RMB 369,273 thousand) | 2 | 1,342,854 | - | - | 1,342,854 | 258,735 | 100.00 | 258,735 | 3,307,071 | 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 | 1,726,156 (RMB 394,370 thousand) | 2 | 1,765,319 | - | - | 1,765,319 | 23,059 | 100.00 | (6,805) | 1,600,766 | - | 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 | 748,675 (RMB 171,048 thousand) | 2 | 724,110 | - | - | 724,110 | 11,164 | 100.00 | 11,164 | 941,333 | - | |

(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, 2020 | Investment Flows | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of December 31, 2020 (Note B) | Accumulated Repatriation of Investment Income as of December 31, 2020 | Note |
|--|---|---|-------------------------------------|--|------------------|--------|---|---|---|---------------------------|--|--|--------|
| | | | | | Outflow | Inflow | | | | | | | |
| Oriental Industries (Suzhou) Ltd. | Production and marketing of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn | \$ 4,792,144 (RMB 1,094,847 thousand) | 2 | \$ 4,957,248 | \$ - | \$ - | \$ 4,957,248 | \$ 62,605 | 100.00 | \$ 62,605 | \$ 6,015,936 | \$ - | Note H |
| Far Eastern New Century (China) Investment Co., Ltd. | Investment | 4,683,616 (RMB 1,070,052 thousand) | 2 | 4,794,027 | - | - | 4,794,027 | (113,319) | 100.00 | (113,319) | 3,873,694 | - | |
| Sino Belgium Beer (Suzhou) Ltd. | Beer brewing | 1,668,329 (RMB 381,158 thousand) | 2 | 1,763,952 | - | - | 1,763,952 | (34,300) | 100.00 | (39,795) | (677,683) | - | |
| Martens Beers (Shanghai) Ltd. | Beer brewing | 326,771 (RMB 74,656 thousand) | 2 | 231,475 | - | - | 231,475 | (2) | 100.00 | (2) | 14,922 | - | Note L |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | PA and its by-product production and sale | 6,361,318 (RMB 1,453,351 thousand) | 2 | 4,181,323 | - | - | 4,181,323 | 5,481 | 60.00 | 3,289 | 3,844,424 | - | |
| Far Eastern Industries (Yangzhou) Ltd. | PA and its by-product production | 1,352,066 (RMB 308,902 thousand) | 2 | 1,436,190 | - | - | 1,436,190 | 8,029 | 100.00 | 8,029 | 1,384,124 | - | |
| Far Eastern Union Petrochemical (Yangzhou) Corporation | PA and its by-product production | 4,138,298 (RMB 945,465 thousand) | 2 | 1,962,908 | - | - | 2,983,397 | (869,645) | 44.20 | (434,823) | 2,815,672 | - | Note V |
| Shanghai Yuan Zi Information Technology Co., Ltd. | Software development, equipment maintenance and consulting | 55,632 (RMB 12,710 thousand) | 3 | - | - | - | - | 777 | 100.00 | 777 | 58,187 | - | |
| Shanghai Far Eastern Petrochemical Logistic Corporation | Transportation | 83,163 (RMB 19,000 thousand) | 3 | - | - | - | - | 9,251 | 100.00 | 9,251 | 146,362 | - | |
| Suzhou An Ho Apparel Ltd. | Garment production | 4,377 (RMB 1,000 thousand) | 3 | - | - | - | - | 1,123 | 100.00 | 1,123 | 55,900 | - | |
| Yuan Ding Enterprise (Shanghai) Limited | Liquid oxygen, oxygen, nitrogen and hydrogen warehousing | 7,718,511 (RMB 1,763,425 thousand) | 3 | - | - | - | - | (99,730) | 40.00 | (39,892) | 2,794,170 | - | |
| Tong Da Air Industry (Yangzhou) Co., Ltd. | Liquid oxygen, oxygen, nitrogen and hydrogen warehousing | - | 2 | 1,020,489 | - | - | - | 83,678 | - | 41,839 | - | - | Note V |
| Yuan Ding Integrated Information Service (Shanghai) Inc. | Computer software and internet software design and development | 659,388 (RMB 150,648 thousand) | 2 | 598,270 | - | - | 598,270 | (6,356) | 100.00 | (6,356) | 50,592 | - | Note M |
| Speedy (Shanghai) digital Tech. Co., Ltd. | Intelligent control equipment and security monitoring products and services | 28,622 (RMB 6,539 thousand) | 2 | 24,220 | - | - | 24,220 | 4,876 | 100.00 | 4,876 | 56,337 | - | Note N |

(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, 2020 | Investment Flows | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of December 31, 2020 (Note B) | Accumulated Repatriation of Investment Income as of December 31, 2020 | Note |
|---|--|------------------------------------|-------------------------------|---|------------------|--------|---|-----------------------------------|--|------------------------|--|---|--------|
| | | | | | Outflow | Inflow | | | | | | | |
| Digital United Information Technology (Shanghai) Ltd. | Research and design of computer systems | \$ 88,288 (US\$ 3,100 thousand) | 2 | \$ 88,288 | \$ - | \$ - | \$ 88,288 | \$ 6,398 | 100.00 | \$ 6,398 | \$ 5,987 | \$ - | Note P |
| Far Eastern Tech-Info Ltd. (Shanghai) | Digital information supply services | 170,880 (US\$ 6,000 thousand) | 2 | 192,296 | - | - | 192,296 | (201) | - | (201) | - | - | Note O |
| Nextlink (Shanghai) Technology Co., Ltd. | Computer software, data processing and provision of network information services | 2,051 (US\$ 72 thousand) | 2 | 2,051 | - | - | 2,051 | (218) | 70.00 | (218) | 1,207 | - | Note Q |

| Investee Company | Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|--|---|--|---|
| Far Eastern New Century Corporation (Note S and T) | \$ 22,653,879 | \$ 23,821,638 | \$ - |

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., Nextlink Technology Co., 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 Dyeing and Finishing (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 Industries (Suzhou) Ltd., 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, 2020, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.

E. As of December 31, 2020, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd. received by FENC and Yuan Ding Investment Co., Ltd.

F. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.

G. As of December 31, 2020, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Co., Ltd. which remitted through FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.

H. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.

I. As of December 31, 2020, the profit of investment was cash dividend paid by Far Eastern Industries (Wuxi) Ltd. remitted through a FENC's subsidiary, Oriental Textile (Holding) Ltd.

J. As of December 31, 2020, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corporation remitted through FENC's subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.

K. As of December 31, 2020, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Co., Ltd.

(Continued)

- L. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Yuan Tong Investment Co., Ltd.
- M. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd., FET Consulting Engineers Co., Ltd. and Ding Ding Integrated Marketing Service Co., Ltd.
- N. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Far Eastone Telecommunications Co., Ltd. The investment project was approved by the local government to be dissolved in 2020.
- P. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. As of December 31, 2020, the accumulated outflow of investment from Taiwan was remitted by a FENC's subsidiary, Nextlink Technology Co., Ltd.
- R. As of December 31, 2020, the profit from investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. which remitted through a FENC subsidiary, Far Eastern Apparel (Holding) Ltd.
- S. Investment amounts authorized by the Investment Commission of the MOEA include US\$835,405 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\$1:28.48 and RMB1:4.377.
- T. Based on MOEA Approval Letter No. 10920434850, there is no limitation on the amount of the Company's investment in China.
- U. The paid-in capital was calculated based on the ending exchange rate of RMB1:4.377 and US\$1:28.48.
- V. The merger will change the operating dynamics and will achieve cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates of subsidiary-PET Far Eastern (Holding) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation will enhance the overall competency of the three companies. Far Eastern Union Petrochemical (Yangzhou) Corporation is the surviving company, and Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Petrochemical (YangZhou) Corporation are the dissolved companies. Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Petrochemical (YangZhou) Corporation were associates of PET Far Eastern (Holding) Ltd., a subsidiary. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The tentative record date of the merger was December 31, 2020.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA - INVESTMENT TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of U.S. Dollars)

| Investee Company | Authorized by Investment Commission, MOEA | | | | | Investment Type | | | |
|---|---|-------------------------------------|--------------------------|--|--------------------------------------|--------------------------------|--|---|---|
| | Investor Company | Date | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Far Eastern Industries (Shanghai) Ltd. | 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 New Century Corporation | 2008.06.27 | No. 09700163430 | PET Far Eastern (Holding) Ltd. | 49,500 | 49,500 | | | |
| | Far Eastern New Century Corporation | 2008.04.18 | No. 09700045500 | Far Eastern Polychem Industries Ltd. | 4,800 | 4,800 | | | |
| | | | | PET Far Eastern (Holding) Ltd. | 2,936 | | | | |
| | | | | | (Note F) | | | | |
| | | Far Eastern New Century Corporation | 2009.12.25 | No. 09800456740 | PET Far Eastern (Holding) Ltd. | 41,171 | 41,171 | | |
| | Far Eastern New Century Corporation | 2017.09.18 | No. 10630056570 | PET Far Eastern (Holding) Ltd. | 27,000 | 27,000 | | | |
| Far Eastern Dyeing & Finishing (Suzhou) Ltd. | Yuan Ding Investment Co., Ltd. | 2003.10.31 | No. 092033525 | Far Eastern Apparel (Holding) Ltd. | 20,000 | 20,000 | | | |
| | Yuan Ding Investment Co., Ltd. | 2008.10.13 | No. 09700348610 | Far Eastern Apparel (Holding) Ltd. | 30,000 | 30,000 | | | |
| Far Eastern Industries (Suzhou) Ltd. | Yuan Ding Investment Co., Ltd. | 2002.11.26 | No. 091035216 | Far Eastern Polychem Industries Ltd. | 9,352 | | | | 9,352 |
| | Far Eastern New Century Corporation | 2004.10.11 | No. 093025506 | FEDP (Holding) Ltd. | 1,569 | | | 1,569 | |
| | Far Eastern New Century Corporation | 2004.10.14 | No. 093030298 | Far Eastern Polychem Industries Ltd. | 713 | | | | 713 |
| | Far Eastern New Century Corporation | 2010.10.12 | No. 09900403430 (Note H) | FEDP (Holding) Ltd. | 5,288 | 5,288 | | | |

(Continued)

| Investee Company | Authorized by Investment Commission, MOEA | | | | | Investment Type | | | |
|---|---|------------|--------------------------|--|--------------------------|--------------------------------|--|---|---|
| | Investor Company | Date | MOEA Approval Letter No. | Through Investor Company in Third Area | Investment Amount (US\$) | Investor Company's Own Capital | Investor Company in Third Area Using Dividends Received from Investee (US\$) | Financed from Financial Institutions in Third Area (US\$) | Investor Company in Third Area Using Its Own Capital to Invest (US\$) |
| Oriental Industries (Suzhou) Ltd. | Far Eastern New Century Corporation | 2006.11.01 | No. 09500287850 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | \$ 4,524 | \$ 4,524 | | | |
| | Far Eastern New Century Corporation | 2008.04.18 | No. 09700045510 | Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd. | 4,800 754 (Note G) | 4,800 | | | |
| | Far Eastern New Century Corporation | 2010.12.29 | No. 09900470520 (Note I) | FEDP (Holding) Ltd. | 18,224 | 18,224 | | | |
| | Yuan Ding Investment Co., Ltd. | 2005.08.01 | No. 094015006 | Oriental Textile (Holding) Ltd. | 19,800 | 19,800 | | | |
| | Yuan Ding Investment Co., Ltd. | 2006.02.09 | No. 094037416 | Oriental Textile (Holding) Ltd. | 30,200 | 30,200 | | | |
| | Yuan Ding Investment Co., Ltd. | 2007.10.02 | No. 09600280400 | Oriental Textile (Holding) Ltd. | 23,000 | 23,000 | | | |
| | Yuan Ding Investment Co., Ltd. | 2008.09.01 | No. 09700172130 | Oriental Textile (Holding) Ltd. | 32,500 | 32,500 | | | |
| | Yuan Ding Investment Co., Ltd. | 2013.04.29 | No. 10200127470 | Oriental Textile (Holding) Ltd. | 8,000 | 8,000 | | | |
| Wuhan Far Eastern New Material Ltd. | Yuan Ding Investment Co., Ltd. | 2014.09.11 | No. 10300223190 (Note K) | Oriental Textile (Holding) Ltd. | 43,000 | 43,000 | | | |
| | Far Eastern New Century Corporation | 2006.05.19 | No. 09500090070 | Far Eastern Polytex (Holding) Ltd. | 12,000 | 12,000 | | | |
| | Far Eastern New Century Corporation | 2009.06.29 | No. 09800135640 | Far Eastern Polytex (Holding) Ltd. | 10,000 | 10,000 | | | |
| Far Eastern New Century (China) Investment Co., Ltd. (Note A) | Far Eastern New Century Corporation | 2010.12.21 | No. 09900470530 | Far Eastern Polytex (Holding) Ltd. | RMB 6,695 | | | | RMB 6,695 |
| | Far Eastern New Century Corporation | 2006.08.01 | No. 09500124430 | Far Eastern Polytex (Holding) Ltd. | 48,000 | 48,000 | | | |
| | Far Eastern New Century Corporation | | | | | | | | |
| Sino Belgium Beer (Suzhou) Ltd. | Far Eastern New Century Corporation | | | | | | | | |
| | Yuan Tong Investment Co., Ltd. | 2007.08.02 | No. 09600248620 | Sino Belgium (Holding) Ltd. | 18,000 | 18,000 | | | |
| | Yuan Tong Investment Co., Ltd. | 2008.02.21 | No. 09600451060 | Sino Belgium (Holding) Ltd. | 12,000 | 12,000 | | | |
| | Yuan Tong Investment Co., Ltd. | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd. | 16,000 | 16,000 | | | |
| Martens Beers (Shanghai) Ltd. | Yuan Tong Investment Co., Ltd. | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd. | 10,000 | 10,000 | | | |
| | Yuan Tong Investment Co., Ltd. | 2008.12.10 | No. 09700456110 | Sino Belgium (Holding) Ltd. | 3,800 | 3,800 | | | |
| | Yuan Tong Investment Co., Ltd. | 2010.07.29 | No. 09900284200 | Bockhold N.V. Martens HK Ltd. Sino Belgium (Holding) Ltd. | 4,304 | | | | 4,304 |
| | Yuan Tong Investment Co., Ltd. | 2014.04.24 | No. 10300091010 (Note L) | Sino Belgium (Holding) Ltd. | 1,500 | 1,500 | | | |
| | Yuan Tong Investment Co., Ltd. | 2013.11.28 | No. 10200451570 (Note N) | Sino Belgium (Holding) Ltd. | 1,100 | 1,100 | | | |
| | Yuan Tong Investment Co., Ltd. | 2014.12.19 | No. 10300249370 (Note O) | Sino Belgium (Holding) Ltd. | 1,000 | 1,000 | | | |
| Far Eastern Tech-Info Ltd. (Shanghai) | Far Eastone Telecommunications Co., Ltd. | 2004.08.26 | No. 093018811 | Far Eastern Info Service (Holding) Limited | 2,500 | 2,500 | | | |
| Far Eastern Yihua Petrochemical (Yangzhou) Corporation | 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 | | | |
| | Far Eastern New Century Corporation | 2020.08.20 | No. 10900223750 (Note T) | PET Far Eastern (Holding) Ltd. | 9,250 | 9,250 | | | |
| | Far Eastern New Century Corporation | 2020.11.23 | No. 10900267610 (Note U) | PET Far Eastern (Holding) Ltd. | 30,405 | 30,405 | | | |
| 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 | 2019.08.02 | No. 10800190930 (Note S) | Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Co., Ltd. | 74,335 | 74,335 | | | |
| | 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. | 2011.10.19 | No. 10000429550 | YDC (Virgin Islands) Ltd. | \$ 110 | \$ 110 | | | |
| | FET Consulting Engineers Co., Ltd. | 2011.11.03 | No. 10000439470 | DDIM (Virgin Islands) Ltd. | 8,100 | 8,100 | | | |
| | Ding Ding Integrated Marketing Service Co., Ltd. | 2015.08.11 | No. 10400179060 | DDIM (Virgin Islands) Ltd. | 1,100 | 1,100 | | | |
| Speedy (Shanghai) digital Tech. Co., Ltd. | YDT Technology International Co., Ltd. | 2004.02.11 | No. 093003471 | YDC (Virgin Islands) Ltd. | 300 | 300 | | | |
| | | 2005.02.05 | No. 094003122 | YDC (Virgin Islands) Ltd. | 500 | 500 | | | |
| Far Eastern Tech-Info Ltd. (Shanghai) | Far Eastone Telecommunications Co., Ltd. | 2004.08.26 | No. 093018811 | Far Eastern Info Service (Holding) Ltd. | 2,500 | 2,500 | | | |
| | New Diligent Co., Ltd. | 2014.01.29 | No. 10300022990 | Far East New Diligent Company Ltd. | 3,500 | 3,500 | | | |
| Far Eastern Tech-Info Ltd. (Shanghai) | 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 through FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

I. After obtaining MOEA approval (No. 09900470520), FENC received FEDP (Holding) Ltd. from Yuan Tong Investment Co., Ltd., for US\$18,224 thousand (MOEA approval No. 09600243260).

J. After obtaining MOEA approval (No. 10000021360), FENC's subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation.

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

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

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

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

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

(Continued)

- P. After modifying MOEA approval from No. 10200478110 to No. 10300203670, FENC amended its indirect investment to US\$33,500 thousand, and invested through its subsidiary, PET Far Eastern (Holding) Ltd., indirectly in Tong Da Air Industry (Yangzhou) Co., Ltd. In 2020, Tong Da Air Industry (Yangzhou) Co., Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation and Oriental Union Chemical Corporation's subsidiary Oriental Petrochemical (Yangzhou) Corporation dissolved by absorption and merger, however, the balance has not yet been cancelled to the MOEA.
- 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.
- T. After obtaining MOEA approval (No. 10900223750), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$9,250 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.
- U. After obtaining MOEA approval (No. 10900267610), FENC's subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$30,405 thousand in Far Eastern Union Petrochemical (Yangzhou) Corporation.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020**

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

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

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

FAR EASTERN NEW CENTURY CORPORATION

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| Statement of changes in accumulated depreciation of property, plant and equipment | Note 12 |
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FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Item | Maturity | Annual Rate (%) | Amount |
|--------------------------------|-----------------------|------------------------|----------------------|
| Cash | | | |
| Cash on hand | | | \$ <u>2,000</u> |
| Petty cash | | | <u>4,389</u> |
| Cash in banks | | | |
| Checking accounts | | | 13,314,742 |
| Demand deposits (Note A) | | | <u>4,115,493</u> |
| | | | <u>17,430,235</u> |
| Cash equivalents | | | |
| Repurchase of commercial paper | 2020.12.30-2021.01.04 | 0.25 | <u>1,999,687</u> |
| | | | <u>\$ 19,436,311</u> |

Note A: Including US\$55,181 thousand, JPY682,723 thousand, RMB74,936 thousand and EUR10,283 thousand.

Note B: Based on the exchange rate of US\$1:NT\$28.48, JPY1:NT\$0.2763, RMB1:NT\$4.377 and EUR1:NT\$35.02, respectively.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

| Client Name | Amount |
|--|---------------------|
| Worldwide Polychem (HK) Ltd. | \$ 811,846 |
| Far Eastern Industries (Shanghai) Ltd. | 348,274 |
| Others (Note) | <u>4,211,259</u> |
| | 5,371,379 |
| Less: Allowance for doubtful accounts | <u>274,150</u> |
| Notes and accounts receivable, net | <u>\$ 5,097,229</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, 2020****(In Thousands of New Taiwan Dollars)**

| Item | Amount | |
|------------------------------------|---------------------|--------------------------------|
| | Cost | Market Value (Note) |
| Finished goods | \$ 1,323,284 | \$ 1,234,685 |
| Work in progress | 1,702,205 | 1,507,342 |
| Raw materials | 1,166,921 | 1,319,754 |
| Supplies | 269,194 | 256,586 |
| Materials in transit | <u>226,787</u> | <u>226,787</u> |
| | 4,688,391 | <u>\$ 4,545,154</u> |
| Less: Allowance for valuation loss | <u>407,078</u> | |
| Inventories, net | <u>\$ 4,281,313</u> | |

Note: Market value is net realizable value.

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF CHANGES IN EQUITY METHOD INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Except Par Value and Unit Price is in New Taiwan Dollars)

| Investees | Par Value | Balance, January 1, 2020 | | Annual Changes | | | | Increase (Decrease) in Using the Equity Method Amount (Note A) | Balance, December 31, 2020 | | | Market Value or Net Assets Value | | Pledged Shares (In Thousands) (Note B) | Notes | |
|---|-------------|--------------------------|-----------------------|--------------------------|---------------------|--------------------------|--------|---|----------------------------|--------|-----------------------|----------------------------------|-----------------------|--|--------------------|--|
| | | Shares (In Thousands) | Amount | Shares (In Thousands) | Amount | Shares (In Thousands) | Amount | | Shares (In Thousands) | % | Amount | Unit Price (NT\$) | Total Amount | | | |
| Shares | | | | | | | | | | | | | | | | |
| Investments accounted for using the equity method | | | | | | | | | | | | | | | | |
| Publicly traded companies | | | | | | | | | | | | | | | | |
| Asia Cement Corporation | \$ 10 | 750,511 | \$ 19,447,206 | - | \$ - | - | \$ - | \$ 108,621 | 750,511 | 22.33 | \$ 19,555,827 | \$ 43.20 | \$ 32,422,089 | 19,900 | (Notes C and D) | |
| Far Eastern Department Stores Co., Ltd. | 10 | 241,770 | 5,009,751 | - | - | - | - | 68,807 | 241,770 | 17.06 | 5,078,558 | 24.00 | 5,802,473 | - | (Notes C and D) | |
| Far Eastern International Bank | 10 | 87,767 | 1,109,853 | 2,413 | - | - | - | 56,633 | 90,180 | 2.62 | 1,166,486 | 10.85 | 978,458 | - | (Notes C, D and F) | |
| Oriental Union Chemical Corporation | 10 | 81,216 | 1,217,537 | - | - | - | - | (122,456) | 81,216 | 9.17 | 1,095,081 | 20.30 | 1,648,685 | - | (Notes C and D) | |
| Everest Textile Corporation | 10 | 140 | 1,490 | - | - | - | - | (310) | 140 | 0.03 | 1,180 | 9.85 | 1,377 | - | (Notes C and D) | |
| | | | <u>26,785,837</u> | | | | | <u>111,295</u> | | | <u>26,897,132</u> | | <u>40,853,082</u> | | | |
| Private companies | | | | | | | | | | | | | | | | |
| Far Eastern Resources Development Co., Ltd. | 10 | 775,836 | 104,696,964 | - | - | - | - | 1,637,117 | 775,836 | 100.00 | 106,334,081 | | 106,373,415 | - | (Note D) | |
| Yuan Ding Investment Co., Ltd. | 10 | 1,822,822 | 41,097,475 | - | - | - | - | 336,522 | 1,822,822 | 99.40 | 41,433,997 | | 41,761,369 | - | (Note D) | |
| Far Eastern Investment (Holding) Ltd. | US\$ 0.01 | 4,894 | 26,235,260 | 178 | 961,014 | - | - | (1,461,705) | 5,072 | 100.00 | 25,734,569 | | 25,734,569 | - | (Notes D and E) | |
| Far Eastern Construction Co., Ltd. | 10 | 223,481 | 8,917,885 | 22,348 | - | - | - | 1,038,614 | 245,829 | 65.11 | 9,956,499 | | 10,032,957 | - | (Notes D and F) | |
| Far Eastern Polytex (Holding) Ltd. | US\$ 0.01 | 168 | 9,565,589 | - | - | - | - | 81,786 | 168 | 100.00 | 9,647,375 | | 9,651,074 | - | (Note D) | |
| Oriental Petrochemical (Taiwan) Corporation | 10 | 1,712,218 | 9,810,611 | - | - | - | - | (753,115) | 1,712,218 | 75.56 | 9,057,496 | | 9,357,448 | - | (Note D) | |
| Yuan Tong Investment Co., Ltd. | 10 | 739,953 | 8,556,025 | - | - | - | - | 181,889 | 739,953 | 100.00 | 8,737,914 | | 9,053,346 | - | (Note D) | |
| Far Eastern Polychem Industries Ltd. | HK\$ 0.0001 | 830,815 | 7,526,541 | - | - | - | - | 212,864 | 830,815 | 73.04 | 7,739,405 | | 7,739,405 | - | (Note D) | |
| Kai Yuan International Investment Co., Ltd. | 10 | 361,486 | 5,567,871 | 5,657 | - | - | - | 14,887 | 367,143 | 100.00 | 5,582,758 | | 5,582,899 | - | (Notes D and F) | |
| PET Far Eastern (Holding) Ltd. | US\$ 0.01 | 397 | 5,660,306 | - | - | - | - | (1,163,180) | 397 | 91.95 | 4,497,126 | | 4,501,179 | - | (Note D) | |
| Yuan Ding Co., Ltd. | 10 | 186,929 | 3,299,897 | - | - | - | - | (56,859) | 186,929 | 37.13 | 3,243,038 | | 3,367,306 | - | (Note D) | |
| Ding Yuan International Investment Co., Ltd. | 10 | 253,977 | 3,129,935 | 1,054 | - | - | - | (41,458) | 255,031 | 100.00 | 3,088,477 | | 3,108,974 | - | (Notes D and F) | |
| An Ho Garment Co., Ltd. | 10 | 75,704 | 2,132,201 | - | - | - | - | (22,647) | 75,704 | 100.00 | 2,109,554 | | 2,184,959 | - | (Notes D and F) | |
| Oriental Securities Corporation | 10 | 140,278 | 2,002,315 | 1,683 | - | - | - | 21,835 | 141,961 | 19.65 | 2,024,150 | | 2,015,957 | - | (Notes D and F) | |
| Pacific Liu Tong Investment Co., Ltd. | 10 | 135,000 | 1,893,365 | - | - | - | - | 116,534 | 135,000 | 16.83 | 2,009,899 | | 1,917,883 | - | (Note D) | |
| FEDP (Holding) Ltd. | US\$ 0.01 | 244 | 907,883 | - | - | - | - | 5,343 | 244 | 50.43 | 913,226 | | 913,226 | - | (Note D) | |
| Fu Kwok Knitting & Garment Co., Ltd. | 10 | 4,000 | 233,520 | - | - | - | - | (22,419) | 4,000 | 100.00 | 211,101 | | 209,943 | - | (Note D) | |
| FE Oriental Investment Holding (Singapore) Pte. Ltd | US\$ 0.01 | - | - | 50 | 147,400 | - | - | 17,664 | 50 | 100.00 | 165,064 | | 165,064 | - | (Notes D and E) | |
| Ding Ding Hotel Co., Ltd. | 10 | 769 | 13,085 | - | - | - | - | (5,385) | 769 | 0.74 | 7,700 | | 709 | - | (Note D) | |
| Far Eastern Textile Ltd. | 10 | 100 | 1,657 | - | - | - | - | 63 | 100 | 100.00 | 1,720 | | 1,720 | - | (Note D) | |
| | | | <u>241,248,385</u> | | <u>1,108,414</u> | | | <u>138,350</u> | | | <u>242,495,149</u> | | <u>243,673,402</u> | | | |
| | | | <u>\$ 268,034,222</u> | | <u>\$ 1,108,414</u> | | | <u>\$ 249,645</u> | | | <u>\$ 269,392,281</u> | | <u>\$ 284,526,484</u> | | | |

Note A: Including:

| | |
|---|-------------------|
| 1. Current net profit of investee recognized based on the percentage of shares | \$ 8,560,758 |
| 2. Current cash dividends distributed by investee | (7,928,924) |
| 3. Changes in capital surplus of investee | 48,613 |
| 4. Changes in undistributed earnings of investee | (550,126) |
| 5. Changes in exchange differences arising on translation of foreign operations | (673,235) |
| 6. Unrealized gain on financial assets at FVTOCI | (469,545) |
| 7. Hedging instrument of investee | 7,780 |
| 8. Changes in remeasurement of defined benefit plans of investee | (35,706) |
| 9. Changes in gain on property revaluations of investee | 1,288,861 |
| 10. Cash dividends distributed to subsidiaries | <u>1,169</u> |
| | <u>\$ 249,645</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, 2020 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, 2020.

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.

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF SHORT-TERM LOANS****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Type | Contract Period | Interest Rates (%) | Original Currency | In New Taiwan Dollars |
|-----------------------|------------------------|---------------------------|--------------------------|------------------------------|
| Bank loans | | | | |
| Mizuho Bank | 2020.12.28-2021.03.25 | 0.74-0.78 | US\$ 877 | \$ 24,967 |
| First Commercial Bank | 2020.11.10-2021.03.25 | 0.80 | US\$ 7,871 | 224,156 |
| DBS Bank | 2020.11.06-2021.02.25 | 0.75-0.81 | US\$ 42,434 | 1,208,530 |
| Mitsubishi UFJ | 2020.10.22-2021.04.09 | 0.72-0.85 | US\$ 70,395 | <u>2,004,840</u> |
| | | | | <u>\$ 3,462,493</u> |

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF NOTES AND ACCOUNTS PAYABLE

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

| Vendor Name | Amount |
|---------------------------------|---------------------|
| Nan Ya Plastics Corporation | \$ 154,985 |
| Formosa Chemicals & Fibre Corp. | 141,591 |
| Usi Corporation | 69,529 |
| Others (Note) | <u>868,795</u> |
| | <u>\$ 1,234,900</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, 2020

(In Thousands of New Taiwan Dollars)

| Item | Amount |
|-------------------------------|---------------------|
| Director remuneration payable | \$ 1,290,060 |
| Payroll and bonus payable | 1,193,770 |
| Interest payable | 386,600 |
| Employee remuneration payable | 230,231 |
| Others (Note) | <u>1,233,437</u> |
| | <u>\$ 4,334,098</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, 2020

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

| Type/Creditor Bank | Repayment (Note) | Interest Rate (%) | Original Currency | Balance | | Total Amount | Collateral | |
|---|---|-------------------|-------------------|-------------------|----------------------|---------------|---------------|---|
| | | | | Expired in A Year | Expired after A Year | | | |
| Bank loans | | | | | | | | |
| Secured loans | | | | | | | | |
| First Commercial Bank | 2020.10.30-2022.04.30, lump sum repayment on maturity, interest payment monthly | 0.9200 | \$ | - | \$ | 2,640,000 | \$ 2,640,000 | Building and land in Bangiao Ren-Ai section |
| Credit loans | | | | | | | | |
| First Commercial Bank | 2020.10.30-2022.04.30, lump sum repayment on maturity, interest payment monthly | 0.9200 | - | - | - | 1,360,000 | 1,360,000 | 19,900 thousand of Asia Cement Corporation shares |
| Bank of Taiwan | 2020.08.27-2024.02.27, lump sum repayment on maturity, interest payment monthly | 0.8562 | - | - | - | 2,500,000 | 2,500,000 | Building and land in Xinpu Far Eastern section and Shuichetou section |
| Bank of Taiwan | 2019.11.21-2023.05.21, lump sum repayment on maturity, interest payment monthly | 0.7257 | - | - | - | 700,000 | 700,000 | |
| Mizuho Bank | 2020.09.30-2023.09.30, lump sum repayment on maturity, interest payment monthly | 0.8780 | - | - | - | 3,000,000 | 3,000,000 | |
| Mizuho Bank | 2020.12.21-2022.06.22, lump sum repayment on maturity | 0.8500 | - | - | - | 1,500,000 | 1,500,000 | |
| Crédit Agricole Corporate and Investment Bank | 2020.09.21-2023.09.21, lump sum repayment on maturity | 1.1943 | - | - | - | 1,000,000 | 1,000,000 | |
| Sumitomo Mitsui Banking Corporation | 2020.12.30-2022.05.08, lump sum repayment on maturity | 0.6800 | - | - | - | 4,500,000 | 4,500,000 | |
| The Bank of Tokyo-Mitsubishi UFJ | 2020.12.30-2022.03.30, lump sum repayment on maturity | 0.8600 | - | - | - | 1,500,000 | 1,500,000 | |
| Bangkok Bank | 2020.12.30-2022.03.19, lump sum repayment on maturity | 1.1000 | - | - | - | 500,000 | 500,000 | |
| Agricultural Bank of Taiwan | 2020.12.30-2022.12.30, lump sum repayment on maturity | 0.8600 | - | - | - | 1,400,000 | 1,400,000 | |
| Shin Kong Bank | 2020.12.30-2023.09.23, lump sum repayment on maturity | 1.0500 | - | - | - | 500,000 | 500,000 | |
| Fubon Bank | 2020.12.30-2022.09.02, lump sum repayment on maturity | 1.088562 | - | - | - | 1,360,000 | 1,360,000 | |
| Taishin International Bank | 2020.12.30-2022.01.31, lump sum repayment on maturity | 1.1500 | - | - | - | 1,000,000 | 1,000,000 | |
| Mega International Commercial Bank | 2020.08.27-2022.08.26, lump sum repayment on maturity | 0.916-0.9548 | US\$ | 335 | - | 9,556 | 9,556 | |
| | | | | | | 20,829,556 | 20,829,556 | |
| Bank loan | | | | | | 23,469,556 | 23,469,556 | |
| Commercial paper | | | | | | | | |
| IBFC | 2020.03.19-2023.03.24, Interest prepayment, lump sum repayment on maturity | 0.9180 | - | - | - | 1,696,665 | 1,696,665 | |
| IBFC | 2020.09.14-2023.03.24, Interest prepayment, lump sum repayment on maturity | 0.9180 | - | - | - | 1,297,679 | 1,297,679 | |
| IBFC | 2020.10.07-2022.06.24, Interest prepayment, lump sum repayment on maturity | 1.1175 | - | - | - | 2,999,541 | 2,999,541 | |
| IBFC | 2020.10.20-2023.04.22, Interest prepayment, lump sum repayment on maturity | 0.9880 | - | - | - | 1,495,696 | 1,495,696 | |
| IBFC | 2020.10.20-2023.04.22, Interest prepayment, lump sum repayment on maturity | 0.9980 | - | - | - | 599,705 | 599,705 | |
| IBFC | 2020.12.24-2022.06.29, Interest prepayment, lump sum repayment on maturity | 0.9655 | - | - | - | 1,662,270 | 1,662,270 | |
| IBFC | 2020.12.29-2022.06.24, Interest prepayment, lump sum repayment on maturity | 0.9655 | - | - | - | 826,048 | 826,048 | |
| CBFC | 2020.10.07-2022.06.29, Interest prepayment, lump sum repayment on maturity | 0.9280 | - | - | - | 999,873 | 999,873 | |
| CBFC | 2020.11.04-2022.06.29, Interest prepayment, lump sum repayment on maturity | 0.9280 | - | - | - | 999,161 | 999,161 | |
| Ta Ching | 2020.10.21-2023.09.19, Interest prepayment, lump sum repayment on maturity | 0.9180 | - | - | - | 999,547 | 999,547 | |
| Ta Ching | 2020.10.22-2023.10.26, Interest prepayment, lump sum repayment on maturity | 0.9780 | - | - | - | 899,518 | 899,518 | |
| Grand Bills | 2020.11.27-2023.09.21, Interest prepayment, lump sum repayment on maturity | 1.0527 | - | - | - | 998,385 | 998,385 | |
| TFC | 2020.11.27-2023.09.21, Interest prepayment, lump sum repayment on maturity | 1.0527 | - | - | - | 998,385 | 998,385 | |
| Mega Bills | 2020.12.23-2023.09.24, Interest prepayment, lump sum repayment on maturity | 0.9180 | - | - | - | 1,998,893 | 1,998,893 | |
| TFC | 2020.12.18-2024.06.21, Interest prepayment, lump sum repayment on maturity | 0.9080 | - | - | - | 1,497,127 | 1,497,127 | |
| Commercial paper | | | | | | 19,968,493 | 19,968,493 | |
| | | | | | | \$ 43,438,049 | \$ 43,438,049 | |

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

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2020
(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. 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 | \$ 3,000,000 | \$ 638 | \$ 2,999,362 | \$ - | \$ 2,999,362 | - |
| 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 | - | 413 | 1,999,587 | - | 1,999,587 | - |
| 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 | - | 1,095 | 3,798,905 | - | 3,798,905 | - |
| 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 | - | 2,749 | 2,499,250 | 2,498,001 | 4,997,251 | - |
| 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 | - | 2,425 | - | 2,997,575 | 2,997,575 | - |
| 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 | - | 5,704 | - | 5,994,296 | 5,994,296 | - |
| 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 | - | 8,140 | - | 7,991,860 | 7,991,860 | - |
| 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 | - | 10,640 | - | 7,989,360 | 7,989,360 | - |
| 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 | | 6,000,000 | - | 8,644 | - | 5,991,356 | 5,991,356 | - |
| No. 109-1 | Unsecured | 2020.04.22-2025.04.22 | 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. | 0.66 | | 6,000,000 | - | 10,338 | - | 5,989,662 | 5,989,662 | - |

(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 109-2-A | Unsecured | 2020.06.10-2025.06.10 | 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. | 0.77 | | \$ 2,200,000 | \$ - | \$ 2,382 | \$ - | \$ 2,197,618 | \$ 2,197,618 | - |
| No 109-2-B | Unsecured | 2020.06.10-2027.06.10 | 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. | 0.85 | | 3,000,000 | - | 4,710 | - | 2,995,290 | 2,995,290 | - |
| No 109-3 | Unsecured | 2020.09.17-2027.09.17 | 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. | 0.83 | | 5,500,000 | - | 7,911 | - | 5,492,089 | 5,492,089 | - |
| No 109-4 | Unsecured | 2020.12.21-2025.12.21 | 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. | 0.54 | | <u>3,800,000</u> | <u>-</u> | <u>5,669</u> | <u>-</u> | <u>3,794,331</u> | <u>3,794,331</u> | - |
| | | | | | | <u>\$ 68,300,000</u> | <u>\$ 3,000,000</u> | <u>\$ 71,458</u> | <u>\$ 11,297,104</u> | <u>\$ 53,931,438</u> | <u>\$ 65,228,542</u> | |

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION**STATEMENT OF OPERATING REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Item | Quality | Amount |
|------------------------|----------------|----------------------|
| Sales of goods | | |
| Solid-state polymer | 577,204 tones | \$ 15,610,411 |
| Polyester staple fiber | 189,123 tones | 7,790,542 |
| Knitted fabrics | 9,074 tones | 2,651,742 |
| Processing wire | 27,032 tones | 2,019,245 |
| Others (Note) | | <u>10,696,861</u> |
| | | <u>\$ 38,768,801</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, 2020
(In Thousands of New Taiwan Dollars)**

| Item | Amount |
|---------------------------------------|----------------------|
| Cost of goods sold | |
| Raw material, beginning of year | \$ 1,743,190 |
| Raw material purchased | 21,873,043 |
| Less: Raw materials, end of year | <u>(1,393,708)</u> |
| Raw materials consumption | <u>22,222,525</u> |
| Supplies consumption | <u>1,402,399</u> |
| Direct labor | <u>1,539,122</u> |
| Manufacturing expenses | |
| Process expense | 947,646 |
| Depreciation | 1,830,312 |
| Electricity | 1,080,695 |
| Payroll | 1,766,788 |
| Fuel expense | 515,437 |
| Others | <u>1,627,276</u> |
| | <u>7,768,254</u> |
| Manufacturing cost | 32,932,300 |
| Work in process, beginning of year | 2,021,363 |
| Work in process, end of year | <u>(1,702,205)</u> |
| Cost of finished goods | 33,251,458 |
| Finished goods, beginning of year | 1,544,850 |
| Finished goods, end of year | <u>(1,323,284)</u> |
| | 33,473,024 |
| Transferred cost to related parties | (505,601) |
| Reversal of write-down of inventories | 2,036 |
| Idle capacity | <u>508,721</u> |
| | <u>\$ 33,478,180</u> |

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020 (In Thousands of New Taiwan Dollars)

| Item | Selling Expenses | General and Administrative Expenses | Research and Development Expenses | Expected Credit Loss | Total Amount |
|---------------------------|---------------------|---|---|-------------------------|---------------------|
| Transportation expense | \$ 2,017,678 | \$ - | \$ - | \$ - | \$ 2,017,678 |
| Payroll and bonus expense | 3,52,122 | 808,434 | 349,799 | - | 1,510,355 |
| Contract fee | - | 230,674 | - | - | 230,674 |
| Remuneration of directors | - | 145,673 | - | - | 145,673 |
| Expected credit gain | - | - | - | 11,539 | 11,539 |
| Depreciation expense | - | 166,677 | 105,467 | - | 272,144 |
| Others (Note) | <u>389,330</u> | <u>145,319</u> | <u>227,994</u> | <u>-</u> | <u>762,643</u> |
| | <u>\$ 2,759,130</u> | <u>\$ 1,496,777</u> | <u>\$ 683,260</u> | <u>\$ 11,539</u> | <u>\$ 4,950,706</u> |

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

FAR EASTERN NEW CENTURY CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

| | For the Year Ended December 31 | | | | | |
|---------------------------------|--------------------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|
| | 2020 | | | 2019 | | |
| | Operating Costs | Operating Expenses | Total | Operating Costs | Operating Expenses | Total |
| Employee benefits expense | | | | | | |
| Salary | \$ 2,901,353 | \$ 1,510,355 | \$ 4,411,708 | \$ 3,065,601 | \$ 1,505,180 | \$ 4,570,781 |
| Insurance | 251,396 | 108,424 | 359,820 | 264,363 | 101,105 | 365,468 |
| Pension expense | 104,062 | 66,627 | 170,689 | 115,960 | 67,817 | 183,777 |
| Remuneration of directors | - | 147,233 | 147,233 | - | 205,777 | 205,777 |
| Other employee benefits expense | <u>104,206</u> | <u>71,637</u> | <u>175,843</u> | <u>137,738</u> | <u>59,394</u> | <u>197,132</u> |
| | <u>\$ 3,361,017</u> | <u>\$ 1,904,276</u> | <u>\$ 5,265,293</u> | <u>\$ 3,583,662</u> | <u>\$ 1,939,273</u> | <u>\$ 5,522,935</u> |
| Depreciation expense | <u>\$ 2,019,262</u> | <u>\$ 337,738</u> | <u>\$ 2,357,000</u> | <u>\$ 2,051,754</u> | <u>\$ 350,777</u> | <u>\$ 2,402,531</u> |
| Amortization expense | <u>\$ 5,270</u> | <u>\$ 6,811</u> | <u>\$ 12,081</u> | <u>\$ 4,451</u> | <u>\$ 4,907</u> | <u>\$ 9,358</u> |

- Notes:
- A. The average number of employees for this year and the previous year were 4,576 and 4,833 respectively, of which the number of directors who did not serve concurrently was 8 and 8 respectively.
- B. 1) The average employee benefit expenses for the year were \$1,120 thousand and \$1,102 thousand respectively. (Total employee benefit expenses - Total director's remuneration/Number of employees - Number of directors who are not part-time employees).
- 2) The average employee salary expenses for the year were \$966 thousand and \$947 thousand respectively. (Total salary expenses/Number of employees - Number of directors who are not part-time employees).
- 3) The average employee salary expense this year increased by 2% compared to last year. (Average employee salary expense of the current year - Average employee salary expense of the previous year/Average employee salary expense of the previous year).
- C. 1) Pursuant to the Company Act and Article 26 of the "Articles of Incorporation of Far Eastern New Century Corporation", 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by the board of directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The remuneration paid to independent directors is a fixed amount. The actual ratio and amount of the profit distributable as directors' remuneration shall also be determined by the board of directors in accordance with the "Board Performance Evaluation Rule", and a report of such distribution shall be submitted to the shareholders' meeting. The remuneration of directors, presidents, executive vice presidents, and managers was paid according to not only the peer standards but also the correlations with the personnel assessment, operational performance, and future risks. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be used as references. In addition, the remuneration committee of the Company regularly (at least once a year) reviews and evaluates the remuneration policies, systems, standards and structures of directors and managers, and presents its recommendations to the board of directors for discussion in order to balance the Company's sustainability and risk control.
- 2) The salary of employees includes monthly salary and remuneration paid by the company based on annual profitability. The Company determines the total amount of performance bonuses and remunerations based on the company's operating results and with reference to the level of domestic industry distribution. The amount each employee receives depends on their position, contribution, and performance.