

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the years ended December 31, 2020 and 2019, as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the years ended December 31, 2020 and 2019. Hence, we have not prepared a separate set of consolidated financial statements of affiliates for the year ended December 31, 2020.

Very truly yours,

FAR EASTERN NEW CENTURY CORPORATION

By:

DOUGLAS TONG HSU
Chairman

March 24, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Far Eastern New Century Corporation

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements for the year ended December 31, 2020 are as follows:

Fair Value Evaluation of Investment Property

The Group's investment property and the gain on change in fair value of investment property are considered to be significant to the consolidated financial statements as a whole. The Group's investment property was subsequently measured using the fair value model. The fair value evaluation involved significant accounting estimation and judgment. As a result, the fair value evaluation of investment property is considered to be a key audit matter.

For the accounting policies, significant accounting judgment, evaluation, and assumptions on the main source of uncertainty related to investment property, refer to Notes 4 (k) and 5 to the consolidated financial statements. For more information about the Group's investment property, refer to Note 18 to the consolidated financial statements.

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

1. We assessed the competencies and independence of the external valuer engaged by the management discussed with the management the valuer's work scope and process of engagement acceptance evaluated the risk of the 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

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

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

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

1. We obtained an understanding of the Group's recognition of mobile telecommunications service revenue and the design and implementation of the related controls.
2. We reviewed the contracts of mobile subscribers to confirm the accuracy of the information in the billing system.
3. We performed dialing tests to verify the accuracy and completeness of the traffic data and information obtained from the switch equipment.

4. We tested the accuracy of the billing calculation.
5. We tested the completeness and accuracy of the calculation and billing of monthly fees and airtime fees.
6. We tested the completeness and accuracy of the calculation and billing of value-added service fees.

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

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

Other Matter

We did not audit the financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, which are investees included in the consolidated financial statements of the Group for the year ended December 31, 2020, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for these investees, is based solely on the reports of other auditors. The total assets of the aforementioned investees were NT\$17,801,322 thousand, representing 3% of the Group's consolidated assets as of December 31, 2020. The total sales revenue of the aforementioned investees was NT\$9,560,047 thousand, representing 5% of the Group's consolidated net sales revenue for the years ended December 31, 2020.

We have also audited the parent company only financial statements of the Company for the years ended December 31, 2020 and 2019 on which we have issued unmodified opinion with other matter paragraph and unmodified opinion, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 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 consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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 36)	\$ 35,198,619	6	\$ 38,924,588	7
Financial assets at fair value through profit or loss (Notes 4, 7, 34, 35 and 36)	5,455,230	1	5,053,716	1
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 35)	86,209	-	80,853	-
Financial assets at amortized cost - current (Notes 9, 10, 35 and 36)	2,507,071	-	1,792,168	-
Contact assets (Notes 4 and 27)	6,098,262	1	6,398,973	1
Notes and accounts receivable, net (Notes 4, 11, 27 and 36)	26,788,957	4	26,932,881	5
Other receivables (Note 36)	3,828,566	1	4,209,711	1
Current tax assets (Note 4)	35,937	-	34,616	-
Inventories (Notes 4, 12 and 37)	21,937,176	4	27,117,492	5
Prepayments	3,349,841	1	2,512,007	-
Other financial assets (Notes 36 and 37)	2,655,502	-	3,079,224	-
Refundable deposits	64,369	-	105,305	-
Other current assets (Note 27)	3,240,328	-	3,352,947	1
Total current assets	<u>111,246,067</u>	<u>18</u>	<u>119,594,481</u>	<u>21</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 35)	2,726,579	-	2,076,085	-
Financial assets at amortized cost (Notes 9, 10, 35, 36 and 37)	510,000	-	519,921	-
Investments accounted for using the equity method (Notes 4, 14, 36 and 37)	75,201,025	12	71,266,263	13
Contract assets (Notes 4 and 27)	3,221,916	1	2,333,037	-
Property, plant and equipment (Notes 4, 16 and 37)	162,659,904	26	163,017,162	28
Right-of-use assets (Notes 4, 17 and 36)	18,710,578	3	18,692,472	3
Investment properties (Notes 4, 5, 18 and 37)	136,853,033	22	127,633,553	22
Concessions (Notes 4, 20 and 37)	77,002,309	13	38,069,295	7
Goodwill (Notes 4 and 19)	12,287,387	2	12,290,228	2
Other intangible assets (Notes 4 and 20)	4,327,470	1	4,926,629	1
Deferred tax assets (Notes 4 and 29)	2,700,290	-	3,117,532	1
Prepayments for equipment (Note 16)	568,398	-	1,596,474	-
Refundable deposits	1,363,405	-	1,478,369	-
Long-term other receivables (Notes 11 and 36)	129,598	-	100,125	-
Incremental costs of obtaining a contract (Notes 4 and 27)	3,490,644	1	3,398,107	1
Net defined benefit assets (Note 24)	642,298	-	487,009	-
Other financial assets (Notes 36 and 37)	2,770,633	1	3,882,293	1
Other non-current assets (Note 20)	543,736	-	1,600,664	-
Total non-current assets	<u>505,709,203</u>	<u>82</u>	<u>456,485,218</u>	<u>79</u>
TOTAL	<u>\$ 616,955,270</u>	<u>100</u>	<u>\$ 576,079,699</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 36)	\$ 33,474,613	5	\$ 35,429,586	6
Short-term bills payable (Note 21)	6,905,315	1	8,125,603	1
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 35)	10,619	-	1,861	-
Contract liabilities (Notes 4 and 27)	5,509,591	1	4,535,792	1
Notes and accounts payable	17,746,056	3	17,704,125	3
Notes and accounts payable to related parties (Note 36)	291,020	-	336,261	-
Payables to suppliers of machinery and equipment	3,455,701	1	2,518,210	-
Lease liabilities (Notes 4, 17 and 36)	3,220,558	1	3,187,540	1
Other payables	14,431,102	2	14,844,133	3
Current tax liabilities (Note 4)	2,913,079	-	1,693,953	-
Provisions (Notes 4 and 23)	249,424	-	250,396	-
Guarantee deposits received (Note 36)	126,100	-	233,022	-
Current portion of long-term liabilities (Notes 21 and 22)	15,524,620	3	23,071,439	4
Other current liabilities	3,167,672	-	2,988,273	1
Total current liabilities	<u>107,025,470</u>	<u>17</u>	<u>114,920,194</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Financial liabilities for hedging (Note 35)	8,508	-	31,087	-
Contract liabilities (Notes 4 and 27)	189,322	-	210,600	-
Lease liabilities (Notes 4, 17 and 36)	7,289,561	1	7,376,771	1
Bonds payable (Note 22)	104,682,499	17	83,398,393	15
Long-term borrowings (Notes 21 and 36)	107,093,501	18	78,289,832	14
Provisions (Notes 4 and 23)	1,049,170	-	961,398	-
Deferred tax liabilities (Notes 4 and 29)	18,359,149	3	17,761,929	3
Net defined benefit liabilities (Note 24)	904,696	-	959,416	-
Guarantee deposits received (Note 36)	761,458	-	635,451	-
Deferred credit-gains on related-party transactions (Note 36)	121,971	-	122,526	-
Other non-current liabilities	45,325	-	90,919	-
Total non-current liabilities	<u>240,505,160</u>	<u>39</u>	<u>189,838,322</u>	<u>33</u>
Total liabilities	<u>347,530,630</u>	<u>56</u>	<u>304,758,516</u>	<u>53</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Common stock	53,528,751	9	53,528,751	9
Capital surplus	3,320,137	1	3,270,355	1
Retained earnings				
Legal reserve	19,028,517	3	17,955,250	3
Special reserve	117,342,360	19	115,505,874	20
Unappropriated earnings	13,744,880	2	17,376,404	3
Total retained earnings	<u>150,115,757</u>	<u>24</u>	<u>150,837,528</u>	<u>26</u>
Other equity	(2,910,395)	(1)	(3,089,283)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	<u>204,029,187</u>	<u>33</u>	<u>204,522,288</u>	<u>35</u>
NON-CONTROLLING INTERESTS (Note 26)	<u>65,395,453</u>	<u>11</u>	<u>66,798,895</u>	<u>12</u>
Total equity	<u>269,424,640</u>	<u>44</u>	<u>271,321,183</u>	<u>47</u>
TOTAL	<u>\$ 616,955,270</u>	<u>100</u>	<u>\$ 576,079,699</u>	<u>100</u>

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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, 27 and 36)				
Net sales	\$ 138,939,956	67	\$ 181,946,076	73
Telecommunications service revenue	45,541,683	22	47,518,690	19
Gain on disposal of investments, net	-	-	31,400	-
Construction revenue	7,212,184	4	6,868,908	3
Other operating revenue	<u>15,075,458</u>	<u>7</u>	<u>13,781,516</u>	<u>5</u>
Total operating revenue	<u>206,769,281</u>	<u>100</u>	<u>250,146,590</u>	<u>100</u>
OPERATING COSTS (Notes 12, 28 and 36)				
Cost of goods sold	127,158,892	61	168,419,192	67
Cost of telecommunications services	23,796,630	12	24,651,774	10
Loss on disposal of investments, net	13,458	-	-	-
Construction costs	6,918,007	3	6,608,826	3
Other operating costs	<u>8,486,618</u>	<u>4</u>	<u>5,716,868</u>	<u>2</u>
Total operating costs	<u>166,373,605</u>	<u>80</u>	<u>205,396,660</u>	<u>82</u>
GROSS PROFIT	<u>40,395,676</u>	<u>20</u>	<u>44,749,930</u>	<u>18</u>
REALIZED CONSTRUCTION INCOME	<u>555</u>	<u>-</u>	<u>555</u>	<u>-</u>
OPERATING EXPENSES (Notes 28 and 36)				
Selling and marketing	18,777,380	9	18,810,722	8
General and administrative	10,282,121	5	10,809,934	4
Research and development	866,814	1	1,061,969	-
Expected credit loss	<u>467,605</u>	<u>-</u>	<u>304,866</u>	<u>-</u>
Total operating expenses	<u>30,393,920</u>	<u>15</u>	<u>30,987,491</u>	<u>12</u>
OPERATING INCOME	<u>10,002,311</u>	<u>5</u>	<u>13,762,994</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates (Note 14)	5,524,945	3	6,464,485	2
Interest income (Note 36)	299,102	-	354,718	-
Other income (Note 36)	1,901,821	1	1,236,814	-
Exchange gain, net	15,204	-	127,790	-
Gain (loss) on financial assets (liabilities) at fair value through profit or loss, net (Notes 7 and 36)	523,420	-	386,597	-
Gain on change in fair value of investment properties (Note 18)	3,245,848	2	1,882,995	1
Interest expense (Notes 28 and 36)	<u>(2,939,261)</u>	<u>(1)</u>	<u>(3,220,315)</u>	<u>(1)</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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 expenses (Note 36)	\$ (899,092)	(1)	\$ (879,055)	-
Loss on disposal of property, plant and equipment (Note 16)	(900,039)	(1)	(816,751)	-
Loss on disposal of investment properties (Note 18)	(12,542)	-	(262)	-
Loss on disposal of concessions (Note 20)	(3,140)	-	(1,467)	-
Gain (loss) on disposal of intangible assets (Note 20)	(4)	-	1,465	-
Net loss on derecognition of financial assets at amortized cost (Note 9)	-	-	(2,800)	-
Impairment loss (Notes 14 and 16)	<u>(635,089)</u>	<u>-</u>	<u>(166,953)</u>	<u>-</u>
Total non-operating income and expenses	<u>6,121,173</u>	<u>3</u>	<u>5,367,261</u>	<u>2</u>
INCOME BEFORE INCOME TAX	16,123,484	8	19,130,255	8
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(3,142,945)</u>	<u>(2)</u>	<u>(2,695,092)</u>	<u>(1)</u>
NET INCOME	<u>12,980,539</u>	<u>6</u>	<u>16,435,163</u>	<u>7</u>
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(209,796)	-	831,265	-
Gain on property revaluation (Note 16)	1,721,507	1	337,927	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	53,125	-	70,739	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(752,803)	(1)	1,855,646	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(91,796)</u>	<u>-</u>	<u>(169,991)</u>	<u>-</u>
	<u>720,237</u>	<u>-</u>	<u>2,925,586</u>	<u>1</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	\$ (520,593)	-	\$ (2,536,536)	(1)
(Loss) gain on hedging instruments	22,579	-	(96,443)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	36,246	-	(747,976)	-
	(461,768)	-	(3,380,955)	(1)
Other comprehensive income (loss), net of income tax	258,469	-	(455,369)	-
TOTAL COMPREHENSIVE INCOME	\$ 13,239,008	6	\$ 15,979,794	7
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,062,699	4	\$ 10,732,669	5
Non-controlling interests	4,917,840	2	5,702,494	2
	\$ 12,980,539	6	\$ 16,435,163	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,036,556	4	\$ 10,546,569	8
Non-controlling interests	5,202,452	2	5,433,225	2
	\$ 13,239,008	6	\$ 15,979,794	7
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 30)				
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 consolidated financial statements.

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company					Other Equity					Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	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			
			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	\$ 64,194,300	\$ 267,729,437
Effect of retrospective application and retrospective restatement	-	-	-	-	(331,352)	-	-	-	-	-	(331,352)	(94,653)	(426,005)
BALANCE AT JANUARY 1, 2019, AS RESTATED	53,528,751	2,908,631	16,752,421	114,443,170	17,665,206	(3,589,901)	771,912	45,880	702,778	(25,063)	203,203,785	64,099,647	267,303,432
Appropriation of the 2018 earnings													
Legal reserve	-	-	1,202,829	-	(1,202,829)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,088,579	(1,088,579)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(9,635,175)	-	-	-	-	-	(9,635,175)	-	(9,635,175)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,758,030)	(7,758,030)
Net income for the year ended December 31, 2019	-	-	-	-	10,732,669	-	-	-	-	-	10,732,669	5,702,494	16,435,163
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)	(269,269)	(455,369)
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	5,433,225	15,979,794
Change in associates accounted for using the equity method	-	14,084	-	6	45,095	-	-	-	-	-	59,185	409	59,594
Disposal of investments accounted for using the equity method	-	(212)	-	-	528	-	(244)	-	-	-	72	-	72
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(11,276)	(11,276)
Change in ownership interest of subsidiaries	-	346,449	-	-	-	-	-	-	-	-	346,449	3,088,551	3,435,000
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,783,277	1,783,277
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,403	-	-	-	-	-	-	-	-	1,403	-	1,403
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	10,533	-	(10,533)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(25,881)	25,881	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	163,092	163,092
BALANCE AT 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	66,798,895	271,321,183
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)	-	(8,029,313)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,682,000)	(6,682,000)
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-	-	-	-	-	-	-	(51,156)	(51,156)
Net income for the year ended December 31, 2020	-	-	-	-	8,062,699	-	-	-	-	-	8,062,699	4,917,840	12,980,539
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(180,004)	(673,235)	(469,545)	7,780	1,288,861	-	(26,143)	284,612	258,469
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	5,202,452	13,239,008
Change in associates accounted for using the equity method	-	48,613	-	-	(417,606)	-	-	-	-	-	(368,993)	(3,859)	(372,852)
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(24,376)	-	24,376	-	-	-	-	-	-
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-	-	-	-	-	-	1,169	-	1,169
Change in ownership interest of subsidiaries	-	-	-	-	(133,171)	-	651	-	-	-	(132,520)	131,121	(1,399)
BALANCE AT DECEMBER 31, 2020	<u>\$ 53,528,751</u>	<u>\$ 3,320,137</u>	<u>\$ 19,028,517</u>	<u>\$ 117,342,360</u>	<u>\$ 13,744,880</u>	<u>\$ (7,218,941)</u>	<u>\$ 1,995,447</u>	<u>\$ 19,480</u>	<u>\$ 2,293,619</u>	<u>\$ (25,063)</u>	<u>\$ 204,029,187</u>	<u>\$ 65,395,453</u>	<u>\$ 269,424,640</u>

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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	\$ 16,123,484	\$ 19,130,255
Adjustments for:		
Expected credit loss	467,605	304,866
Depreciation	20,320,980	21,689,323
Amortization	5,431,770	4,372,487
Interest expense	2,939,261	3,220,315
Net loss on disposal of financial assets at amortized cost	-	2,800
Interest income	(299,102)	(354,718)
Dividend income	(146,494)	(70,241)
Share of the profit of associates	(5,524,945)	(6,464,485)
Loss on disposal of property, plant and equipment	900,039	816,751
Loss on disposal of investment properties	12,542	262
Loss (gain) on disposal of intangible assets	4	(1,465)
Loss on disposal of concessions	3,140	1,467
Gain on disposal of investments	-	(39,053)
Impairment loss	635,089	166,953
(Reversal) write-down of inventories	117,536	(57,622)
Realized gain on the transactions with associates	(555)	(555)
Gain on change in fair value of investment properties	(3,245,848)	(1,882,995)
Loss (gain) on modifications of lease	4,678	(1,101)
Loss on disposal of subsidiaries	-	773
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(401,514)	1,021,888
Financial instruments for hedging	-	1,868
Contract assets	(588,168)	(1,367,612)
Notes and accounts receivable	(770,835)	2,347,777
Other receivables	916,113	(127,491)
Inventories	3,503,967	6,889,155
Prepayments	(837,834)	2,538,599
Other current assets	112,619	(407,029)
Incremental cost of obtaining a contract	(92,537)	(1,595,944)
Financial liabilities at fair value through profit or loss	8,758	(4,987)
Contract liabilities	952,521	(158,586)
Notes and accounts payable	41,931	638,431
Notes and accounts payable to related parties	(45,241)	(29,256)
Other payables	(406,217)	(2,630,602)
Provisions	86,800	7,097
Other current liabilities	179,399	(416,220)
Net defined benefit assets and liabilities	(419,805)	(511,763)
Cash generated from operations	39,979,141	47,029,342
Interest received	294,075	362,404
Dividends received	4,745,631	4,204,534
		(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2020	2019
Interest paid	\$ (2,973,209)	\$ (3,281,446)
Income tax paid	<u>(556,183)</u>	<u>(4,365,548)</u>
Net cash generated from operating activities	<u>41,489,455</u>	<u>43,949,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayments for investments	-	(100,000)
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	13,500	-
(Increase) decrease in financial assets at amortized cost	(704,982)	189,356
Acquisition of financial assets at fair value through other comprehensive income	(522,455)	(5,207)
Acquisition of investments accounted for using the equity method	(4,080,195)	(1,855,556)
Proceeds from the disposal of investments accounted for using the equity method	-	162,010
Acquisition of property, plant, equipment and prepayments for equipment	(19,332,091)	(24,629,959)
Proceeds from the disposal of property, plant and equipment	222,484	106,912
Decrease (increase) in refundable deposits	155,900	(386,900)
Increase in other receivables	(550,590)	(2,591,284)
Acquisition of intangible assets	(758,880)	(897,241)
Proceeds on the disposal of intangible assets	2,061	9,282
Acquisition of investment properties	(5,370)	(12,441)
Proceeds from the disposal of investment properties	101	1,440,000
Acquisition of right-of-use assets	(208,951)	(927,705)
Increase in concessions	(42,150,715)	(107,419)
Proceeds from disposal of concessions	40	375
Decrease in other financial assets	1,535,382	1,477,887
Net cash outflow on acquisition of subsidiaries	-	(436,659)
Net cash outflow on disposal of subsidiaries	-	(39,803)
Increase in other non-current assets	<u>(59,262)</u>	<u>(1,089,954)</u>
Net cash used in investing activities	<u>(66,444,023)</u>	<u>(29,694,306)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,954,973)	(12,403,859)
(Decrease) Increase in short-term bills payables	(1,218,878)	1,409,000
Proceeds from issue of bonds	34,500,000	25,100,000
Repayments of bonds payables	(20,600,000)	(17,800,000)
Proceeds from long-term borrowings	266,586,037	300,343,176
Repayments of long-term borrowings	(237,847,021)	(291,083,741)
Repayment of the principal portion of lease liability	(4,160,695)	(3,852,159)
Increase in guarantee deposits received	19,085	80,600
(Decrease) increase in other non-current liabilities	(45,594)	131

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

	2020	2019
Cash dividends paid	\$ (8,028,144)	\$ (9,633,772)
Increase on non-controlling interests	162	5,218,277
Dividends paid to non-controlling interests	<u>(6,733,082)</u>	<u>(7,758,030)</u>
Net cash generated from (used in) financing activities	<u>20,516,897</u>	<u>(10,380,377)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>711,702</u>	<u>(292,575)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,725,969)	3,582,028
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>38,924,588</u>	<u>35,342,560</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 35,198,619</u>	<u>\$ 38,924,588</u>

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED 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 Co., Ltd., to Far Eastern New Century Corporation; thus, the original ticker symbol of FETL was changed to FENC.

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (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 Group’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 consolidated financial statements were authorized for issue, the Group 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 impacts on the Group’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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

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

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

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

e. Business combinations

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at cost or fair value. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

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

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

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

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

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

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

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

g. Inventories

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

make the sale. Inventories are recorded at weighted-average cost, except for the inventory of construction industries are recorded at specific identification of cost on the balance sheet date.

h. Investments in associates

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

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

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

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

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

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

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized 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.

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

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

i. Joint operations

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

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

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

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

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

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

j. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

k. Investment properties

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

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

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

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

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

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

l. Goodwill

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

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

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

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

m. Intangible assets

1) Intangible assets acquired separately

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

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

n. Assets related to contract costs

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

o. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

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

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

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

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

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

p. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in other income and interest income, respectively, does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 35.

ii. Financial assets at amortized cost

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by an entity in the Group 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 an entity in the Group are recognized at the proceeds received, net of direct issue costs.

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

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities at FVTPL

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

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

Fair value is determined in the manner described in Note 35.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

q. Hedge accounting

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

1) Fair value hedges

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

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

2) Cash flow hedges

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

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

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

r. Provisions

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

1) Decommissioning, restoration and similar liabilities

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

- a) Its purchase price.
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a right-of-use asset comprises:

- a) The initial measurement of lease liabilities.
- b) The initial estimate of the costs of dismantling and removing the right-of-use asset and restoring the site on which it is located.

2) Onerous contracts

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

3) Warranties

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

s. Revenue recognition

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

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

1) Revenue from sale of goods

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

are recognized concurrently. For internet sales of general goods, revenue is recognized when the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

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

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

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

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

2) Revenue from rendering of services

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

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

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

As the Group provides telecommunication value-added services, the customer simultaneously receives and consumes the benefits provided by the Group's satisfaction of performance obligations. Consequently, related revenue is recognized when services are rendered. Payments for enterprise project services are made at several time points specified in the service contract. A contract asset is recognized over the period in which the enterprise project services are performed and is reclassified to accounts receivable when each milestone payment is due.

3) Construction contract revenue

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

4) Service concession revenue

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

t. Leasing

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

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

1) The Group as lessor

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

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

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

2) The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by

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 consolidated balance sheets.

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

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income and expenses, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

u. Borrowing costs

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

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

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

v. Government grants

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

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

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

w. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and 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) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan amendment or curtailment occurs and when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. 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 Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

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

x. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The 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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 18.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2020	2019
Cash		
Cash on hand and petty cash	\$ 30,343	\$ 34,263
Demand and checking accounts	<u>30,539,115</u>	<u>33,004,579</u>
	<u>30,569,458</u>	<u>33,038,842</u>
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	2,095,619	2,062,519
Commercial paper and corporate bonds purchased under resale agreements	<u>2,338,482</u>	<u>3,741,139</u>
	<u>4,434,101</u>	<u>5,803,658</u>
Management discretionary accounts		
Demand accounts	<u>195,060</u>	<u>82,088</u>
	<u>\$ 35,198,619</u>	<u>\$ 38,924,588</u>

The Group's members individually contracted and fully authorized an "other related party", Oriental Securities Investment Advisory Co., Ltd. (OSIAC, trustee) to manage discretionary funds.

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

	<u>December 31</u>	
	2020	2019
Time deposits	0.10%-1.89%	0.10%-2.90%
Commercial paper and corporate bonds purchased under resale agreements	0.21%-0.25%	0.48%-2.15%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2020	2019
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds - beneficial certificates	\$ 5,104,645	\$ 4,653,960
Listed shares	327,275	388,277
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	<u>23,310</u>	<u>11,479</u>
	<u>\$ 5,455,230</u>	<u>\$ 5,053,716</u>
<u>Financial liabilities - current</u>		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Forward exchange contracts	<u>\$ 10,619</u>	<u>\$ 1,861</u>

a. Forward exchange contracts

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

As of December 31, 2020 and 2019, the Group 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	2021.1.28-2021.3.15	USD5,000/JPY519,830
Sell	JPY/NTD	2021.1.11-2021.1.11	JPY80,000/NTD21,930
Sell	USD/JPY	2021.1.27-2021.2.26	USD8,300/JPY864,843
Buy	USD/NTD	2021.1.11-2021.1.11	USD500/NTD14,252
Sell	USD/RMB	2021.1.15-2021.6.30	USD49,000/JPY326,547
<u>December 31, 2019</u>			
Sell	USD/NTD	2020.1.6-2020.4.29	USD69,750/NTD2,104,757
Sell	EUR/USD	2020.1.31-2020.2.26	EUR6,000/USD6,670
Buy	USD/JPY	2020.1.8-2020.3.17	USD14,500/JPY1,572,912
Buy	USD/RMB	2020.1.31-2020.2.26	USD12,000/RMB84,204
Sell	USD/JPY	2020.1.28-2020.2.26	USD6,000/JPY649,146
Buy	USD/NTD	2020.1.7-2020.1.16	USD2,300/NTD70,199
Sell	USD/RMB	2020.1.14-2020.2.24	USD17,000/JPY119,713
Sell	SGD/MYR	2020.1.30-2020.3.26	SGD500/MYR1,534

b. Option contracts

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

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	2020	2019
<u>Financial assets at FVTOCI</u>		
Domestic listed shares	\$ 581,555	\$ 403,142
Domestic unlisted shares	1,338,471	937,065
Real estate investment trust mutual funds - beneficial certificates	316,200	307,500
Overseas shares	<u>576,562</u>	<u>509,231</u>
	<u>\$ 2,812,788</u>	<u>\$ 2,156,938</u>

(Continued)

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Current	\$ 86,209	\$ 80,853
Non-current	<u>2,726,579</u>	<u>2,076,085</u>
	<u>\$ 2,812,788</u>	<u>\$ 2,156,938</u> (Concluded)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Kaohsiung Rapid Transit Corporation, the entity in which the Group invested, is the BOT Concession Company under the BOT concession contract that it entered into with the Kaohsiung City Government. When the concession period expires (concession expires in October 2037), the assets shall be transferred to the Kaohsiung City Government and the BOT Concession Company will be eliminated.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	<u>\$ 2,507,071</u>	<u>\$ 1,792,168</u>
<u>Non-current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 10,000	\$ 19,921
Subordinated corporate bonds of Cathay Life Insurance Co., Ltd. (b)	<u>500,000</u>	<u>500,000</u>
	<u>\$ 510,000</u>	<u>\$ 519,921</u>

- a. The interest rates for time deposits with original maturities of more than 3 months were from 0.16% to 2.10% and 0.60% to 3.20% as of December 31, 2020 and 2019.
- b. In June 2019, the Group purchased corporate bonds which were issued by Cathay Life Insurance Co., Ltd. the coupon rate and the effective interest rate are both 3.000%.

Refer to Note 37 for information related to investments in financial assets at amortized cost pledged as collateral or for security.

In 2019, the Group disposed of corporate bonds of Taiwan Life Insurance Co., Ltd in the amount of \$400,000 thousand, and recognized loss on disposal of financial assets at amortized cost of \$2,800 thousand.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The Group invested in subordinated perpetual corporate bonds of Cathay Life Insurance Co., Ltd. and they were classified as at amortized cost.

	At Amortized Cost
<u>December 31, 2020</u>	
Gross carrying amount	\$ 500,000
Less: Allowance for impairment loss	<u>-</u>
Amortized cost	<u>\$ 500,000</u>
<u>December 31, 2019</u>	
Gross carrying amount	\$ 500,000
Less: Allowance for impairment loss	<u>-</u>
Amortized cost	<u>\$ 500,000</u>

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

11. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Notes and accounts receivable</u>		
At amortized cost		
Notes and accounts receivable	\$ 28,200,474	\$ 28,116,742
Less: Allowance for doubtful accounts	(1,407,791)	(1,181,254)
Less: Unrealized interest income	(2,152)	(2,607)
Less: Ungained interest income	<u>(1,574)</u>	<u>-</u>
	<u>\$ 26,788,957</u>	<u>\$ 26,932,881</u>
Notes and accounts receivable - operating	\$ 26,788,957	\$ 26,486,590
Notes and accounts receivable - non-operating	<u>-</u>	<u>446,291</u>
	<u>\$ 26,788,957</u>	<u>\$ 26,932,881</u>

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

	December 31	
	2020	2019
Gross amounts of accounts receivable	\$ 152,552	\$ 130,025
Allowance for doubtful accounts	(3,483)	-
Unrealized interest income	<u>(8,862)</u>	<u>(7,873)</u>
	<u>\$ 140,207</u>	<u>\$ 122,152</u>
Current	\$ 52,099	\$ 22,027
Noncurrent	<u>88,108</u>	<u>100,125</u>
	<u>\$ 140,207</u>	<u>\$ 122,152</u>

Accounts receivable expected to be recovered after one year are classified as non-current assets. The above accounts receivable are expected to be recovered before 2028.

At the end of the reporting period, accounts receivable from sales with financing leases of the Group were as follows:

	December 31, 2020
Gross amount of finance lease receivable	\$ 53,841
Ungained interest income	<u>(5,949)</u>
	<u>\$ 47,892</u>
Undiscounted lease payments	
1 st year	\$ 7,976
2 nd year	7,976
3 rd year	7,976
4 th year	7,976
5 th year	7,976
Over 5 th year	<u>13,961</u>
	53,841
	(5,949)
	<u>-</u>
	<u>\$ 47,892</u>
Current	\$ 6,402
Noncurrent	<u>41,490</u>
	<u>\$ 47,892</u>

The Group signed a project business service mainframe equipment financing lease agreement with a lease period of 8 years. The implicit interest rate of the lease during the lease period will not change after the contract date is determined, and the implicit interest rate is 3.5%.

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

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

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

The following table details the loss allowance of 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	\$ 25,738,760	\$ 1,787,256	\$ 108,848	\$ 561,884	\$ 28,196,748
Loss allowance (Lifetime ECL)	<u>(597,505)</u>	<u>(241,767)</u>	<u>(36,307)</u>	<u>(532,212)</u>	<u>(1,407,791)</u>
Amortized cost	<u>\$ 25,141,255</u>	<u>\$ 1,545,489</u>	<u>\$ 72,541</u>	<u>\$ 29,672</u>	<u>\$ 26,788,957</u>

December 31, 2019

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

The above aging schedule was based on the invoice date.

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

	<u>For the Year Ended December 31</u>	
	2020	2019
Balance at January 1	\$ 1,181,254	\$ 1,110,203
Acquisitions through business combinations	-	5,205
Add: Bad debt recovered	207,887	158,117
Add: Impairment losses recognized on receivables	467,605	304,866
Less: Amounts written off	(448,699)	(394,536)
Foreign exchange gains and losses	<u>(256)</u>	<u>(2,601)</u>
Balance at December 31	<u>\$ 1,407,791</u>	<u>\$ 1,181,254</u>

Sale of Overdue Accounts Receivable

Under agreements on sales of accounts receivable signed for the years ended December 31, 2020 and 2019, the Group sold the overdue accounts receivable that had been written off to asset management companies. Thus, as of December 31, 2020 and 2019, the Group did not need to make the allowance for uncollectible receivables.

Related information as of December 31, 2020 and 2019 is as follows:

Counterparty	Amount of Accounts Receivable Sold	Proceeds from the Sale of Accounts Receivable
<u>For the year ended December 31, 2020</u>		
Chenxu Enterprise Management Consultant Co., Ltd	<u>\$ 554,240</u>	<u>\$ 38,816</u>
<u>For the year ended December 31, 2019</u>		
Good Management Consultant Co., Ltd	<u>\$ 1,199,682</u>	<u>\$ 86,190</u>

12. INVENTORIES

	December 31	
	2020	2019
Merchandise inventories	\$ 3,435,580	\$ 3,476,737
Finished goods	4,665,995	6,705,248
Work in progress	2,684,671	3,313,982
Raw materials	6,251,089	7,474,416
Supplies	1,156,303	1,308,865
Available-for-sale - buildings and land	740,185	989,163
Available-for-construction - land	208,384	208,384
Construction in progress	<u>2,794,969</u>	<u>3,640,697</u>
	<u>\$ 21,937,176</u>	<u>\$ 27,117,492</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 was \$127,158,892 thousand and \$168,419,192 thousand, respectively.

The cost of goods sold included inventory write-downs of \$117,536 thousand and reversal of write-downs of \$57,622 thousand for the years ended December 31, 2020 and 2019, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	No.	Investee	Nature of Activities	Proportion of Ownership	
				2020	December 31 2019
Far Eastern New Century Corporation	1	Far EasTone Telecommunications Co., Ltd. (Note 1)	Telecommunications	38.29	38.29
	2	Yuan Ding Investment Co., Ltd.	Investment	99.70	99.70
	3	Far Eastern Resources Development Co., Ltd.	Real estate leasing and development service	100.00	100.00
	4	Yuan Tong Investment Co., Ltd.	Investment	100.00	100.00
	5	Far Eastern Polychem Industries Ltd. (FEPI)	Investment and chemical fiber sales	100.00	100.00
	6	Oriental Petrochemical (Taiwan) Co., Ltd.	Petrochemical materials production	80.76	80.76
	7	Far Eastern Investment (Holding) Ltd.	Investment and chemical fiber sales	100.00	100.00
	8	PET Far Eastern (Holding) Ltd. (PETH)	Investment	100.00	100.00
	9	Kai Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	10	Far Eastern Polytex (Holding) Ltd.	Investment	100.00	100.00
	11	Yuan Ding Co., Ltd. (Note 2)	Real estate leasing and hotel	49.99	49.99
	12	Far Eastern Construction Co., Ltd.	Real estate construction and sale	65.11	65.11
	13	Ding Yuan International Investment Co., Ltd.	Investment	100.00	100.00
	14	An Ho Garment Co., Ltd.	Garment production and investment	100.00	100.00
	15	FEDP (Holding) Ltd. (FEDP)	Investment	100.00	100.00
	16	Fu Kwok Knitting & Garment Co., Ltd.	Garment production	100.00	100.00
	17	Far Eastern Textile Ltd.	Textile production	100.00	100.00
	18	Far Eastern Electronic Toll Collection Co., Ltd.	Electronic toll collection service	66.33	66.33
	19	Yuan Hsin Digital Payment Co., Ltd.(Note 22)	Digital payment	74.36	65.01
	20	Malaysia Garment Manufactures Pte. Ltd.	Clothing production and Investment	50.92	50.92
	21	FE Oriental Investment Holding (Singapore) Pte. Ltd. (Note 11)	Investment	100.00	100.00
Yuan Ding Investment Co., Ltd.	22	Oriental Textile (Holding) Ltd. (OTTI)	Investment and textile sales	100.00	100.00
	23	Far Eastern Apparel (Holding) Ltd. (FEAH)	Investment and textile sales	100.00	100.00
	24	Far Eastern Fibertech Ltd.	Nylon production	100.00	100.00
	25	Far Eastern Apparel Co., Ltd.	Sale of textile, garments, and clothing	100.00	100.00
	26	Oriental Resources Development Co., Ltd. (Note 8)	Production and wholesale of medical supplies	100.00	100.00
	27	Oriental Green Materials Limited (Note 8)	Waste recycling and re-processing	100.00	100.00
Far Eastern Investment (Holding) Ltd. (FEIH)	28	Yuan Faun Co., Ltd.	Consulting	100.00	100.00
	29	FETG Investment Antilles N.V.	Investment	100.00	100.00
	30	PET Far Eastern (M) Sdn. Bhd.	Bottle production	100.00	100.00
	31	Far Eastern Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	32	Worldwide Polychem (HK) Ltd. (WWPI)	Foreign trade	100.00	100.00
	33	Far Eastern Polytex (Vietnam) Ltd.	Chemical fiber and textile production	100.00	100.00
	34	Far Eastern New Apparel (Vietnam) Ltd.	Clothing production	100.00	100.00
	35	Magna View Sdn. Bhd.	Investment	100.00	100.00
	36	APG Polytech USA Holdings, Inc.	Investment	100.00	100.00
	37	Far Eastern Industries (Shanghai) Ltd.	Chemical fiber production	100.00	100.00
Far Eastern Polychem Industries Ltd. (FEPI)	38	Far Eastern Industries (Yangzhou) Ltd.	Production and sales of polyester products	100.00	100.00
	39	Far Eastern Ishizuka Green Pet Corporation (FIGP)	Recycled PET production and sales	90.00	90.00
Far Eastern Construction Co., Ltd.	40	Far Eastern General Contractor Inc.	Construction	99.95	99.95
	41	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Garment production	100.00	100.00
Far Eastern Apparel (Holding) Ltd. (FEAH)	42	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Garment production	100.00	100.00
	43	Waldorf Services B.V.(Note 3)	Investment	-	-
FETG Investment Antilles N.V.	44	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19
Yuan Faun Co., Ltd.	44	Yuan Cheng Human Resources Consultant Corporation	Personnel recruitment	55.19	55.19
Yuan Tong Investment Co., Ltd.	45	Sino Belgium (Holding) Ltd.	Investment	90.88	90.88
	46	FETC International Co., Ltd.	Human services and equipment procurement and product sales agency services	100.00	100.00
Far Eastern Electronic Toll Collection Co., Ltd.	47	FETC International (Thailand) Co., Ltd.(Note 19)	Human services and equipment procurement and product sales agency services	100.00	-
	48	Suzhou An Ho Apparel Ltd.	Garment production	100.00	100.00
	49	Oriental Petrochemical (Shanghai) Corporation	PTA production and sale	61.35	61.35
PET Far Eastern (Holding) Ltd. (PETH)	50	Far Eastern Industries (Wuxi) Ltd.	Fiber and textile production	100.00	100.00
	51	Oriental Industries (Suzhou) Ltd.	Production and sales of polyester resins and industrial fabrics	100.00	100.00
Oriental Textile (Holding) Ltd. (OTTI)	52	Far Eastern Industries (Suzhou) Ltd.	Production and sales of polyester products	100.00	100.00
	53	Wuhan Far Eastern New Material Ltd.	Production and sales of PET sheet, chip, filament, staple fibers, and apparel	100.00	100.00
FEDP (Holding) Ltd. (FEDP)	54	Far Eastern Apparel (Suzhou) Ltd.	Garment production	100.00	100.00
Far Eastern Polytex (Holding) Ltd.	55	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PTA and by-product production and sale	60.00	60.00
	56	Far Eastern New Century (China) Investment Co., Ltd.	Investment	100.00	100.00
Far Eastern New Century (China) Investment Co., Ltd.	57	Shanghai Yuan Zi Information Technology Co., Ltd.	Internet Software development services	100.00	100.00
	58	Yuan Ding Enterprise (Shanghai) Limited (Note 4)	Chemical products; wholesale of machineries and lubricants; agency commission; importing, exporting of goods and other complimentary businesses	40.00	40.00
Sino Belgium (Holding) Ltd.	59	Sino Belgium Beer (Suzhou) Ltd.	Beer brewing	100.00	100.00
Martens Beers Trading (Shanghai) Ltd.	60	Martens Beers Trading (Shanghai) Ltd.	Beer sale	100.00	100.00
	61	Shanghai Far Eastern Petrochemical Logistic Corporation	Transportation	100.00	100.00
Oriental Petrochemical (Shanghai) Corporation	62	Ding Ding Hotel Co., Ltd.	Hotel	99.26	99.26
	63	YDT Technology International Co., Ltd.	Electronic materials and by-product sale	100.00	100.00
Yuan Ding Co., Ltd.	64	Far Eastern Technical Consultants Co., Ltd.	Real estate development business consulting and management	100.00	100.00
	65	FET Consulting Engineers Co., Ltd.	Corporate management consulting, pipe & cable installment and replacement	100.00	100.00
Ding Ding Integrated Marketing Services Co., Ltd.	66	Ding Ding Integrated Marketing Services Co., Ltd.	Market research and general advertisement	80.00	80.00
	67	DDIM (Virgin Islands) Ltd.	Investment	100.00	100.00
FET Consulting Engineers Co., Ltd.	68	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00
YDT Technology International Co., Ltd.	68	YDC (Virgin Islands) Ltd.	Investment	100.00	100.00

(Continued)

Investor	No.	Investee	Nature of Activities	Proportion of Ownership	
				December 31 2020	2019
YDC (Virgin Islands) Ltd.	69	Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products	100.00	100.00
DDIM (Virgin Islands) Ltd.	70	Yuan Ding Integrated Information Service (Shanghai) Inc.	Internet software development services	100.00	100.00
Malaysia Garment Manufactures Pte. Ltd.	71	PT Malaysia Garment Bintan (PTMG)	Clothing production	99.00	99.00
APG Polytech USA Holdings, Inc.	72	APG Polytech, LLC	Chemical fiber production	100.00	100.00
	73	Phoenix Technologies International, LLC (Notes 7 and 20)	Recycled PET production	100.00	90.00
FE Oriental Investment Holding (Singapore) Pte. Ltd.	74	Oriental Investment Holding (Netherlands) B.V. (Note 12)	Investment	100.00	-
	75	FE New Century Industry (Singapore) Pte. Ltd. (Note 18)	Sale of textile product	100.00	-
Oriental Investment Holding (Netherlands) B.V.	76	Oriental Martens (Netherlands) B.V. (Note 13)	Investment	100.00	-
Far EasTone Telecommunications Co., Ltd.	77	New Century InfoComm Tech Co., Ltd.	Types I and II telecommunications services	100.00	100.00
	78	ARCOA Communication Co., Ltd.	Sale of communications products and office equipment	61.63	61.63
	79	KGEx.com Co., Ltd.	Type II telecommunications services	99.99	99.99
	80	Yuanshi Digital Technology Co., Ltd. (Note 16)	Electronic information providing services	98.20	93.62
	81	Yuan Cing Co., Ltd.	Call center services	100.00	100.00
	82	Far Eastern Info Service Holding Ltd. (FEIS)	Investment	100.00	100.00
	83	O-music Co., Ltd. (Note 6)	Electronic information providing services	-	-
	84	Yuan Bao (Note 10)	Data processing services and electronic information services	100.00	100.00
	85	Far EasTone Property Insurance Agent Co., Ltd. (Note 14)	Property insurance agent	100.00	-
ARCOA Communication Co., Ltd.	86	DataExpress Infotech Co., Ltd. (Note 15)	Sale of communications products	70.00	70.00
New Century InfoComm Tech Co., Ltd.	87	New Diligent Co., Ltd.	Investment	100.00	100.00
	88	Information Security Service Digital United Inc.	Security and monitoring service via Internet	100.00	100.00
	89	Digital United (Cayman) Ltd.	Investment	100.00	100.00
	90	Prime EcoPower	Energy technology services	100.00	100.00
	91	Nextlink Technology Co., Ltd. (Note 5)	Electronic information services	70.00	70.00
Digital United (Cayman) Ltd.	92	Digital United Information Technology (Shanghai) Ltd.	Design and research of computer system	100.00	100.00
New Diligent Co., Ltd.	93	Sino Lead Enterprise Limited	Telecommunications services	100.00	100.00
	94	Far East New Diligent Company Ltd.	Investment	100.00	100.00
	95	New Diligent Hong Kong Co., Ltd.	Investment	100.00	100.00
Far Eastern New Diligent Company Ltd.	96	Far Eastern Tech-info Ltd. (Shanghai) (Note 17)	Computer software, data processing and network information providing services	-	100.00
DataExpress Infotech Co., Ltd.	97	Linkwell Tech. Co., Ltd. (Note 15)	Sale of communications products	-	100.00
	98	Home Master Technology Ltd.	Sale of communications products	100.00	100.00
Nextlink Technology Co., Ltd.	99	Microfusion Technology Co., Ltd (Note 5)	Electronic information service	100.00	100.00
	100	Nextlink (HK) Technology Co., Ltd. (Note 5)	Electronic information service	100.00	100.00
	101	Microfusion (HK) Technology Co., Ltd (Note 21)	Electronic information service	100.00	-
Microfusion Technology Co., Ltd.	102	Microfusion Technology (HK) Co., Ltd (Notes 5 and 9)	Electronic information service	-	-
Nextlink (HK) Technology Co., Ltd.	103	Nextlink (SH) Technology Co., Ltd. (Note 5)	Electronic information service	100.00	100.00

(Concluded)

Note 1: Even though the Company and its subsidiaries' consolidated ownership of Far EasTone was not over 50%, over half of the board of directors of Far EasTone were appointed by the Group. Thus, Far EasTone is included in the consolidated financial statements.

Note 2: Even though the Company and its subsidiaries' consolidated ownership of Yuan Ding Company Ltd. was not over 50%, the president of Yuan Ding Company Ltd. was appointed by the Group. Thus, Yuan Ding Company Ltd. is included in the consolidated financial statements.

Note 3: The Group proceeded the liquidation and completed the liquidation on January 3, 2019. FETG Investment Antilles N.V. will be responsible for the subsequent obligations.

Note 4: Based on the board of directors' resolution (representing the authorities of shareholders' meeting) in February 2019, Yuan Ding Enterprise (Shanghai) Limited issued new shares via cash amounting to RMB 994,000 thousand. The Group subscribed new shares and decreased its interest from 100% to 40%. As the Group still maintain over half of the board of directors of Yuan Ding Enterprise (Shanghai) Limited, the Group does not lose control of Yuan Ding Enterprise (Shanghai) Limited. Refer to Note 33.

Note 5: In line with subsidiary, Far EasTone Telecommunications Co., Ltd.'s overall strategy of entering the fast growing cloud market, on November 5, 2018, the board of directors resolved to acquire Nextlink Technology Co., Ltd. The settlement was completed on March 4, 2019, refer to Note 31.

- Note 6: On April 15, 2019, the Group entered into an agreement to dispose Omusic Co., Ltd. The disposal was completed on April 30, 2019, on which date control of Omusic Co., Ltd. passed to the acquirer. Refer to Note 32.
- Note 7: In order to enhance the competitiveness in the industry, the board of directors of APG Polytech USA Holdings, Inc., a subsidiary of FENC, resolved on June 3, 2019 to acquire a subsidiary, Phoenix Technologies International, LLC, by increasing its capital amounting to US\$10,000 thousand based on Membership Interest Purchase Agreement. The capital injection was completed on June 5, 2019. Refer to Note 31.
- Note 8: According to the board of directors resolution on July 30, 2019, in order to strengthen the corporate organizational functions, Oriental Resources Development Co., Ltd., a FENC's subsidiary, divided its recycling related business operations to a new established company, Oriental Green Materials Limited, by issued all Oriental Green Materials Limited's common stocks to Yuan Ding Investment Co., Ltd., the shareholder of Oriental Resources Development Co., Ltd. This division is the Group organizational adjustment, and it will not effect on the consolidated net asset value per share and earnings per share.
- Note 9: The subsidiary was dissolved on November 8, 2019 with the approval by the local government.
- Note 10: The new subsidiary was established on November 19, 2019 for NT\$60,000 thousand.
- Note 11: On December 4, 2019, the Group established a 100% holding subsidiary, FE Oriental Investment Holding (Singapore) Pte. Ltd. The investment amounted to US\$5,000 thousand as of September 11, 2020.
- Note 12: On January 23, 2020, the Group established a 100% holding subsidiary, Oriental Investment Holding (Netherlands) B.V. However, there was no actual investment outflow until December 31, 2020.
- Note 13: On February 12, 2020, the Group established a 100% holding subsidiary, Oriental Martens (Netherlands) B.V. However, there was no actual investment outflow until December 31, 2020.
- Note 14: The new subsidiary was established on February 21, 2020 for NT\$5,000 thousand.
- Note 15: In order to coordinate the corporate organizational strategies, reduce management costs and improve operating effectiveness, both companies agreed to proceed with the merger of DataExpress and Linkwell. The merger is based on the resolution of the board of directors and the meeting of shareholders of DataExpress Infotech Co., Ltd on February 17, 2020, and the consent of the shareholders of Linkwell. As a consequence, DataExpress and Linkwell merged into DataExpress Infotech Co., Ltd. and Linkwell was dissolved on April 1, 2020.
- Note 16: In order to enrich operating capital and speed up business expansion in the mobile ecommerce market in order to get a leading position in the industry, Yuanshi Digital Technology Co., Ltd. raised \$800,000 thousand through the issuance of 80,000,000 shares of common stock at an issue price of NT\$10 per share in May 2020. Which was fully subscribed by the Group, resulting in an increase in the holding ratio from 93.62% to 98.20%. Refer to Note 33.
- Note 17: The subsidiary was dissolved in 2020 with the approval by the local government.
- Note 18: In June 19, 2020, the Group established a 100% holding subsidiary, FE New Century Industry (Singapore) Pte. Ltd. Invested US\$4,900 thousand as of September 15, 2020.

Note 19: In August 2020 the Group established a 100% holding subsidiary, FETC International (Thailand) Co., Ltd. for THB8,250 thousand.

Note 20: In August 2020, the Group exchanged its shares in Perform Technologies, LLC, which were held by the Group as financial assets measured at fair value through other comprehensive income, with the 10% non-controlling interest in subsidiary Phoenix Technologies International, LLC, and received \$162 thousand in cash, resulting in increase in the shareholding ratio from 90.00% to 100.00%. Refer to Note 33

Note 21: Completed the establishment registration on September 3, 2020, and invested \$1,494 thousand in December 2020.

Note 22: Yuan Hsin Digital Payment Co., Ltd. raised \$200,000 thousand through the issuance of 20,000 thousand shares of common stock for cash at an issue price of NT\$10 per share on December 30, 2020. The Group fully subscribed and increased its holding ratio from 65.01% to 74.36%. Refer to Note 33.

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2020	2019	2020	2019
	Far EasTone	\$ 5,245,826	\$ 5,463,118	\$ 42,472,796
			December 31	
			2020	2019
Current assets			\$ 25,152,457	\$ 27,257,217
Non-current assets			148,276,863	106,905,719
Current liabilities			(22,079,547)	(22,132,215)
Non-current liabilities			(83,102,564)	(41,424,301)
Equity			\$ 68,247,209	\$ 70,606,420
Equity attributable to:				
Owners of the Group			\$ 25,774,413	\$ 26,712,618
Non-controlling interests of Far EasTone			41,539,281	43,051,337
Non-controlling interests of Far EasTone's subsidiaries			933,515	842,465
			\$ 68,247,209	\$ 70,606,420
			For the Year Ended December 31	
			2020	2019
Revenue			\$ 79,500,965	\$ 83,865,872
Net income for the year			\$ 8,444,622	\$ 8,807,743
Other comprehensive income for the year			(135,736)	(14,847)
Total comprehensive income for the year			\$ 8,308,886	\$ 8,792,896

(Continued)

	For the Year Ended December 31	
	2020	2019
Net income attributable to:		
Owners of the Group	\$ 3,198,796	\$ 3,344,625
Non-controlling interests of Far EasTone	5,155,332	5,390,359
Non-controlling interests of Far EasTone's subsidiaries	<u>90,494</u>	<u>72,759</u>
	<u>\$ 8,444,622</u>	<u>\$ 8,807,743</u>
Total comprehensive income attributable to:		
Owners of the Group	\$ 3,146,904	\$ 3,339,114
Non-controlling interests of Far EasTone	5,071,702	5,381,475
Non-controlling interests of Far EasTone's subsidiaries	<u>90,280</u>	<u>72,307</u>
	<u>\$ 8,308,886</u>	<u>\$ 8,792,896</u>
Net cash inflow from:		
Operating activities	\$ 26,046,073	\$ 21,473,776
Investing activities	(52,601,677)	(7,994,834)
Financing activities	24,394,465	(9,849,164)
Effect of exchange rate changes	<u>197</u>	<u>(3,306)</u>
Net cash (outflow) inflow	<u>\$ (2,160,942)</u>	<u>\$ 3,626,472</u>
Dividends paid to non-controlling interests of:		
Far EasTone	<u>\$ 6,535,088</u>	<u>\$ 7,542,998</u>
Far EasTone's subsidiaries	<u>\$ 84,449</u>	<u>\$ 70,024</u>
		(Concluded)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31			
	2020		2019	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Material associate				
Listed company				
Asia Cement Corporation	\$ <u>25,689,033</u>	27	\$ <u>24,627,983</u>	26
Associates that are not individually material				
Listed companies				
Far Eastern Department Stores Co., Ltd.	11,197,280	34	8,229,421	25
Far Eastern International Bank	7,296,124	16	6,942,480	16
Oriental Union Chemical Corporation	5,235,932	31	5,647,218	31
Everest Textile Corporation	<u>840,494</u>	26	<u>1,104,322</u>	26
	<u>24,569,830</u>		<u>21,923,441</u>	

(Continued)

	December 31			
	2020		2019	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Unlisted companies				
Oriental Securities Corporation	\$ 4,922,703	47	\$ 4,868,187	47
Pacific Liu Tong Investment Co., Ltd.	4,592,609	40	4,317,863	40
Yu Yuan Investment Co., Ltd.	2,972,215	44	3,128,822	44
Far Eastern Union Petrochemical (Yangzhou) Corporation (Note)	2,815,672	44	2,038,169	50
Liquid Air Far East Co., Ltd.	2,432,848	35	2,135,073	35
Da Ju Fiber Co., Ltd.	2,303,416	42	2,259,130	42
Far Eastern International Leasing Corporation	1,899,194	34	1,869,536	34
Yu Ding Industry Co., Ltd.	899,006	31	891,164	31
Freudenberg Far Eastern Spunweb Co., Ltd.	586,610	30	503,208	30
Kowloon Cement Corporation	450,602	49	449,658	49
Yuan Ding Leasing Corporation	398,076	46	394,072	46
Drive Catalyst SPC-SP Tranche Three	256,473	50	238,348	50
Drive Catalyst SPC-SP Tranche One	214,530	50	242,551	50
FEDS Asia Pacific Development Ltd.	131,214	5	132,517	5
Yue Ming Trading Corporation	64,914	47	75,347	47
Opas Fund Segregated Portfolio Company	1,585	34	1,656	34
Drive Catalyst SPC	495	34	520	34
Tong Da Air Industry (Yangzhou) Co., Ltd. (Note)	-	-	1,169,018	50
Com 2B	-	20	-	20
	<u>24,942,162</u>		<u>24,714,839</u>	
	<u>\$ 75,201,025</u>		<u>\$ 71,266,263</u>	

(Concluded)

Note: 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 Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Union Chemical Corporation, 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. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

a. 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	27%	26%

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

Name of Associate	December 31	
	2020	2019
Asia Cement Corporation	<u>\$ 39,008,192</u>	<u>\$ 42,323,806</u>

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

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

Asia Cement Corporation

	December 31	
	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 Group's ownership	26.87%	26.14%
Equity attributable to the Group	39,705,412	38,246,330
Cross shareholdings	<u>(14,016,379)</u>	<u>(13,618,347)</u>
Carrying amount	<u>\$ 25,689,033</u>	<u>\$ 24,627,983</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 income	<u>(1,189,331)</u>	<u>(371,235)</u>
Total comprehensive income for the year	<u>\$ 17,584,476</u>	<u>\$ 21,872,718</u>
Dividends received from Asia Cement Corporation	<u>\$ 2,705,902</u>	<u>\$ 2,409,991</u>

The Group holds 27% of the voting rights in Asia Cement Corporation and is the single largest shareholder. After considering the amount and distribution of voting rights relative to other shareholders, the voting pattern of the previous shareholders meeting shows that other shareholders are not passive, and the Group is not yet able to lead the vital activities of Asian Cement Corporation having no control over it. The management of the Group believes that it has only significant influence on Asia Cement Corporation, so it is listed as an associate of the Group.

b. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	2019
The Group's share of:		
Net income for the year	\$ 1,913,023	\$ 2,442,594
Other comprehensive income	<u>(323,847)</u>	<u>1,015,233</u>
Total comprehensive income for the year	<u>\$ 1,589,176</u>	<u>\$ 3,457,827</u>

Investments in Far Eastern International Bank (FEIB) was accounted for using the equity method because the Group has significant influence over FEIB even though the Group owned 16% of investee's voting shares.

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

The Group's management evaluated that there is no future cash flows of Com2B, an investee which accounted for using the equity method. Therefore, the Group recognized the impairment loss amounted to \$12,390 thousand in 2019.

As from April 1, 2019, Catalyst_207 SPC-SP Tranche One and Catalyst_207 SPC, the investees which were accounted for using the equity method, change their former names to Drive Catalyst SPC-SP Tranche One and Drive Catalyst SPC.

15. JOINT OPERATIONS

On March 21, 2018, the Group formed a joint venture with Indorama Ventures Holdings LP and Alpek S.A.B. de C.V. to establish a new associate, Corpus Christi Polymers LLC investing for one-third each. On December 21, 2018, Corpus Christi Polymers LLC acquired M&G Chemicals' PTA and PET plants and other assets in Texas, USA, and the acquisition was approved by the US Federal Trade Commission. The share of identifiable assets and liabilities recognized by the Group were as follows:

	December 31	
	2020	2019
Assets		
Current assets	\$ 138,190	\$ 783,332
Non-current assets	11,998,203	12,132,352
Liabilities		
Current liabilities	(177,763)	(223,081)
Non-current liabilities	<u>(106,069)</u>	<u>(114,253)</u>
	<u>\$ 11,852,561</u>	<u>\$ 12,578,350</u>
	For the Year Ended December 31	
	2020	2019
Losses	<u>\$ 100,073</u>	<u>\$ 99,659</u>
Share of joint operating commitments	33.33%	33.33%

16. PROPERTY, PLANT, EQUIPMENT AND PREPAYMENTS FOR EQUIPMENT

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Carrying amount</u>		
Property, plant and equipment	\$ 162,659,904	\$ 163,017,162
Prepayments for equipment	<u>568,398</u>	<u>1,596,474</u>
	<u>\$ 163,228,302</u>	<u>\$ 164,613,636</u>

<u>Cost</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Telecommunications Equipment</u>	<u>Computer Equipment</u>	<u>Leasehold Improvements</u>	<u>Operating and Miscellaneous Equipment</u>	<u>Construction-in-progress and Prepayments for Equipment</u>	<u>Total</u>
Balance at January 1, 2020	\$ 20,061,400	\$ 37,512,980	\$ 148,743,860	\$ 81,464,024	\$ 15,371,587	\$ 6,231,251	\$ 21,378,723	\$ 33,597,375	\$ 364,361,200
Additions	73,879	44,503	556,290	3,696	25,828	23,096	333,206	19,209,084	20,269,582
Disposals	-	(173,792)	(2,547,979)	(3,747,565)	(541,716)	(172,611)	(472,390)	(43,959)	(7,700,012)
Reclassification	(126,891)	3,650,701	6,531,158	7,901,938	571,314	153,236	1,126,409	(22,634,569)	(2,826,704)
Effect of exchange rate differences	(46,219)	(111,007)	96,513	-	(60,136)	(3,190)	(27,433)	(779,318)	(930,790)
Balance at December 31, 2020	<u>\$ 19,962,169</u>	<u>\$ 40,923,385</u>	<u>\$ 153,379,842</u>	<u>\$ 85,622,093</u>	<u>\$ 15,366,877</u>	<u>\$ 6,231,782</u>	<u>\$ 22,338,515</u>	<u>\$ 29,348,613</u>	<u>\$ 373,173,276</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2020	\$ (95,894)	\$ (16,869,686)	\$ (88,498,294)	\$ (59,940,554)	\$ (13,278,224)	\$ (4,880,766)	\$ (16,184,146)	\$ -	\$ (199,747,564)
Disposals	-	123,488	2,315,660	2,987,195	540,701	163,801	446,644	-	6,577,489
Impairment loss	-	(1,960)	(572,454)	-	-	-	(5,713)	(22,428)	(602,555)
Depreciation expense	-	(1,035,823)	(5,654,767)	(6,921,574)	(727,142)	(284,701)	(1,382,324)	-	(16,006,331)
Reclassification	-	79,357	(25,025)	1	447	(791)	65,598	-	119,587
Effect of exchange rate differences	-	(27,407)	(267,783)	-	6,485	1,497	1,608	-	(285,600)
Balance at December 31, 2020	<u>\$ (95,894)</u>	<u>\$ (17,732,031)</u>	<u>\$ (92,702,663)</u>	<u>\$ (63,874,932)</u>	<u>\$ (13,457,733)</u>	<u>\$ (5,000,960)</u>	<u>\$ (17,058,333)</u>	<u>\$ (22,428)</u>	<u>\$ (209,944,974)</u>
Carrying amount at January 1, 2020/ December 31, 2019	<u>\$ 19,965,506</u>	<u>\$ 20,643,294</u>	<u>\$ 60,245,566</u>	<u>\$ 21,523,470</u>	<u>\$ 2,093,363</u>	<u>\$ 1,350,485</u>	<u>\$ 5,194,577</u>	<u>\$ 33,597,375</u>	<u>\$ 164,613,636</u>
Carrying amount at December 31, 2020	<u>\$ 19,866,275</u>	<u>\$ 23,191,354</u>	<u>\$ 60,677,179</u>	<u>\$ 21,747,161</u>	<u>\$ 1,909,144</u>	<u>\$ 1,230,822</u>	<u>\$ 5,280,182</u>	<u>\$ 29,326,185</u>	<u>\$ 163,228,302</u>
<u>Cost</u>									
Balance at January 1, 2019	\$ 20,320,013	\$ 35,367,004	\$ 142,989,148	\$ 80,706,468	\$ 15,012,127	\$ 4,703,657	\$ 22,122,453	\$ 34,740,587	\$ 355,961,457
Adjustments on initial application of IFRS 16	-	-	-	(281,281)	-	(68,892)	(214,020)	-	(564,193)
Balance at January 1, 2019 (restated)	20,320,013	35,367,004	142,989,148	80,425,187	15,012,127	4,634,765	21,908,433	34,740,587	355,397,264
Additions	50,647	286,719	414,344	15,616	34,811	101,588	349,630	18,794,707	20,048,062
Disposals	-	(109,198)	(3,246,913)	(2,680,139)	(1,024,276)	(271,105)	(595,429)	(40,533)	(7,967,593)
Acquisitions through business combinations	-	98,028	1,129,205	-	1,192	5,395	13,637	546	1,248,003
Derecognition of a subsidiary	-	-	-	-	(2,869)	-	(241)	-	(3,110)
Reclassification	(293,864)	2,299,898	9,325,114	3,703,360	1,382,210	1,762,511	(115,831)	(19,204,710)	(1,141,312)
Effect of exchange rate differences	(15,396)	(429,471)	(1,867,038)	-	(31,608)	(1,903)	(181,476)	(693,222)	(3,220,114)
Balance at December 31, 2019	<u>\$ 20,061,400</u>	<u>\$ 37,512,980</u>	<u>\$ 148,743,860</u>	<u>\$ 81,464,024</u>	<u>\$ 15,371,587</u>	<u>\$ 6,231,251</u>	<u>\$ 21,378,723</u>	<u>\$ 33,597,375</u>	<u>\$ 364,361,200</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2019	\$ (95,894)	\$ (16,063,508)	\$ (86,311,873)	\$ (53,749,336)	\$ (13,389,707)	\$ (4,083,176)	\$ (16,304,363)	\$ -	\$ (189,997,857)
Adjustments on initial application of IFRS 16	-	-	-	188,608	-	40,004	116,913	-	345,525
Balance at January 1, 2019 (restated)	(95,894)	(16,063,508)	(86,311,873)	(53,560,728)	(13,389,707)	(4,043,172)	(16,187,450)	-	(189,652,332)
Disposals	-	82,502	3,161,067	1,942,023	1,023,018	244,596	590,724	-	7,043,930
Impairment loss	-	(20,554)	(140,773)	-	-	-	-	-	(161,327)
Acquisitions through business combinations	-	(17,356)	(690,890)	-	(908)	(1,940)	(11,740)	-	(722,834)
Derecognition of a subsidiary	-	-	-	-	2,369	-	176	-	2,545
Depreciation expense	-	(987,314)	(5,394,494)	(8,323,529)	(912,140)	(348,427)	(1,415,724)	-	(17,381,628)
Reclassification	-	25,477	(32,720)	1,680	(3,028)	(732,654)	751,750	-	10,505
Effect of exchange rate differences	-	111,067	911,389	-	2,172	831	88,118	-	1,113,577
Balance at December 31, 2019	<u>\$ (95,894)</u>	<u>\$ (16,869,686)</u>	<u>\$ (88,498,294)</u>	<u>\$ (59,940,554)</u>	<u>\$ (13,278,224)</u>	<u>\$ (4,880,766)</u>	<u>\$ (16,184,146)</u>	<u>\$ -</u>	<u>\$ (199,747,564)</u>
Carrying amount at December 31, 2019	<u>\$ 19,965,506</u>	<u>\$ 20,643,294</u>	<u>\$ 60,245,566</u>	<u>\$ 21,523,470</u>	<u>\$ 2,093,363</u>	<u>\$ 1,350,485</u>	<u>\$ 5,194,577</u>	<u>\$ 33,597,375</u>	<u>\$ 164,613,636</u>

The Group expects that there are no future cash flows of the machinery equipment which produced certain products from the textile and chemical fiber department. As a result, the recoverable amount was less than the carrying amount. In 2020 and 2019, the Group recognized the impairment loss amounting to \$602,555 thousand and \$161,327 thousand, respectively. The impairment loss was recognized in the comprehensive income statements under the impairment loss account.

The Group reclassified its owner-occupied land in Neili, Taoyuan, accounted for property, plant and equipment - land \$318,726 thousand, to investment property at market value due to the end of owner-occupation and cooperate the area's development project, and the Group reclassified its owner-occupied plant in Nanzih, Kaohsiung to investment property due to renting out to others and the end of owner-occupation in 2019. Therefore, the Group recognized gains on property revaluation amounting to \$337,927 thousand for the year ended December 31, 2019. Refer to Note 18.

The Group reclassified its buildings in Telecom Park, Banqiao, accounted for construction in progress amounting to \$2,566,457 thousand, to investment property at market value due to completion and leased to a non-consolidated entity in 2020. Therefore, the Group recognized gains on property revaluation amounting to \$67,461 thousand. Refer to Note 18.

The Group reclassified its land and buildings in Guanyin, Taoyuan, accounted for property, plant and equipment amounting to \$298,291 thousand, to investment property at market value due to the end of owner-occupation in 2020. Therefore, the Group recognized gains on property revaluation amounting to \$1,654,046 thousand. Refer to Note 18.

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

Buildings	3-60 years
Telecommunications equipment	2-26 years
Computer equipment	1-15 years
Machinery and equipment	1-20 years
Leasehold improvements and operating and miscellaneous equipment	1-31 years

As of 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 both amounting to \$39,489 thousand. The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing that the farmland belongs to the Group or have pledged the land to the Group.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
<u>Carrying amount</u>		
Land	\$ 8,161,073	\$ 8,192,579
Buildings	9,793,603	9,733,637
Machinery	13,294	19,413
Operating and other equipment	<u>742,608</u>	<u>746,843</u>
	<u>\$ 18,710,578</u>	<u>\$ 18,692,472</u>

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	<u>\$ 4,583,550</u>	<u>\$ 4,594,346</u>
Depreciation charge for right-of-use assets		
Land	\$ 279,175	\$ 263,985
Buildings	3,764,109	3,812,166
Machinery	5,948	4,785
Operating and other equipment	<u>265,417</u>	<u>226,759</u>
	<u>\$ 4,314,649</u>	<u>\$ 4,307,695</u>

b. Lease liabilities

	December 31	
	2020	2019
<u>Carrying amount</u>		
Current	<u>\$ 3,220,558</u>	<u>\$ 3,187,540</u>
Non-current	<u>\$ 7,289,561</u>	<u>\$ 7,376,771</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	0.62%-4.13%	0.76%-2.63%
Buildings	0.53%-4.35%	0.71%-4.35%
Machinery	0.76%-1.00%	0.76%-1.08%
Operating and other equipment	0.53%-8.00%	0.71%-4.27%

	For the Year Ended December 31	
	2020	2019
Interest expense from lease liabilities	<u>\$ 118,633</u>	<u>\$ 112,742</u>

c. Material leasing activities and terms

The Group leases certain operating and other equipment for operating uses with lease terms of 1 to 7.6 years. These arrangements do not contain renewal or purchase options.

The Group also leases land and buildings for the use of plants, offices, operating lands and cell sites with lease terms of 0.5 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 18.

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	<u>\$ 322,142</u>	<u>\$ 294,703</u>
Expenses relating to low-value asset leases	<u>\$ 1,637</u>	<u>\$ 2,012</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 35,053</u>	<u>\$ 44,524</u>
Total cash outflow for leases	<u>\$ (4,544,756)</u>	<u>\$ (4,309,290)</u>

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

18. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at December 31, 2020	<u>\$ 136,853,033</u>
Balance at December 31, 2019	<u>\$ 127,633,553</u>

The abovementioned investment properties were leased out for 3 to 35 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2020	2019
Year 1	\$ 1,225,015	\$ 913,168
Year 2	1,112,571	903,137
Year 3	1,040,345	776,796
Year 4	951,837	686,526
Year 5	897,320	659,977
Year 6 onwards	<u>2,161,429</u>	<u>1,338,147</u>
	<u>\$ 7,388,517</u>	<u>\$ 5,277,751</u>

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

	Completed Investment Properties
Balance at January 1, 2020	\$ 127,633,553
Additions	5,370
Disposals	(12,643)
Reclassification	7,631,468
Recognized in profit (gain arising from the change in fair value of investment property)	1,597,665
Recognized in other comprehensive income (exchange differences on translation of foreign operations)	<u>(2,380)</u>
Balance at December 31, 2020	<u>\$ 136,853,033</u>
Balance at January 1, 2019	\$ 124,816,527
Additions	12,441
Disposals	(262)
Reclassification	1,231,073
Recognized in profit (gain arising from the change in fair value of investment property)	1,590,264
Recognized in other comprehensive income (exchange differences on translation of foreign operations)	<u>(16,490)</u>
Balance at December 31, 2019	<u>\$ 127,633,553</u>

The main investment properties are as follows:

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

The Group assigns 30-year and 35-year superficial rights to the land located in Shulin, New Taipei, Zhongli, and Bade, Taoyuan, respectively, to other related party, Oriental Institute of Technology and Mr. Xu Yuanzhi Memorial Foundation

The construction of a building (Mega City) located in the Banqiao district, Xin Ban section was completed in 2011, and the building was leased to Far Eastern Department Stores Co., Ltd. (FEDS) as its department store space. A portion of the rental income generated from the operating lease was recognized over the lease term on a straight-line basis and the rest of the income was recognized as a percentage of FEDS's gross operating income. The lease of FEDS will expire in December 2026. The construction of Banqiao Zhong Ben commercial building (Mega Tower) was completed in the first half year of 2015 and recognized as inventories (available-for-sale - buildings and land). For the year ended December 31, 2020, a portion of the floors which had been rented out to others were reclassified from inventories to investment properties at their fair value of \$473,233 thousand, and a gain on the transfers from inventories to investment properties amounting to \$259,369 thousand (recognized as gain on change in fair value of investment properties), was recognized. For the year ended December 31, 2019, were reclassified of \$530,358 thousand, and a gain on the transfers from inventories to investment properties amounting to \$292,731 thousand (recognized as gain on change in fair value of investment properties), was recognized.

In 2020, the Group's real estate in Xitun, Taichung, accounted for as inventory - construction in progress was completed and leased out to other related party, Far Eastern Ai Mai Co., Ltd, so the real estate was transferred to investment properties based on its fair value amounting to \$2,744,407 thousand, and a gain on the transfer from inventory to investment properties amounting to \$1,388,814 thousand was recognized as gain on change in fair value of investment properties.

The construction project - Taipei Far Eastern Telecom Park, investment property located in Banqiao, was accounted for in accordance with the enforcement rules of the Act for Promotion of Private Participation in Infrastructure Projects, and the market rentals were comparable to similar properties in the area. In 2020, the real estate of the Group located in the Telecom Park, Banqiao was reclassified to investment properties from property, plant and equipment - construction in progress, amounting to \$2,633,918 thousand. Refer to Note 16.

The Group reclassified its land and buildings in Guanyin, Taoyuan, accounted for as property, plant and equipment to investment property amounting to \$1,952,337 thousand. Refer to Note 16.

The Group used the market rentals were valued at between \$0.4 thousand and \$6.8 thousand per ping (i.e. 1 ping = 3.3 square meters) in 2020 and 2019.

The Group reclassified its owner-occupied land in Neili, Taoyuan and Nanzih, Kaohsiung, accounted for property, plant and equipment - land to investment property amounting to \$650,283 thousand and \$6,370 thousand, respectively, in 2019. Refer to Note 16.

The fair values of investment properties were as follows:

	December 31	
	2020	2019
Independent valuation	<u>\$ 136,853,033</u>	<u>\$ 127,633,553</u>

The fair value of the investment properties as of December 31, 2020 and 2019 were based on the valuations carried out at January 15, 2021 and January 31, 2020, respectively, by independent qualified professional valuers, Mr. Chia-ho Tsai, Ms. Chun-Chun Hu, Mr. Chang-Da Yang, and Mr. Gen-Yuan Li from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisers.

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

	December 31	
	2020	2019
Expected future cash inflows	\$ 70,234,301	\$ 61,343,277
Expected future cash outflows	<u>(3,144,501)</u>	<u>(2,306,872)</u>
Expected future cash inflows, net	<u>\$ 67,089,800</u>	<u>\$ 59,036,405</u>
Discount rate intervals	1.595%-2.47%	1.845%-2.38%

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

Part of the investment properties had been leased out under operating leases. The rental income generated for the years ended December 31, 2020 and 2019 was \$1,404,088 thousand and \$1,125,044 thousand, respectively.

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

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

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

	December 31	
	2020	2019
Estimated total sale price	<u>\$ 22,923,400</u>	<u>\$ 23,371,495</u>
Rate of return	15%	15%
Overall capital interest rate intervals	2.08%-3.09%	2.72%-4.66%

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

The total selling price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

19. GOODWILL

	For the Year Ended December 31	
	2020	2019
<u>Cost</u>		
Balance at January 1	\$ 12,290,228	\$ 11,862,742
Acquisitions through business combinations (Note 31)	-	430,117
Effect of exchange rate differences	<u>(2,841)</u>	<u>(2,631)</u>
Balance at December 31	<u>\$ 12,287,387</u>	<u>\$ 12,290,228</u>

If an investment's acquisition cost exceeds the fair value of the identifiable net assets acquired and the source of this excess cannot be identified, this excess should be recorded as goodwill. Goodwill mainly resulted from the mergers and acquisitions of Far EasTone and APG Polytech USA Holdings, Inc.

The telecommunication services business of the Group were divided into four identifiable cash-generating units that enhance its operating effectiveness and integrate its telecommunications resources: The mobile telecommunications service business, telecommunications equipment business, integrated network business, and cloud service business in 2020 and 2019.

As of December 31, 2020, the carrying amount of the property, plant and equipment, right-of-use assets, and intangible assets and the incremental costs of obtaining a contract used by the Group was \$139,719,654 thousand; as of December 31, 2019, the carrying amount of the property, plant and equipment, right-of-use assets, and intangible assets and the incremental costs of obtaining a contract used by the Group was \$98,502,604 thousand. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast on the following discount rates as of December 31, 2020 and 2019: Mobile telecommunications service business - 6.72% and 6.87%, respectively; telecommunications equipment business - 7.14% and 6.73%, respectively; integrated network business - 6.92% and 7.76%, respectively. As of December 31, 2020 and 2019, the discount rate of the cloud service business was 18.6% and 27.25%, respectively. The operating revenue forecast was based on the expected effective customer base, expected sales and the Group's operating strategies and goals, taking into account the expected future growth rate of the telecom industry along with the projected advancement of the Group's own businesses. The Group's management believes that any reasonable change in the principal assumptions used in the calculation of the recoverable amounts would not result in the carrying amounts exceeding the recoverable amounts. The principal assumptions and the relevant measurement of the recoverable amounts of the Group are summarized as follows:

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

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

The Group's management believes that any reasonable changes in the principal assumptions would not result in the carrying amounts exceeding the recoverable amounts. For the year ended December 31, 2020 and 2019, there was no indication of impairment loss after comparing the recoverable amounts with the carrying amounts of the Group's operating assets and goodwill in accordance with the principal assumptions.

20. CONCESSIONS AND OTHER INTANGIBLE ASSETS

	December 31			
	2020		2019	
<u>Carrying amount</u>				
Concessions	\$ 77,002,309		\$ 38,069,295	
Other intangible assets				
Computer software	3,089,240		3,357,779	
Others	<u>1,238,230</u>		<u>1,568,850</u>	
	<u>4,327,470</u>		<u>4,926,629</u>	
	<u>\$ 81,329,779</u>		<u>\$ 42,995,924</u>	
	Concessions	Computer Software	Others	Total
Balance at January 1, 2020	\$ 38,069,295	\$ 3,357,779	\$ 1,568,850	\$ 42,995,924
Additions	42,150,715	753,958	4,922	42,909,595
Amortization	(4,219,340)	(1,104,000)	(108,430)	(5,431,770)
Disposals	(3,180)	(2,065)	-	(5,245)
Impairments	-	(1,510)	(14,834)	(16,344)
Reclassifications	1,004,819	85,398	(163,883)	926,334
Effect of exchange rate differences	<u>-</u>	<u>(320)</u>	<u>(48,395)</u>	<u>(48,715)</u>
Balance at December 31, 2020	<u>\$ 77,002,309</u>	<u>\$ 3,089,240</u>	<u>\$ 1,238,230</u>	<u>\$ 81,329,779</u>
Balance at January 1, 2019	\$ 41,136,801	\$ 3,595,018	\$ 1,402,458	\$ 46,134,277
Additions	107,419	804,562	92,679	1,004,660
Amortization	(3,193,083)	(1,061,936)	(117,468)	(4,372,487)
Disposals	(1,842)	(7,817)	-	(9,659)
Acquisitions through business combinations	-	2,519	113,800	116,319
Derecognition from disposal of subsidiaries	-	(87)	-	(87)
Reclassifications	20,000	27,484	108,027	155,511
Effect of exchange rate differences	<u>-</u>	<u>(1,964)</u>	<u>(30,646)</u>	<u>(32,610)</u>
Balance at December 31, 2019	<u>\$ 38,069,295</u>	<u>\$ 3,357,779</u>	<u>\$ 1,568,850</u>	<u>\$ 42,995,924</u>

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

Concessions	21 years
Computer software	10 years
Others	24 years

The Group's joint operation entity, Corpus Christi Polymers LLC, received approval of property tax exemption in the future 5 years from the local tax ministry. The exemption will be recognized in other intangible assets and will authorized within 5 years.

The deposit for the bidding price amounting to \$1,000,000 thousand used by Far EasTone to bid for a 5G wireless communication license in September 2019 was recognized as other noncurrent assets on December 31, 2019. In February 2020, the deposit was used to pay for a portion of the bidding price and was reclassified as intangible assets - concessions.

21. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Bank credit loans	\$ 32,628,761	\$ 34,724,450
Secured and pledged bank loans	<u>845,852</u>	<u>705,136</u>
	<u>\$ 33,474,613</u>	<u>\$ 35,429,586</u>

The range of interest rates for bank loans were from 0.23% to 3.40% and from 0.60% to 4.57% as of December 31, 2020 and 2019, respectively.

b. Short-term bills payable

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Commercial paper	\$ 6,911,122	\$ 8,130,000
Less: Unamortized discount on commercial paper	<u>5,807</u>	<u>4,397</u>
	<u>\$ 6,905,315</u>	<u>\$ 8,125,603</u>

The short-term bills payable outstanding were issued at interest rates ranging from 0.33% to 1.59% and 0.70% to 1.60% as of December 31, 2020 and 2019, respectively.

c. Long-term borrowings

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Bank loans	\$ <u>81,363,168</u>	\$ <u>68,003,780</u>
Long-term commercial paper	28,100,000	12,800,000
Less: Unamortized discount on commercial paper	<u>41,829</u>	<u>36,171</u>
	<u>28,058,171</u>	<u>12,763,829</u>
	109,421,339	80,767,609
Less: Current portion	<u>2,327,838</u>	<u>2,477,777</u>
	<u>\$ 107,093,501</u>	<u>\$ 78,289,832</u>

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Maturity	January 2021 - April 2031	September 2020 - April 2031
Bank interest rate intervals	0.37%-4.90%	0.42%-3.00%

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

On July 19, 2017, a FENC's subsidiary, Oriental Petrochemicals (Taiwan) Corporation (OPTC), received a five-year syndicated loan in a total amount of \$16,800,000 thousand from multiple banks and Mega International Commercial Bank as the leading bank. During the contract period, OPTC needs to maintain its liability ratio within a certain range, which is calculated based on the recent audited non-consolidated financial statements. If OPTC fails to meet the requirement, it should readjust the liability ratio to the required range in 5 months from June 1 next year. Otherwise, starting from November 1, OPTC has to pay extra 0.125% interest of the outstanding amounts until the day before the liability ratio has met the range requirement. The repayment method of this credit is divided into two lines. Line A: The first period is 24 months after the first drawdown date, and then every half of a year is a period. It is divided into seven installments. The repayment amount from the first period to the sixth period is 5% of the loan amount, and the full amount will be repaid on the expiration date. Line B: The loan can be revolve within the credit amount, and the first period of decreasing date is 48 months after the first drawdown date, and then every 6 months is a period, the credit will decrease 500,000 thousand each in the first two period, and the full amount will be repaid on the expiration date.

On April 23, 2012, in order to construct a freeway taximeter system infrastructure, an FENC subsidiary, Far Eastern Electronic Toll Collection Corporation (FETC), entered into a syndicated loan agreement amounting to \$6,420,000 thousand with Cathay United bank and three other financial institutions. The agreement terms are as follows:

The syndicated loan, which consisted of two different loans with different terms and lines of credit (B and C), was obtained to meet FETC's capital needs for operating and maintain the infrastructure for the electronic toll collection project ("ETC project"). Its amount, date, and are expected to move aside as the repayment period:

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

Another requirement in the syndicated loan agreement was for FETC to open special bank accounts and to place appropriate payments to these bank accounts through deposits and time deposits. The bank accounts pertaining to the loan reserve and time deposits that had been pledged to Cathy United Bank were accounted for under other financial assets - non-current (refer to Note 37). The terms of loans A and B further included a requirement for FETC to keep its loan capital and interest coverage ratio at more than 1.10 during the interest accrual period after November 10, 2014. In addition, FETC should get prior written consent from Cathy United Bank based on the schedule and amount of the ETC project shown in FETC's annual budget before FETC disposes of the pledged deposits and should replace these deposits with other operating assets as collateral. The value of the operating assets should be the lower of the value of newly built operating assets for ETC's operations or the value of other assets that had not been provided to Cathay United Bank as collateral. As of December 31, 2020 and 2019, the amount of operating assets with pledged rights was \$2,090,895 thousand and \$3,850,000 thousand (refer to Note 37). ETC had repaid the credit line A \$31,693 thousand on February 10, 2019, and canceled the credit line A amount of \$2,906,000 thousand.

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

22. BONDS PAYABLE

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Nonconvertible domestic bonds	\$ 118,000,000	\$ 104,100,000
Discount of nonconvertible domestic bonds	<u>(120,719)</u>	<u>(107,945)</u>
	117,879,281	103,992,055
Less: Current portion	<u>13,196,782</u>	<u>20,593,662</u>
	<u>\$ 104,682,499</u>	<u>\$ 83,398,393</u>

Bonds

	Period	Maturity	Annual Rate (%)	Issued Amount	<u>December 31</u>		Repayment
					<u>2020</u>	<u>2019</u>	
					<u>Outstanding</u>	<u>Outstanding</u>	
					Balance	Balance	
<u>Company</u>							
Unsecured bonds							
	103-3	2015.02.06-2020.02.06	1.38	\$ 2,600,000	\$ -	\$ 1,300,000	(Note 1)
	104-1	2015.05.25-2020.05.25	1.39	8,000,000	-	4,000,000	(Note 1)
	104-2	2015.10.02-2020.10.02	1.28	5,200,000	-	2,600,000	(Note 1)
	104-3	2015.11.16-2020.11.16	1.25	2,800,000	-	2,800,000	(Note 2)
	105-1-A	2016.04.29-2021.04.29	0.88	6,000,000	3,000,000	6,000,000	(Note 1)
	105-1-B	2016.04.29-2021.04.29	-	2,000,000	2,000,000	2,000,000	(Note 4)
	105-2	2016.09.20-2021.09.20	0.72	3,800,000	3,800,000	3,800,000	(Note 2)
	106-1	2017.05.17-2022.05.17	1.15	5,000,000	5,000,000	5,000,000	(Note 1)
	106-2	2018.01.08-2023.01.08	0.95	3,000,000	3,000,000	3,000,000	(Note 2)
	107-1	2018.05.18-2023.05.18	0.92	6,000,000	6,000,000	6,000,000	(Note 1)
	107-2	2018.07.18-2023.07.18	0.90	8,000,000	8,000,000	8,000,000	(Note 1)
	108-1	2019.04.29-2024.04.29	0.93	8,000,000	8,000,000	8,000,000	(Note 2)
	108-2	2019.08.08-2024.08.08	0.79	6,000,000	6,000,000	6,000,000	(Note 2)
	109-1	2020.04.22-2025.04.22	0.66	6,000,000	6,000,000	-	(Note 2)
	109-2-A	2020.06.10-2025.06.10	0.77	2,200,000	2,200,000	-	(Note 2)
	109-2-B	2020.06.10-2027.06.10	0.85	3,000,000	3,000,000	-	(Note 2)
	109-3	2020.09.17-2027.09.17	0.83	5,500,000	5,500,000	-	(Note 2)
	109-4	2020.12.21-2025.12.21	0.54	3,800,000	3,800,000	-	(Note 2)

(Continued)

Period	Maturity	Annual Rate (%)	Issued Amount	December 31		Repayment
				2020	2019	
				Outstanding Balance	Outstanding Balance	
<u>Subsidiary Yuan Ding Investment</u>						
Unsecured bonds						
104-1	2015.07.10-2020.07.10	1.43	\$ 3,000,000	\$ -	\$ 1,500,000	(Note 1)
104-2	2015.11.09-2020.11.09	1.28	2,000,000	-	1,000,000	(Note 1)
105-1	2016.05.30-2021.05.30	0.90	3,800,000	1,900,000	3,800,000	(Note 1)
106-1	2017.06.30-2022.06.30	1.15	3,000,000	3,000,000	3,000,000	(Note 2)
107-1	2018.06.29-2023.06.29	0.92	3,000,000	3,000,000	3,000,000	(Note 2)
108-1	2019.10.03-2024.10.03	0.77	3,000,000	3,000,000	3,000,000	(Note 2)
109-1	2020.05.08-2023.05.08	0.70	5,000,000	5,000,000	-	(Note 2)
109-2	2020.11.26-2025.11.26	0.67	3,000,000	3,000,000	-	(Note 2)
<u>Subsidiary Far EasTone</u>						
Unsecured bonds						
102-4	2013.06.27-2020.06.27	1.33	5,000,000	-	2,500,000	(Note 3)
102-6-C	2013.12.24-2019.12.24	1.58	3,200,000	-	-	(Note 2)
105-1	2017.01.05-2022.01.05	1.17	5,200,000	5,200,000	5,200,000	(Note 2)
106-1	2017.04.26-2022.04.26	1.17	4,500,000	4,500,000	4,500,000	(Note 2)
106-2	2017.09.04-2023.09.04	1.17	2,000,000	2,000,000	2,000,000	(Note 2)
106-3-A	2017.12.20-2022.06.20	0.95	1,500,000	1,500,000	1,500,000	(Note 2)
106-3-B	2017.12.20-2024.12.20	1.09	1,500,000	1,500,000	1,500,000	(Note 2)
107-1-A	2018.05.07-2023.05.07	0.85	1,500,000	1,500,000	1,500,000	(Note 2)
107-1-B	2018.05.07-2025.05.07	1.01	3,500,000	3,500,000	3,500,000	(Note 2)
108-1-A	2019.06.25-2024.06.25	0.75	3,200,000	3,200,000	3,200,000	(Note 3)
108-1-B	2019.06.25-2026.06.25	0.81	1,800,000	1,800,000	1,800,000	(Note 3)
108-2-A	2019.12.20-2026.12.20	0.80	2,600,000	2,600,000	2,600,000	(Note 5)
108-2-B	2019.12.20-2029.12.20	0.85	500,000	500,000	500,000	(Note 6)
109-1-A	2020.03.16-2025.03.16	0.67	1,500,000	1,500,000	-	(Note 2)
109-1-B	2020.03.16-2027.03.16	0.70	2,500,000	2,500,000	-	(Note 2)
109-1-C	2020.03.16-2031.03.16	0.77	1,000,000	1,000,000	-	(Note 2)
109-2-A	2020.06.02-2027.06.02	0.73	1,000,000	1,000,000	-	(Note 2)
Total outstanding balance				<u>\$ 118,000,000</u>	<u>\$ 104,100,000</u>	

(Concluded)

Note 1: These bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 2: These bonds are repayable in lump sum on maturity. The interest is calculated by the simple fix interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 3: These bonds are repayable at 50% and 50% of the total amount at the end of fifth and seventh years, respectively. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

Note 4: This bond is repayable in lump sum at the 104.8411% of total amount on maturity.

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

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

23. PROVISIONS

	December 31	
	2020	2019
Dismantling obligation	\$ 1,182,389	\$ 1,094,702
Warranties	99,531	88,320
Onerous contract	<u>16,674</u>	<u>28,772</u>
	<u>\$ 1,298,594</u>	<u>\$ 1,211,794</u>
Current	\$ 249,424	\$ 250,396
Non-current	<u>1,049,170</u>	<u>961,398</u>
	<u>\$ 1,298,594</u>	<u>\$ 1,211,794</u>

	Dismantling Obligation	Warranties	Onerous Contracts	Total
Balance at January 1, 2020	\$ 1,094,702	\$ 88,320	\$ 28,772	\$ 1,211,794
Additions	94,566	26,855	16,674	138,095
Reductions	<u>(6,879)</u>	<u>(15,644)</u>	<u>(28,772)</u>	<u>(51,295)</u>
Balance at December 31, 2020	<u>\$ 1,182,389</u>	<u>\$ 99,531</u>	<u>\$ 16,674</u>	<u>\$ 1,298,594</u>
Balance at January 1, 2019	\$ 1,036,544	\$ 101,757	\$ 66,396	\$ 1,204,697
Additions	70,716	22,752	28,772	122,240
Reductions	<u>(12,558)</u>	<u>(36,189)</u>	<u>(66,396)</u>	<u>(115,143)</u>
Balance at December 31, 2019	<u>\$ 1,094,702</u>	<u>\$ 88,320</u>	<u>\$ 28,772</u>	<u>\$ 1,211,794</u>

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The pension costs recognized in total comprehensive income under the defined contribution plan amounted to \$522,491 thousand and \$789,394 thousand for the years ended December 31, 2020 and 2019, respectively.

b. Defined benefit plans

The defined benefit plan adopted by the Company and its subsidiaries established in Republic of China in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. These companies contribute amounts corresponding to certain percentages of monthly salaries to their respective pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform

to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2020	2019
Present value of defined benefit obligation	\$ 7,770,346	\$ 8,143,608
Fair value of plan assets	<u>(7,507,948)</u>	<u>(7,671,201)</u>
Deficit	26,398	472,407
Recognized in net defined benefit assets	<u>642,298</u>	<u>487,009</u>
Net defined benefit liabilities	<u>\$ 904,696</u>	<u>\$ 959,416</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Deficit (Surplus)
Balance at January 1, 2020	<u>\$ 8,143,608</u>	<u>\$ (7,671,201)</u>	<u>\$ 472,407</u>
Service cost			
Current service cost	65,306	-	65,306
Past service cost and loss on settlements	271	-	271
Interest expense (income)	<u>65,856</u>	<u>(63,107)</u>	<u>2,749</u>
Recognized in profit or loss	<u>131,433</u>	<u>(63,107)</u>	<u>68,326</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	86,016	86,016
Actuarial (gain) loss - changes in demographic assumptions	1,104	-	1,104
Actuarial (gain) loss - changes in financial assumptions	233,039	-	233,039
Actuarial (gain) loss - experience adjustments	(110,363)	-	(110,363)
Others	<u>-</u>	<u>-</u>	<u>-</u>
Recognized in other comprehensive income	<u>123,780</u>	<u>86,016</u>	<u>209,796</u>
Contributions from the employer	-	(384,853)	(384,853)
Benefits paid	<u>(628,475)</u>	<u>525,197</u>	<u>(103,278)</u>
Balance at December 31, 2020	<u>\$ 7,770,346</u>	<u>\$ (7,507,948)</u>	<u>\$ 262,398</u>
Balance at January 1, 2019	<u>\$ 8,256,802</u>	<u>\$ (6,441,367)</u>	<u>\$ 1,815,435</u>
Service cost			
Current service cost	69,758	-	69,758
Past service cost and loss on settlements	(150,682)	6,581	(144,101)
Interest expense (income)	<u>96,847</u>	<u>(72,475)</u>	<u>24,372</u>
Recognized in profit or loss (Note)	<u>15,923</u>	<u>(65,894)</u>	<u>(49,971)</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Deficit (Surplus)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (1,223,193)	\$ (1,223,193)
Actuarial (gain) loss - changes in demographic assumptions	3,087	-	3,087
Actuarial (gain) loss - changes in financial assumptions	190,862	-	190,862
Actuarial (gain) loss - experience adjustments	197,979	-	197,979
Others	<u>-</u>	<u>-</u>	<u>-</u>
Recognized in other comprehensive income	<u>391,928</u>	<u>(1,223,193)</u>	<u>(831,265)</u>
Contributions from the employer	-	(372,113)	(372,113)
Benefits paid	(519,107)	431,366	(87,741)
Settlement	<u>(1,938)</u>	<u>-</u>	<u>(1,938)</u>
Balance at December 31, 2019	<u>\$ 8,143,608</u>	<u>\$ (7,671,201)</u>	<u>\$ 472,407</u> (Concluded)

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

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

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

	December 31	
	2020	2019
Discount rate(s)	0.21%-0.75%	0.63%-1.25%
Expected rate(s) of salary increase	1.50%-4.00%	1.50%-4.00%

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

	December 31	
	2020	2019
Discount rate(s)		
0.50% increase	<u>\$ (285,146)</u>	<u>\$ (221,496)</u>
0.50% decrease	<u>\$ 299,460</u>	<u>\$ 234,432</u>
Expected rate(s) of salary increase		
0.50% increase	<u>\$ 293,779</u>	<u>\$ 230,461</u>
0.50% decrease	<u>\$ (281,944)</u>	<u>\$ (219,923)</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>\$ 515,035</u>	<u>\$ 432,975</u>
The average duration of the defined benefit obligation	3.63-14.8 years	4.5-14.9 years

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	December 31, 2020		
	Within One Year	Over One Year	Total
<u>Assets</u>			
Notes and accounts receivable	\$ 1,145,655	\$ 105,709	\$ 1,251,364
Inventories - construction and real estate	1,712,197	2,031,341	3,743,538
Contract assets - current	439,419	818,159	1,257,578
Other financial assets - current	1,201,010	304,490	1,505,500
Refundable deposits - current	4,240	6,810	11,050
<u>Liabilities</u>			
Notes and accounts payable	1,453,502	25,093	1,478,595
Notes and accounts payable to related parties	101,461	-	101,461
Contract liabilities - current	811,125	783,841	1,594,966
Provisions - current	18,412	46,500	64,912

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

26. EQUITY

a. Share capital

1) Common stock

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

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

2) Global depositary receipt

The Company issued global depositary receipts (GDRs), one GDR 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 units 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>		
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 2,654,932	\$ 2,654,932
<u>May be used to offset a deficit only (2)</u>		
Arising from changes in percentage of ownership interests in subsidiaries	495,232	495,232
Treasury share transactions	16,638	15,469
<u>May not be used for any purpose</u>		
Changes in equity-method associates' capital surplus	<u>153,335</u>	<u>104,722</u>
	<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, resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

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

On June 30, 2020 the Group issued 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 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 by all of the shares. When capital increase, the amount of dividend for new shares of that year would be according to resolution of the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, refer to Note 28, d. "Employees' compensation and remuneration of directors."

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

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

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve.

The appropriations from the 2019 and 2018 earnings were approved in the shareholders' meetings on June 30, 2020 and June 28, 2019, respectively. The appropriations and dividends per share were as follows:

	Appropriation and Earnings		Dividend Per Share	
	For the Years Ended		(NT\$)	
	December 31		For the Years Ended	
	2019	2018	2019	2018
Legal reserve	\$ 1,073,267	\$ 1,202,829		
Special reserve	1,839,196	1,089,437		
Reversals of special reserve	(2,710)	(858)		
Cash dividends	8,029,313	9,635,175	\$ 1.5	\$ 1.8

The appropriation of earnings for 2020 were proposed by the Company's board of directors on March 24, 2021. The appropriations and dividends per share 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 are subject to resolution in the shareholders' meeting to be held on June 30, 2021.

d. Special reserve

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

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

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

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

	For the Year Ended December 31	
	2020	2019
Beginning balance	\$ 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
Reversals on elimination of the original mandatorily appropriated special reserve		
Disposal of associates	<u>-</u>	<u>(25,881)</u>
Ending balance	<u>\$ 92,614,722</u>	<u>\$ 90,776,716</u>

e. Other equity items

The changes in other equity items were as follows:

	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, 2020	\$ (6,545,706)	\$ 2,439,965	\$ 11,700	\$ 1,004,758	\$ (3,089,283)
Exchange differences arising on translation of foreign operations	(634,580)	-	-	-	(634,580)
Unrealized gain (loss) on financial assets at FVTOCI	-	125,029	-	-	125,029
Gain (loss) on hedging instruments	-	-	7,780	-	7,780
Gain on property revaluation	-	-	-	1,288,857	1,288,857
Share of the other comprehensive gain (loss) of associates	(38,655)	(594,574)	-	4	(633,225)
Change in ownership interest of subsidiaries	-	651	-	-	651
Associate disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>24,376</u>	<u>-</u>	<u>-</u>	<u>24,376</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>

	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)
Exchange differences arising on translation of foreign operations	(2,134,469)	-	-	-	(2,134,469)
Unrealized gain (loss) on financial assets at FVTOCI	-	43,707	-	-	43,707
Gain (loss) on hedging instruments	-	-	(33,459)	-	(33,459)
Gain on property revaluation	-	-	-	302,152	302,152
Disposal of associates accounted for using the equity method	-	(244)	-	-	(244)
Associate disposed the investment in equity instruments designated as at FVTOCI	<u>-</u>	<u>(10,533)</u>	<u>-</u>	<u>-</u>	<u>(10,533)</u>
Share of the other comprehensive gain (loss) of associates	<u>(821,336)</u>	<u>1,635,123</u>	<u>(721)</u>	<u>(172)</u>	<u>812,894</u>
Balance at December 31, 2019	<u>\$ (6,545,706)</u>	<u>\$ 2,439,965</u>	<u>\$ 11,700</u>	<u>\$ 1,004,758</u>	<u>\$ (3,089,283)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Beginning balance	\$ 66,798,895	\$ 64,194,300
Effects of retrospective application of IFRS16	<u>-</u>	<u>(94,653)</u>
Beginning balance per IFRS16	66,798,895	64,099,647
Attributable to non-controlling interests:		
Net income	4,917,840	5,702,494
Cash dividends distributed by subsidiaries	(6,682,000)	(7,758,030)
Cash dividends distributed by subsidiaries from capital surplus	(51,156)	-
Exchange differences on translation of foreign operations	113,987	(402,067)
Unrealized gain on financial assets at FVTOCI	(67,568)	26,733
Gain on hedging instruments	14,799	(62,984)
Remeasurement on defined benefit plans	(20,281)	5,624
Gain on property revaluation	249,491	-
Share of other comprehensive income of associates accounted for using the equity method	(50,816)	163,425
Changes in capital surplus of associates accounted for using the equity method	62	23
Changes in unappropriated earnings of associates accounted for using the equity method	(3,921)	386
Disposal of a subsidiary	-	(11,276)
Effect on changes in percentage of ownership in subsidiaries	131,121	3,088,551
Non-controlling interests arising from subsidiaries' issuance of new share capital for cash	-	1,783,277
Acquisition of a subsidiary	<u>-</u>	<u>163,092</u>
Ending balance	<u>\$ 65,395,453</u>	<u>\$ 66,798,895</u>

g. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 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 Group consolidated its subsidiary Yuan Ding since December 28, 2011. As of December 31, 2011, the Group's shares held by Yuan Ding had a carrying amount of \$25,063 thousand.

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

27. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from sale of goods	\$ 138,939,956	\$ 181,946,076
Telecommunications service revenue	45,541,683	47,518,690
Construction revenue	7,212,184	6,868,908
Other operating revenue	<u>15,075,458</u>	<u>13,781,516</u>
	<u>206,769,281</u>	<u>250,115,190</u>
Other operating revenue		
Gain on disposal of investments, net	<u>-</u>	<u>31,400</u>
	<u>\$ 206,769,281</u>	<u>\$ 250,146,590</u>

a. Description of customer contract

Refer to Note 4 the summary of significant accounting policies.

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable (Note 11)	<u>\$ 26,788,957</u>	<u>\$ 26,932,881</u>	<u>\$ 29,347,392</u>
Contract assets			
Bundle sale of goods	\$ 7,274,473	\$ 6,655,168	\$ 5,433,852
Real estate construction	952,972	1,876,768	1,760,390
Retentions receivable	304,606	335,999	306,081
Others	942,052	-	-
Less: Allowance for impairment loss	<u>(135,925)</u>	<u>(135,925)</u>	<u>(135,925)</u>
	<u>\$ 9,320,178</u>	<u>\$ 8,732,010</u>	<u>\$ 7,364,398</u>
Current	\$ 6,098,262	\$ 6,398,973	\$ 5,828,641
Non-current	<u>3,221,916</u>	<u>2,333,037</u>	<u>1,535,757</u>
	<u>\$ 9,320,178</u>	<u>\$ 8,732,010</u>	<u>\$ 7,364,398</u>
Contract liabilities			
Sale of goods and services	\$ 4,103,947	\$ 3,653,556	\$ 3,821,027
Sale of real estate	34,663	4,652	19,886
Real estate construction	469,634	74,874	114,423
Retentions payable	<u>1,090,669</u>	<u>1,013,310</u>	<u>900,146</u>
	<u>\$ 5,698,913</u>	<u>\$ 4,746,392</u>	<u>\$ 4,855,482</u>
Current	\$ 5,509,591	\$ 4,535,792	\$ 4,647,210
Non-current	<u>189,322</u>	<u>210,600</u>	<u>208,272</u>
	<u>\$ 5,698,913</u>	<u>\$ 4,746,392</u>	<u>\$ 4,855,482</u>

For notes and accounts receivable, refer to Note 11.

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

	For the Year Ended December 31	
	2020	2019
Contract assets		
Transfers of beginning balance to accounts receivable	<u>\$ (4,130,414)</u>	<u>\$ (4,075,086)</u>

The Group provides for lifetime expected credit provision for the contract assets. The expected credit provision during the lifetime is calculated by taking into account the customer's past default records and current financial conditions, as well as forward-looking factors such as GDP forecast, unemployment rate and industry outlook, and then using the reserve matrix calculation

	For the Year Ended December 31	
	2020	2019
Expected credit loss rate	0.06%-9.41%	0.08%-8.97%
Gross carrying amount	\$ 8,198,525	\$ 6,655,168
Allowance for impairment loss (Lifetime ECLs)	<u>(135,925)</u>	<u>(135,925)</u>
	<u>\$ 8,062,600</u>	<u>\$ 6,519,243</u>

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 135,925	\$ 135,925
Add: Net remeasurement of loss allowance	<u>-</u>	<u>-</u>
Balance at December 31	<u>\$ 135,925</u>	<u>\$ 135,925</u>

c. Assets related to contract costs

	December 31	
	2020	2019
Current		
Costs to fulfill a contract (accounted for other current assets)	<u>\$ 10,554</u>	<u>\$ -</u>
Non-current		
Incremental costs of obtaining a contract	<u>\$ 3,490,644</u>	<u>\$ 3,398,107</u>

1. Costs to fulfill a contract

The Group engages in project contracting business in which direct costs of fulfilling performance obligations are recognized as costs to fulfill a contract (accounted for other current assets) within the expected recoverable range. The costs to fulfill a contract are reclassified as operating cost in the contract period in line with the revenue recognition method.

2. Incremental costs of obtaining a contract

The Group considered its past experience and believes the commission and subsidies paid for obtaining contracts are wholly recoverable. Amortization recognized in 2020 and 2019 was \$2,971,893 thousand and \$2,469,923 thousand, respectively.

d. Disaggregation of revenue

Refer to Note 43 for information about disaggregation of revenue.

e. Partially completed contracts

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

	December 31	
	2020	2019
Telecommunication service contracts		
Fulfillment in 2020	\$ -	\$ 15,875,588
Fulfillment in 2021	15,878,531	8,770,795
Fulfillment in 2022 and beyond	<u>11,042,895</u>	<u>2,185,780</u>
	<u>\$ 26,921,426</u>	<u>\$ 26,832,163</u>

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

28. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

	For the Year Ended December 31	
	2020	2019
Capitalized interests on properties	\$ 110,166	\$ 151,389
Capitalization rates	0.36%-3.70%	0.36%-4.51%

b. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	\$ 16,006,331	\$ 17,381,628
Right-of-use assets	4,314,649	4,307,695
Intangible assets	<u>5,431,770</u>	<u>4,372,487</u>
	<u>\$ 25,752,750</u>	<u>\$ 26,061,810</u>
An analysis of depreciation by function		
Operating costs	\$ 17,838,352	\$ 19,185,281
Operating expenses	2,404,923	2,463,246
Other expense	<u>77,705</u>	<u>40,796</u>
	<u>\$ 20,320,980</u>	<u>\$ 21,689,323</u>

(Continued)

	For the Year Ended December 31	
	2020	2019
An analysis of amortization by function		
Operating costs	\$ 4,454,111	\$ 3,461,517
Operating expenses	<u>977,659</u>	<u>910,970</u>
	<u>\$ 5,431,770</u>	<u>\$ 4,372,487</u>
		(Concluded)

c. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plans	\$ 522,491	\$ 789,394
Defined benefit plans	68,326	(49,971)
Other employee benefits	<u>19,199,573</u>	<u>22,126,200</u>
Total employee benefits expense	<u>\$ 19,790,390</u>	<u>\$ 22,865,623</u>
Analysis of employee benefit expense by function		
Operating costs	\$ 9,610,727	\$ 11,871,893
Operating expenses	<u>10,179,663</u>	<u>10,993,730</u>
	<u>\$ 19,790,390</u>	<u>\$ 22,865,623</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 consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018. The Company offered to settle employee's compensation in cash.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	\$ 2,421,554	\$ 2,515,381
Income tax on unappropriated earnings	767	1,439
Adjustments for prior years	<u>(202,042)</u>	<u>(70,475)</u>
	2,220,279	2,446,345
Deferred tax	<u>922,666</u>	<u>248,747</u>
Income tax expense recognized in profit or loss	<u>\$ 3,142,945</u>	<u>\$ 2,695,092</u>

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

	For the Year Ended December 31	
	2020	2019
Profit before tax from continuing operations	<u>\$ 16,123,484</u>	<u>\$ 19,130,255</u>
Income tax expense calculated at the statutory rate (20%)	\$ 3,224,697	\$ 3,826,051
Adjustment items effect of income tax	(803,143)	(1,310,670)
Adjustments for prior years' income tax	(202,042)	(70,475)
Income tax on unappropriated earnings	<u>767</u>	<u>1,439</u>
Current tax	2,220,279	2,446,345
Deferred tax	<u>922,666</u>	<u>248,747</u>
Income tax expense recognized in profit or loss	<u>\$ 3,142,945</u>	<u>\$ 2,695,092</u>

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

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31</u>	
	2020	2019
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of financial assets at FVTOCI	\$ (4,336)	\$ (299)
Gains on property revaluation	(138,159)	(35,775)
Remeasurement of defined benefit plans	<u>42,027</u>	<u>(133,917)</u>
	<u>\$ (91,796)</u>	<u>\$ (169,991)</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>				
Investment credits	\$ 18,671	\$ (18,671)	\$ -	\$ -
Allowance for doubtful accounts	272,864	39,475	-	312,339
Inventory write-downs	100,707	(16,525)	-	84,182
Loss carryforwards	1,654,451	(400,980)	-	1,253,471
Defined benefit obligation	149,093	(17,444)	42,027	173,676
Impairment loss	528,843	(51,952)	-	476,891
Others	<u>392,903</u>	<u>2,345</u>	<u>4,483</u>	<u>399,731</u>
	<u>\$ 3,117,532</u>	<u>\$ (463,752)</u>	<u>\$ 46,510</u>	<u>\$ 2,700,290</u>
<u>Deferred tax liabilities</u>				
Share of profit of associates	\$ 1,499,633	\$ (156,876)	\$ -	\$ 1,342,757
Amortization of goodwill	2,056,606	-	-	2,056,606
Provision of land value incremental tax	13,312,257	493,531	124,932	13,930,720
Investment properties	675,589	61,480	13,227	750,296
Others	<u>217,844</u>	<u>60,779</u>	<u>147</u>	<u>278,770</u>
	<u>\$ 17,761,929</u>	<u>\$ 458,914</u>	<u>\$ 138,306</u>	<u>\$ 18,359,149</u>

For the year ended December 31, 2019

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

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Loss carryforwards	<u>\$ 19,419,926</u>	<u>\$ 16,183,146</u>
Expiry year	2021-2030	2020-2029
Investment credits		
Acquisition of initial share offering	<u>\$ -</u>	<u>\$ 104,142</u>
Deductible temporary differences	<u>\$ 5,894,124</u>	<u>\$ 7,477,800</u>

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
<u>\$ 25,666,102</u>	2021-2030

f. Income tax assessments

	<u>Latest Year of Income Tax Return That Tax Authorities Had Examined and Cleared</u>
Far Eastern New Century Corporation	2015
Far Eastern Resources Development Co., Ltd.	2015
Oriental Petrochemical (Taiwan) Corporation	2018
Fu Kwok Knitting & Garment Co., Ltd.	2017
Yuan Tong Investment Co., Ltd.	2018
Kai Yuan International Investment Co., Ltd.	2018
Ding Yuan International Investment Co., Ltd.	2018
An Ho Garment Co., Ltd.	2018
Far Eastern Textile Ltd.	2018
Far Eastern Construction Co., Ltd.	2018
Far Eastern General Contractor Inc.	2018
Yuan Ding Investment Co., Ltd.	2018
Far Eastern Fibertech Co., Ltd.	2018
Oriental Resources Development Co., Ltd.	2018
Far Eastern Apparel Co., Ltd.	2018
Yuan Faun Co., Ltd.	2018
Yuan Cheng Human Resources Consultant Corporation	2018
Yuan Ding Co., Ltd.	2018
Far Eastern Technical Consultants Co., Ltd.	2018
YDT Technology International Co., Ltd.	2018
FET Consulting Engineers Co., Ltd.	2018
Ding Ding Integrated Marketing Service Co., Ltd.	2018
Ding Ding Hotel Co., Ltd.	2017
Far Eastern Electronic Toll Collection Co., Ltd.	2018
Yuan Hsin Digital Payment Co., Ltd.	2018
ARCOA Communication Co., Ltd.	2018
Q-ware Communications Corporation	2018
Information Security Service Digital United Inc.	2018
Linkwell Tech. Co., Ltd.	2018
DataExpress Infotech Co., Ltd.	2018
Yuan Cing Co., Ltd.	2018
New Diligent Co., Ltd.	2019
KGEx.com Co., Ltd.	2018
Home Master Technology Ltd.	2018
Yuanshi Digital Technology Co., Ltd.	2018
New Century InfoComm Tech Corporation	2018
Nextlink Technology Co., Ltd.	2017
Microfusion Technology Co., Ltd.	2018
Prime EcoPower Co., Ltd.	2018
Yuanbao Financial Technology Co., Ltd.	2019

30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	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 were as follows:

Net Income for the Year

	<u>For the Year Ended December 31</u>	
	2020	2019
Net income for the period attributable to owners of the Company	<u>\$ 8,062,699</u>	<u>\$ 10,732,669</u>

Weighted Average Number of Common Stock Outstanding

Unit: In Thousand Shares

	<u>For the Year Ended December 31</u>	
	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 consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

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

The Company calculated basic EPS with the weighted average number of actual outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2020 and 2019, the Company's basic EPS were \$1.51 and \$2.01, respectively.

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Nextlink Technology Co., Ltd.	Electronic information services	March 4, 2019	70	<u>\$ 420,000</u>
Phoenix Technologies International, LLC	Recycled PET production and sales	June 5, 2019	90	<u>\$ 313,750</u>

In line with Far EasTone's overall strategy of increasing market share of the fast growing cloud services market, the board of directors of New Century InfoComm Tech Co., Ltd. (Far EasTone's 100% owned subsidiary) resolved on November 5, 2018 to acquire Nextlink Technology Co., Ltd. (Nextlink Technology), and the acquisition was completed on March 4, 2019.

In order to enhance the competitiveness in the industry, the board of directors of APG Polytech USA Holdings, Inc., a subsidiary of FENC, resolved on June 3, 2019 to acquire a subsidiary, Phoenix Technologies International, LLC, by increasing its capital amounted to \$313,750 thousand (US\$10,000 thousand) based on Membership Interest Purchase Agreement. The capital injection was completed on June 5, 2019.

b. Consideration transferred

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
Cash	<u>\$ 420,000</u>	<u>\$ 313,750</u>

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

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
Current assets	\$ 314,100	\$ 400,578
Non-current assets	146,885	520,824
Current liabilities	(267,471)	(166,005)
Non-current liabilities	<u>(10,884)</u>	<u>(471,302)</u>
	<u>\$ 182,630</u>	<u>\$ 284,095</u>

d. Non-controlling interests

The non-controlling interest (30% of total equity in Nextlink Technology Co., Ltd.) was measured using the market approach by reference to the fair value of the non-controlling interest on the date of acquisition, which was \$133,333 thousand.

The non-controlling interest (10% of total equity in Phoenix Technologies International, LLC.) was measured using the market approach by reference to the fair value of the non-controlling interest on the date of acquisition, which was \$29,759 thousand (US\$949 thousand).

e. Goodwill recognized on acquisitions

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
Consideration transferred	\$ 420,000	\$ 313,750
Plus: Non-controlling interests (30% in Nextlink Technology Co., Ltd. and 10% in Phoenix Technologies International, LLC)	133,333	29,759
Less: Fair value of identifiable net assets acquired	<u>(182,630)</u>	<u>(284,095)</u>
Goodwill recognized on acquisitions	<u>\$ 370,703</u>	<u>\$ 59,414</u>

The goodwill generated from the acquisition of Nextlink Technology Co., Ltd. and Phoenix Technologies International, LLC mainly represents benefits of expected synergies of mergers, revenue growth, future market developments and the assembled workforces of Nextlink Technology and Phoenix Technologies International, LLC. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash outflow on the acquisition of subsidiaries

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
Consideration paid in cash	\$ 420,000	\$ 313,750
Less: Cash and cash equivalent balances acquired	<u>(68,196)</u>	<u>(228,895)</u>
	<u>\$ 351,804</u>	<u>\$ 84,855</u>

g. Impact of acquisitions on the results of the Group

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

	Nextlink Technology Co., Ltd.	Phoenix Technologies International, LLC
Operating revenue	<u>\$ 1,176,325</u>	<u>\$ 569,303</u>
Net income	<u>\$ (515)</u>	<u>\$ (121,845)</u>

Had the business combination been in effect at the beginning of the reporting period, the Group's operating revenue for the year ended December 31, 2019 would have been \$250,756,377 thousand, and the Group's net income for the year ended December 31, 2019 would have been \$16,380,803 thousand. This pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2019, nor is it intended to be a projection of future results.

32. DISPOSAL OF SUBSIDIARIES

On April 15, 2019, the Group entered into an agreement to dispose of Omusic Co., Ltd. (Omusic), which provides electronic information services. The disposal was completed on April 30, 2019, on which date control of Omusic passed to the acquirer.

- a. Consideration received from disposal

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

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

	Omusic
Current assets	\$ 99,652
Non-current assets	989
Current liabilities	<u>(78,092)</u>
Net assets disposed of	<u>\$ 22,549</u>

- c. Loss on disposal of a subsidiary

	Omusic
Consideration received	\$ 10,500
Net assets disposed of	(22,549)
Non-controlling interests	<u>11,276</u>
Loss on disposal	<u>\$ (773)</u>

- d. Net cash outflow on disposal of a subsidiary

	Omusic
Consideration received in cash	\$ 10,500
Less: Cash and cash equivalent balances disposed of	<u>(50,303)</u>
	<u>\$ 39,803</u>

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2020

In May 2020, the Group subscribed for additional new shares of Yuanshi Digital Technology Co., Ltd. in cash at a percentage different from its existing ownership percentage, increasing its continuing interest from 93.62% to 98.20%.

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

	Yuanshi Digital Technology Co., Ltd.
Cash consideration received	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(14,217)</u>
Differences recognized from equity transactions	<u>\$ (14,217)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated Earnings	<u>\$ (14,217)</u>

In August 2020, the Group exchanged its shares in Perform Technologies, LLC, which were held by the Group as financial assets measured at fair value through other comprehensive income, with the 10% non-controlling interest in subsidiary Phoenix Technologies International, LLC, and received \$162 thousand in cash, resulting in increase in its continuing interest from 90% to 100%

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

	Phoenix Technologies International, LLC
Cash consideration received	\$ 162
Book value of exchange of financial assets at fair value through other comprehensive income	(1,561)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(801)</u>
Differences recognized from equity transactions	<u>\$ (2,200)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (2,200)</u>

In December 2020, the Group subscribed for additional new shares of Yuan Hsin Digital Payment Co., Ltd. in cash at a percentage different from its existing ownership percentage, increasing its continuing interest from 65.01% to 74.36%.

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

	Yuan Hsin Digital Payment Co., Ltd.
Cash consideration received	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>(5,224)</u>
Differences recognized from equity transactions	<u>\$ (5,224)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (5,224)</u>

For the year ended December 31, 2019

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

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

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

34. CAPITAL MANAGEMENT

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

35. 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 far values

	December 31			
	2020		2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Bonds payable	<u>\$ 117,879,281</u>	<u>\$ 118,549,263</u>	<u>\$ 103,992,055</u>	<u>\$ 104,463,768</u>

2) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Bonds payable	<u>\$ 118,549,263</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 118,549,263</u>

December 31, 2019

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

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
<u>Financial assets at FVTPL</u>				
Open-end mutual funds - beneficial certificates	\$ 3,022,901	\$ -	\$ -	\$ 3,022,901
Foreign mutual funds - benefit certificates	-	2,081,744	-	2,081,744
Domestic listed shares	327,275	-	-	327,275
Forward exchange contracts	-	-	23,310	23,310
	<u>\$ 3,350,176</u>	<u>\$ 2,081,744</u>	<u>\$ 23,310</u>	<u>\$ 5,455,230</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	\$ 581,555	\$ -	\$ -	\$ 581,555
Unlisted shares	-	-	1,338,471	1,338,471
Real estate investment trust mutual funds - beneficial certificates	316,200	-	-	316,200
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>576,562</u>	<u>576,562</u>
	<u>\$ 897,755</u>	<u>\$ -</u>	<u>\$ 1,915,033</u>	<u>\$ 2,812,788</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 10,619</u>
Financial liabilities for hedging				
Cash flow hedges - interest rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,508</u>	<u>\$ 8,508</u> (Concluded)

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Open-end mutual funds - beneficial certificates	\$ 2,893,430	\$ -	\$ -	\$ 2,893,430
Foreign mutual funds - benefit certificates	-	1,760,530	-	1,760,530
Domestic listed shares	388,277	-	-	388,277
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>11,479</u>	<u>11,479</u>
	<u>\$ 3,281,707</u>	<u>\$ 1,760,530</u>	<u>\$ 11,479</u>	<u>\$ 5,053,716</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 403,142	\$ -	\$ -	\$ 403,142
Unlisted shares	-	-	937,065	937,065
Real estate investment trust mutual funds - beneficial certificates	307,500	-	-	307,500
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>509,231</u>	<u>509,231</u>
	<u>\$ 710,642</u>	<u>\$ -</u>	<u>\$ 1,446,296</u>	<u>\$ 2,156,938</u>
Financial liabilities at FVTPL				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,861</u>	<u>\$ 1,861</u>
Financial liabilities for hedging				
Cash flow hedges - interest rate swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,087</u>	<u>\$ 31,087</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 December 31, 2020

	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at FVTOCI	Financial Instruments for Hedging	Total
Balance at January 1, 2020	\$ 9,618	\$ 1,446,296	\$ (31,087)	\$ 1,424,827
Acquisition	-	500,000	-	500,000
Disposal	-	(1,561)	-	(1,561)
Capital reduction and refund	-	(13,500)	-	(13,500)
Recognized in profit or loss	(3,470)	-	(20,861)	(24,331)
Recognized in other comprehensive income	-	(10,809)	22,579	11,770
Settlements and effect of exchange rate differences	<u>6,543</u>	<u>(5,393)</u>	<u>20,861</u>	<u>22,011</u>
Balance at December 31, 2020	<u>\$ 12,691</u>	<u>\$ 1,915,033</u>	<u>\$ (8,508)</u>	<u>\$ 1,919,216</u>

For the year ended December 31, 2019

	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at FVTOCI	Financial Instruments for Hedging	Total
Balance at January 1, 2019	\$ (4,738)	\$ 1,407,217	\$ 67,224	\$ 1,469,703
Recognized in profit or loss	23,606	-	26,644	50,250
Recognized in other comprehensive income	-	45,105	(96,443)	(51,338)
Settlements and effect of exchange rate differences	<u>(9,250)</u>	<u>(6,026)</u>	<u>(28,512)</u>	<u>(43,788)</u>
Balance at December 31, 2019	<u>\$ 9,618</u>	<u>\$ 1,446,296</u>	<u>\$ (31,087)</u>	<u>\$ 1,424,827</u>

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

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

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 5,455,230	\$ 5,053,716
Financial assets for hedging		-
Financial assets at amortized cost (Note 1)	75,816,720	81,024,585
Financial assets at FVTOCI	2,812,788	2,156,938
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	10,619	1,861
Derivative financial liabilities for hedging	8,508	31,087
Amortized cost (Note 2)	305,790,579	265,797,849

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
5% change in profit or loss		
USD	\$ <u>(88,341)</u>	\$ <u>(212,650)</u>

b) Interest rate risk

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

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

	<u>December 31</u>	
	2020	2019
Fair value interest rate risk		
Financial assets	\$ 13,460,329	\$ 16,107,962
Financial liabilities	239,020,734	204,549,298
Cash flow interest rate risk		
Financial assets	16,063,554	12,675,075
Financial liabilities	39,178,441	34,360,953

Sensitivity analysis

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

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial assets with fixed interest rate for the years ended December 31, 2020 and 2019 would have decreased/increased by NT\$33,567 thousand and NT\$40,169 thousand, respectively, and the cash flows on the Group's financial assets with floating interest rate would have increased/decrease by \$40,159 thousand and \$31,688 thousand, respectively.

If interest rates had been 0.25% higher/lower and all other variables had been held constant, the fair value of the Group's financial liabilities with fixed interest rate for the years ended December 31, 2020 and 2019 would have decreased/increased by \$596,062 thousand and \$510,098 thousand, respectively, and the cash flows on the Group's financial liabilities with floating interest rate would have decreased/increased by \$97,946 thousand and \$85,902 thousand, respectively.

Hedge accounting

For the year ended December 31, 2020

The Group entered into interest rate swap contracts to mitigate the risk of changes in floating interest rates on cash flow exposure related to its outstanding variable rate debt.

All interest rate swap contracts that exchange floating rate interest amounts with fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on loans occur simultaneously, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

The following tables summarize the information relating to the hedges for interest rate risk.

December 31, 2020

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge Interest rate swaps	NT\$3,294,000 thousand	November 2025	0%-4.8%	0.60%-4.90%	Financial liabilities for hedging	\$ -	\$ 8,508	\$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges	Carrying Amount Hedge Accounting No Longer Applied
Cash flow hedge Interest expense from long-term debt	\$ -	\$ (8,508)	\$ -

December 31, 2019

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge Interest rate swaps	NT\$3,294,000 thousand	November 2025	0%-4.8%	0.60%-4.90%	Financial liabilities for hedging	\$ -	\$ 31,087	\$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges	Carrying Amount Hedge Accounting No Longer Applied
Cash flow hedge Interest expense from long-term debt	\$ -	\$ (31,087)	\$ -

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

For the year ended December 31, 2020

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffectiveness Is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flow No Longer Expected to Occur
Cash flow hedge Interest expense from long-term debt	\$ 22,579	\$ -	\$ -	\$ 20,861 Increase in interest expense	\$ -

For the year ended December 31, 2019

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffectiveness Is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flow No Longer Expected to Occur
Cash flow hedge					
Interest expense from long-term debt	\$ (96,443)	\$ -	\$ -	\$ 26,644 Increase in interest expense	\$ -

c) Other price risks

The Group was exposed to equity price risk because of its investments in domestic quoted shares and mutual funds.

Sensitivity analysis

The following sensitivity analysis was based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% lower, the fair value of financial assets at FVTPL and fair value of financial assets at FVTOCI as of December 31, 2020 and 2019 would have decreased by NT\$412,235 thousand and NT\$359,959 thousand.

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

The maturity dates of financial liabilities (except financial liabilities - current, i.e., with maturities of less than one year) are as follows:

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2020</u>				
Long-term borrowings	\$ 22,426,856	\$ 59,577,797	\$ 25,088,848	\$ 107,093,501
Bonds payable	<u>22,200,000</u>	<u>21,000,000</u>	<u>61,600,000</u>	<u>104,800,000</u>
	<u>\$ 44,626,856</u>	<u>\$ 80,577,797</u>	<u>\$ 86,688,848</u>	<u>\$ 211,893,501</u>

<u>December 31, 2019</u>				
Long-term borrowings	\$ 45,212,654	\$ 27,299,971	\$ 5,777,207	\$ 78,289,832
Bonds payable	<u>13,200,000</u>	<u>22,200,000</u>	<u>48,100,000</u>	<u>83,500,000</u>
	<u>\$ 58,412,654</u>	<u>\$ 49,499,971</u>	<u>\$ 53,877,207</u>	<u>\$ 161,789,832</u>

Additional information about the maturity analysis for lease liabilities

	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
<u>December 31, 2020</u>					
Lease liabilities	<u>\$ 6,664,799</u>	<u>\$ 587,100</u>	<u>\$ 93,323</u>	<u>\$ 84,401</u>	<u>\$ 186,241</u>
<u>December 31, 2019</u>					
Lease liabilities	<u>\$ 6,686,931</u>	<u>\$ 700,748</u>	<u>\$ 108,607</u>	<u>\$ 83,995</u>	<u>\$ 210,173</u>

36. TRANSACTIONS WITH RELATED PARTIES

The Group had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2020 and 2019 and the related balances as of the balance sheet dates are summarized in the accompanying Tables 2, 3 and 4.

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, short-term bills payable, tariff duties, long-term borrowings, construction warranties, guarantees for related parties, litigation, administrative tax remedies, and government projects.

	<u>December 31</u>	
	2020	2019
Other financial assets - current	\$ 1,914,412	\$ 1,809,900
Inventories - available-for-construction - land	125,099	200,654
Inventories - construction in progress	-	492,503
Financial assets at amortized cost - non-current	500,000	500,000
Property, plant and equipment, net	27,275,118	28,287,683
Investment properties	36,749,935	35,802,323

(Continued)

	December 31	
	2020	2019
Investments accounted for using the equity method	\$ 3,062,317	\$ 3,183,595
Concessions - costs	2,090,895	3,850,000
Other financial assets - non-current	<u>2,228,575</u>	<u>3,553,636</u>
	<u>\$ 73,946,351</u>	<u>\$ 77,680,294</u> (Concluded)

As of December 31, 2020 and 2019, FENC and some of its subsidiaries had provided 60,657 thousand shares and 47,522 thousand shares, respectively, of the common stock of Far EasTone Telecommunications Co., Ltd. and 10,000 thousand shares, of common stock of Yuan Ding Co., Ltd. as of both dates as collateral for short-term borrowings, short-term bills payable and long-term borrowings.

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2020 and 2019 were as follows:

- a. The Group issued but unused letters of credit aggregated at approximately \$319,597 thousand and \$399,158 thousand as of December 31, 2020 and 2019, respectively.
- b. The Group (except for Far EasTone Telecommunications Co., Ltd. and its subsidiaries) had unpaid construction contracts and property, plant, and equipment amounting to \$4,379,314 thousand and \$7,941,293 thousand, as of December 31, 2020 and 2019, respectively.

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

	December 31	
	2020	2019
Acquisition of property, plant and equipment and intangible asset under contracts	<u>\$ 8,635,068</u>	<u>\$ 4,241,999</u>
Acquisition of inventories under contract	<u>\$ 3,588,647</u>	<u>\$ 3,895,806</u>

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

	December 31	
	2020	2019
Lease commitments	<u>\$ 323,370</u>	<u>\$ 247,816</u>

- d. The letters of bank guarantees issued for importing from manufacturers all amounted to \$0 thousand and \$100,000 thousand as of December 31, 2020 and 2019 respectively.
- e. There were undelivered cotton contracts which were unable to be cancelled amounting to \$273,698 thousand and \$138,054 thousand as of December 31, 2020 and 2019, respectively.
- f. Project contracts' costs already signed by Far Eastern General Contractor Inc. (FEGC) amounted to \$41,771,494 thousand and \$46,350,772 thousand as of December 31, 2020 and 2019, respectively.

- g. A subsidiary of FENC, Far Eastern Electronic Toll Collection Co., Ltd. (FETC), was entrusted by the Taiwan Area National Freeway Bureau (TANFB) to collect electronic tolls on freeways and had signed a third-party benefit trust contract with Far Eastern International Bank Corporation (FEIB) to manage the tolls collected. The trust property for this agreement amounted to \$4,030,399 thousand and \$3,859,807 thousand as of December 31, 2020 and 2019, respectively.
- h. Endorsements and guarantees provided to related parties are shown in Table 6 (attached).
- i. As of September 30, 2011, the usage rate of electronic toll collection (ETC) services had not reached the requirement as stated in the contract of the Electronic Toll Collection BOT Project (“ETC Project”). Thus, Far Eastern Electronic Toll Collection Co., Ltd. (FETC) filed a lawsuit against Taiwan Area National Freeway Bureau (TANFB), and the Supreme Court remanded this case to the Taipei District Court Civil Division in September 2015. FETC had accrued the related penalties, and on October 19, 2018, the Taipei District Court pronounced the judgment in FETC’s favor. The TANFB filed an appeal on November 9, 2018, and the Supreme Court rejected the appeal on June 11, 2019. The TANFB filed an appeal on July 8, 2019.

FETC failed to complete the taximeter system infrastructure within a specified period under the ETC Project requirements. The Taipei District Court Civil Division pronounced on May 20, 2016 that FETC should pay the compensation for breach of contract to TANFB. FETC had filed an appeal on May 31, 2016 and accrued related penalties.

- j. On September 4, 2020, the board of directors of Far EasTone resolved to enter into a business cooperation agreement with Asia-Pacific Telecom Co., Ltd. (APTC). Once approval from the competent authority is obtained, Far EasTone will cooperate with APTC on frequency and network matters whereby Far EasTone shares its 3.5GHz spectrum used for providing 5G services with APTC in exchange for the sharing of two-ninths of 3.5G spectrum’s related capitalized costs and expenses by APTC. As of February 25, 2021, Far EasTone is still waiting for the approval from the competent authority regarding the aforementioned business cooperation. In order to maximize the efficiency of utilizing Far EasTone’s network and spectrum resources, and to enhance Far EasTone’s competitiveness in the 5G markets, on September 4, 2020, the board of directors of Far EasTone resolved to acquire 11.58% ownership of APTC through private placement by subscribing for 500,000,000 new common stock issued by APTC with the amount invested not exceeding \$5,000,000 thousand after obtaining an approval from the competent authority, and to issue new common stock in exchange for part of APTC’s shares held by Hon Hai Precision Industry Co., Ltd. under a share swap arrangement on June 30, 2022.
- k. In order to increase the efficient utilization of Far EasTone’s spectrum and enhance the competitiveness of Far EasTone in maintaining consumer interests, on November 5, 2020, the board of directors of Far EasTone resolved to enter into a business cooperation agreement with APTC once approval from the competent authority has been obtained. The content of the agreement includes: (a) mutual sharing of 700MHz spectrum between Far EasTone and APTC whereby Far EasTone will bear seven-ninths and APTC will bear two-ninths of the 700MHz spectrum’s related capitalized costs and expenses, this agreement will be valid from November 5, 2020 to December 31, 2030; (b) the exchange of Far EasTone’s 20 MHz frequency band (2595MHz to 2615MHz spectrum) with 10MHz frequency band (upper segment of 723MHz to 728MHz spectrum and lower segment of 778MHz to 783MHz spectrum) held by APTC, the value of the aforementioned spectrum swap shall be determined in accordance with the agreement. If the competent authority approves the sharing of 700MHz spectrum earlier than the execution date of the spectrum swap, the spectrum swap agreement will be automatically terminated without implementation of the stated obligations.

39. OTHER ITEMS

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the COVID-19 pandemic would have no material impact on operation and finance aspects. The Group also assessed that there are no doubt in aspects of The Group's ability to continue as a going concern, risk of assets impairment and financing activities. The group will continue to observe and assess the possible impact that the COVID-19 will have on the Group's aforesaid aspects.

40. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

- a. In order to enhance the efficiency of the usage of assets, the board of directors of subsidiary New Century InfoComm Tech Co., Ltd. resolved on February 25, 2021 to authorize its chairman to sell a part of its properties located in the Neihu District of Taipei City for an amount no lower than the appraised value.
- b. 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 dependings on the market condition.
- c. On March 24, 2021, in order to reduce the related management costs, the parent company's board of directors resolved to terminate the GDR program and to delist from the Luxembourg Stock Exchange.

41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 275,207	28.48 (USD:NTD)	\$ 7,837,895
USD	91,013	6.648 (USD:RMB)	2,592,050
<u>Financial liabilities</u>			
Monetary items			
USD	249,054	28.48 (USD:NTD)	7,093,058
USD	55,129	6.648 (USD:RMB)	1,570,074

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 310,266	29.98 (USD:NTD)	\$ 9,031,955
USD	80,108	6.964 (USD:RMB)	2,401,638
<u>Financial liabilities</u>			
Monetary items			
USD	189,322	29.98 (USD:NTD)	5,675,874
USD	50,191	7.800 (USD:HKD)	1,504,726

For the years ended December 31, 2020 and 2019, (realized and unrealized) net foreign exchange gains were \$15,204 thousand and \$127,790 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of functional currencies of the Group entities.

42. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others: Table 5 (attached)
- 2) Endorsements/guarantees provided: Table 6 (attached)
- 3) Marketable securities held: Table 7 (attached)
- 4) Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 8 (attached)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 9 (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 10 (attached)
- 9) Trading in derivative instruments: Notes 7 and 35
- 10) Intercompany relationships and significant intercompany transactions: Table 11 (attached)
- 11) Information on investees: Table 12 (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 13 and 13-1 (attached)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Tables 3, 4, 5, 6, 9, 10 and 11 (attached)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information on major shareholders: shareholders' name holding amounts and ratio whose holding ratio exceed 5%: Schedules 14 (attached)

43. SEGMENT INFORMATION

Industry Information

The information provided to the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance focuses on types of goods delivered or services provided. The Group defined its operating segments as follows: Petrochemical business, chemical fiber business, textile business, telecommunication services business, real estate business, investment and other business.

Segment operating income is the profit generated by each operating segment, which excludes interest revenue, revaluation gain on investment properties, gain or loss on disposal of property, plant and equipment, exchange gain or loss, interest expense and income tax expense. It is the measure reported to the chief operating decision maker to allocate resources to the segments and assess their performance.

a. Segments revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	<u>Segment Revenue</u>		<u>Segment Profit</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Petrochemical business			\$ (3,350,928)	\$ (443,938)
Revenue generated from external customers	\$ 14,105,073	\$ 28,661,265		
Intersegment revenue	<u>19,281,621</u>	<u>29,565,116</u>		
	<u>33,386,694</u>	<u>58,226,381</u>		
Chemical fiber business			4,071,546	2,753,372
Revenue generated from external customers	70,853,355	84,760,647		
Intersegment revenue	<u>1,534,174</u>	<u>2,128,605</u>		
	<u>72,387,529</u>	<u>86,889,252</u>		
Textile business			(467,711)	907,027
Revenue generated from external customers	29,083,494	38,991,995		
Intersegment revenue	<u>53,009</u>	<u>38,254</u>		
	<u>29,136,503</u>	<u>39,030,249</u>		
Telecommunication services business			11,037,699	11,925,478
Revenue generated from external customers	79,244,622	83,689,429		
Intersegment revenue	<u>256,343</u>	<u>176,443</u>		
	<u>79,500,965</u>	<u>83,865,872</u>		
Real estate development			1,031,659	806,439
Revenue generated from external customers	8,767,006	8,355,138		
Intersegment revenue	<u>775,031</u>	<u>767,465</u>		
	<u>9,542,037</u>	<u>9,122,603</u>		
Investment and other			3,694,871	4,469,834
Revenue generated from external customers	10,279,429	12,012,125		
Intersegment revenue	<u>439,888</u>	<u>349,606</u>		
	<u>10,719,317</u>	<u>12,361,731</u>		
Adjustment and elimination	<u>(22,232,325)</u>	<u>(32,814,772)</u>	<u>(343,386)</u>	<u>(120,492)</u>
	<u>\$ 212,440,720</u>	<u>\$ 256,681,316</u>	<u>15,673,750</u>	<u>20,297,720</u>
Interest revenue			299,102	354,718
Exchange gain			15,204	127,790
Interest expense			(2,939,261)	(3,220,315)
Other revenue and income			<u>3,074,689</u>	<u>1,570,342</u>
Profit before tax			<u>\$ 16,123,484</u>	<u>\$ 19,130,255</u>

Note: For the years ended December 31, 2020 and 2019, the main differences between the total reportable segment revenue and consolidated operating revenue and those between the total reportable segment profit and consolidated operating income were due to the share of the associates' profit of \$5,524,945 thousand and \$6,464,485 thousand, respectively, and dividend income from associates, which amounted to \$146,494 thousand and \$70,241 thousand, respectively.

b. Segment total assets and liabilities

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

c. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and overseas.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2020	2019	2020	2019
Taiwan	\$ 134,400,779	\$ 165,573,790	\$ 343,934,184	\$ 298,471,882
China	32,798,220	37,879,526	35,055,505	35,519,554
Overseas	<u>36,570,282</u>	<u>46,693,274</u>	<u>40,675,686</u>	<u>39,566,185</u>
	<u>\$ 206,769,281</u>	<u>\$ 250,146,590</u>	<u>\$ 419,665,375</u>	<u>\$ 373,557,621</u>

Non-current assets exclude non-current assets classified as financial instruments, investments accounted for using the equity method, deferred tax assets, net defined benefit assets, and refundable deposits.

d. Information about major customers

No single customers contributed 10% or more to the Group's revenue for both 2020 and 2019.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2020

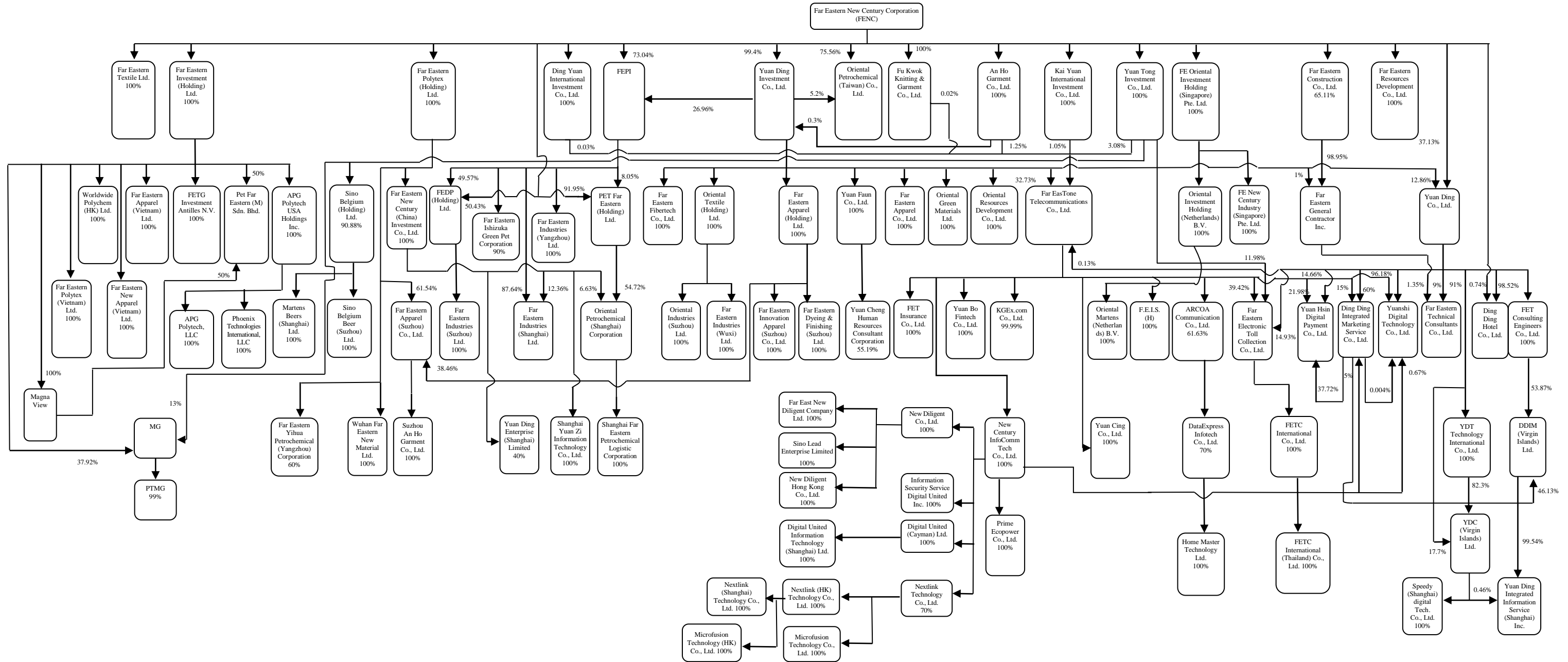


TABLE 2**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****RELATED PARTY NAMES AND CATEGORIES****DECEMBER 31, 2020**

Related Party Name	Related Party Categories
Asia Cement Corporation	Associates
Oriental Union Chemical Corporation	Associates
Far Eastern Department Stores Co., Ltd.	Associates
Everest Textile Corporation	Associates
Far Eastern International Bank	Associates
Oriental Securities Corporation	Associates
Kowloon Cement Corporation	Associates
Da Ju Fiber Co., Ltd.	Associates
Pacific Liu Tong Investment Co., Ltd.	Associates
Liquid Air Far East Co., Ltd.	Associates
Freudenberg Far Eastern Spunweb Co., Ltd.	Associates
Tong Da Air Industry (Yangzhou) Co., Ltd. (Note 3)	Associates
Yu Yuan Investment Co., Ltd.	Associates
Yue Ming Corporation	Associates
Yu Ding Industry Co., Ltd.	Associates
Far Eastern Union Petrochemical (Yangzhou) Corporation (Note 3)	Associates
Yuan Ding Leasing Corporation	Associates
Far Eastern International Leasing Corporation	Associates
OPAS Fund Segregated Portfolio Company	Associates
Everest Textile USA, LLC	Other related party (the subsidiary of FENC's associate)
Pacific Petrochemical (Holding) Ltd. (PPL)	Other related party (the subsidiary of FENC's associate)
Shanghai Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific Dept Stores (Dalian) Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Pacific SOGO Department Stores Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Quanxing Masion Pacific Department Store Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chubei New Century Shopping Mall Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Everest Textile (Shanghai) Ltd.	Other related party (the subsidiary of FENC's associate)
Shanghai Yali Cement Produce Ltd.	Other related party (the subsidiary of FENC's associate)
Ya-Li Precast Prestressed Concrete Industries Corporation	Other related party (the subsidiary of FENC's associate)
Sichuan Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Jiangxi Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuhan Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yangzhou Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Arizona Express Inc.	Other related party (the subsidiary of FENC's associate)

(Continued)

Related Party Name	Related Party Categories
Hubei Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Huanggang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yadong Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Taizhou Yadong Building Material Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Oriental Petrochemical (YangZhou) Corporation (Note 3)	Other related party (the subsidiary of FENC's associate)
Ya Tung Department Store Ltd.	Other related party (the subsidiary of FENC's associate)
Ya Tung Ready-mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Oriental Securities Investment Consultant Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Cement (China) Holdings Corporation	Other related party (the subsidiary of FENC's associate)
Asia Cement (Singapore) Private Ltd.	Other related party (the subsidiary of FENC's associate)
Asia Investment Corporation	Other related party (the subsidiary of FENC's associate)
Wuhan Yaxin Cement Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nan Hwa Cement Corporation	Other related party (the subsidiary of FENC's associate)
FEDS Development Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing Metropolitan Plaza Pacific Department Store Co., Ltd	Other related party (the subsidiary of FENC's associate)
Fu Ming Transport Corporation	Other related party (the subsidiary of FENC's associate)
Fu-Da Transport Corporation	Other related party (the subsidiary of FENC's associate)
Chiahui Power Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Far Eastern Ai Mai Co., Ltd	Other related party (the subsidiary of FENC's associate)
Far Eastern Big City Shopping Malls Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chongqing FEDS Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Yuan Bo Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Leasing Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern Asset Management Corporation	Other related party (the subsidiary of FENC's associate)
Yuan Long Stainless Steel Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Der Ching Investment Corporation	Other related party (the subsidiary of FENC's associate)
Shanghai Bai Ding Business Management. Consulting Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Lanfeng Cement Co., Ltd	Other related party (the subsidiary of FENC's associate)
Shanghai Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Nanchang Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Chengdu Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Wuhan Yali Cement Products Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Sichuan Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Jiangxi Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Hubei Yali Transport Co., Ltd.	Other related party (the subsidiary of FENC's associate)
Ya Sing Ready-Mixed Concrete Corporation	Other related party (the subsidiary of FENC's associate)
Far Eastern City Super Ltd.	Other related party (the subsidiary of FENC's associate)
Sony Music Entertainment Taiwan Ltd. (Note 1)	Other related party (corporate director of the subsidiary)
Universal Music Taiwan Ltd. (Note 1)	Other related party (corporate director of the subsidiary)
Forward Music Co., Ltd. (Note 1)	Other related party (corporate director of the subsidiary)
Him International Music Incorporated (Note 2)	Other related party (Supervisor of the subsidiary)
Otiga Technologies Co., Ltd. (Note 2)	Other related party (Supervisor of the subsidiary)
Telecommunication & Transportation Foundation	Other related party (Far East Tone's donation is over one third of the foundation's fund)

(Continued)

Related Party Name	Related Party Categories
Yuan Ze University	Other related party (the same chairman)
Oriental Institute of Technology	Other related party (the same chairman)
Far Eastern Memorial Hospital	Other related party (the same chairman)
Far Eastern Medical Foundation	Other related party (the same chairman)
Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Other related party (the same chairman)
U-Ming Marine Transport Corporation	Other related party (the same chairman)
Tranquil Enterprise Ltd.	Other related party (the same chairman)
Far Eastern Polyclinic	Other related party (the same chairman)
Yu Chang Technical & Commercial Vocational Senior High School	Other related party (related party in substance)
Mr. Xu Yuanzhi Memorial Foundation	Other related party (related party in substance)
U-Ming Marine Transport (Hong Kong) Corporation	Other related party (related party in substance)
TECO Electric & Machinery Co., Ltd.	Other related party (related party in substance)
Kaohsiung Rapid Transit Corporation	Other related party (related party in substance)
U-Ming Marine Transport (Singapore) Private Limited	Other related party (related party in substance)
Ding&Ding Management Consultants Co., Ltd.	Other related party (related party in substance)
SYSTEX Corporation	Other related party (related party in substance)
Deutsche Far Eastern Asset Management Co., Ltd. (DFEAMC)	Other related party (related party in substance)

Note 1: The Company was originally the corporate director of the subsidiary, Omusic Co., Ltd. (Omusic), but the Group disposed of Omusic on April 30, 2019, and therefore ceased to be other related party.

Note 2: The Company was originally the supervisor of the subsidiary, Omusic Co., Ltd. (Omusic), but the Group disposed of Omusic on April 30, 2019, and therefore ceased to be other related party.

Note 3: The merger will change the operating dynamics and will achieve the cost-saving benefits and tax incentives by reducing operational duplication in environment, energy, and quality perspectives. The merger of associates 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. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

(Concluded)

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

	For the Year Ended December 31	
	2020	2019
Operating revenue		
Associates	\$ 1,276,815	\$ 1,985,695
Other related parties	<u>826,769</u>	<u>894,344</u>
	<u>\$ 2,103,584</u>	<u>\$ 2,880,039</u>
Operating costs		
Associates	\$ 1,074,089	\$ 1,210,932
Other related parties	<u>886,459</u>	<u>834,043</u>
	<u>\$ 1,960,548</u>	<u>\$ 2,044,975</u>
Operating expenses		
Associates	\$ 34,796	\$ 43,498
Other related parties	<u>808,678</u>	<u>776,960</u>
	<u>\$ 843,474</u>	<u>\$ 820,458</u>
Other income		
Yuan Ze University	<u>\$ 228,085</u>	<u>\$ -</u>
Other expenses		
Mr. Xu Yuezhi Memorial Foundation	\$ 189,903	\$ -
Other related parties	<u>73,797</u>	<u>65,371</u>
	<u>\$ 263,700</u>	<u>\$ 65,371</u>

The Group has purchased the construction contracts, software equipment and machinery equipment from other related parties that amounted to \$137,480 thousand and \$197,815 thousand for the years ended December 31, 2020 and 2019.

The fund transaction between the Group and Opas Fund Segregated Portfolio Company (“Opas Company”) was carried out to raise funds from foreign sources through the trading platform of Opas Company. The decisions on foreign mutual funds with different tranches were made by the investment committee which was formed by the Group and other investors. In the year ended December 31, 2020, the Group acquired funds including Opas Fund Segregated Portfolio Tranche “C” amounting to \$8,918 thousand. In the year ended December 31, 2019, the Group acquired funds including Opas Fund Segregated Portfolio Tranches “B”, “C”, “D” amounting to \$311,084 thousand. In the year ended December 31, 2019, the Group disposed funds including Opas Fund Segregated Portfolio Tranche “D” amounting to \$1,702,985 thousand and recognized gain on financial assets at FVTPL amounting to \$59,218 thousand.

(Continued)

In October 2019, the Group invested in Catalyst_207 SPC-SP Tranche Three amounting to \$244,600 thousand.

In the year ended December 31, 2019, the Group sold other equipment to other related parties amounting to \$17,299 thousand, and recognized gain on disposal amounting to \$0 thousand. In the year ended December 31, 2019, the Group sold securities to other related parties amounting to \$158,235 thousand, and recognized gain on disposal amounting to \$343 thousand.

In the year ended December 31, 2020, the Group sold back the fund beneficiary certificate to Deutsche Far Eastern Asset Management Co., Ltd. amounting to \$26,384 thousand, and recognized gain on disposal amounting to \$6 thousand.

Lease arrangements - Group is lessee

	For the Year Ended December 31	
	2020	2019
Acquisitions of right-of-use assets		
Associates	<u>\$ 32,542</u>	<u>\$ 16,805</u>
	December 31	
	2020	2019
Lease liabilities		
Associates	\$ 590,223	\$ 764,327
Other related parties		
Yuan Bo Asset Management Corporation	959,123	1,072,258
Other	<u>4,627</u>	<u>30,821</u>
	<u>\$ 1,553,973</u>	<u>\$ 1,867,406</u>

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

	For the Year Ended December 31	
	2020	2019
Interest expense		
Associates	\$ 8,103	\$ 10,229
Other related parties		
Yuan Bo Asset Management Corporation	13,063	14,501
Other	<u>69</u>	<u>303</u>
	<u>\$ 21,235</u>	<u>\$ 25,033</u>
Lease expense		
Associates	\$ 9,205	\$ 4,946
Other related parties	<u>14,690</u>	<u>2,295</u>
	<u>\$ 23,895</u>	<u>\$ 7,241</u>

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

(Continued)

Lease arrangement - Group is lessor

	December 31	
	2020	2019
Operating lease receivable		
Associates	\$ 97,225	\$ 114,385
Other related parties	<u>109,955</u>	<u>72,907</u>
	<u>\$ 207,180</u>	<u>\$ 187,292</u>
Future lease receivable		
Associates	\$ 1,593,512	\$ 1,611,712
Other related parties	<u>2,992,942</u>	<u>1,634,761</u>
	<u>\$ 4,586,454</u>	<u>\$ 3,246,473</u>
	For the Year Ended December 31	
	2020	2019
Lease revenue		
Associates	\$ 330,233	\$ 334,558
Other related parties	<u>285,233</u>	<u>249,941</u>
	<u>\$ 615,466</u>	<u>\$ 584,499</u>

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

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

Compensation of key management personnel:

	For the Year Ended December 31	
	2020	2019
Short-term benefits	\$ 394,926	\$ 493,520
Post-employment benefits	<u>1,154</u>	<u>1,665</u>
	<u>\$ 396,080</u>	<u>\$ 495,185</u>

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

(Concluded)

TABLE 4**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****(In Thousands of New Taiwan Dollars)**

	December 31	
	2020	2019
Notes and accounts receivable		
Associates	\$ 770,914	\$ 427,211
Other related parties	<u>484,130</u>	<u>375,503</u>
	<u>\$ 1,255,044</u>	<u>\$ 802,714</u>
Notes and accounts payable - related parties (Note 1)		
Associates	\$ 104,732	\$ 113,722
Other related parties	<u>209,237</u>	<u>226,218</u>
	<u>\$ 313,969</u>	<u>\$ 339,940</u>
Progress billings (Note 2)		
Associates	\$ -	\$ 1,610,277
Other related parties	<u>654,969</u>	<u>479,031</u>
	<u>\$ 654,969</u>	<u>\$ 2,089,308</u>
Guarantee deposits received		
Associates	\$ 60,388	\$ 53,760
Other related parties	<u>69,371</u>	<u>69,420</u>
	<u>\$ 129,759</u>	<u>\$ 123,180</u>
Deferred credit - gains on related parties transactions		
Associates		
Oriental Securities Corporation	\$ 110,039	\$ 110,594
Others	2,810	2,810
Other related parties	<u>9,122</u>	<u>9,122</u>
	<u>\$ 121,971</u>	<u>\$ 122,526</u>

Note 1: Including retentions payable of \$22,949 thousand and \$3,679 thousand, which was recognized as contract liabilities on December 31, 2020 and 2019, respectively.

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

(Continued)

Financing to related parties

Loans to related parties (recognized as other receivables):

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Associates		
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 2,232,270	\$ 1,162,350
Da Ju Fiber Co., Ltd.	477,000	795,000
Yu Ding Industry Co., Ltd.	470,000	340,000
Other	-	29,980
Other related parties	<u>-</u>	<u>301,350</u>
	<u>\$ 3,179,270</u>	<u>\$ 2,628,680</u>

Interests income from loans to related parties:

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Associates		
Far Eastern Union Petrochemical (Yangzhou) Corporation	\$ 56,879	\$ 18,655
Other	1,140	2,541
Other related parties	<u>19,369</u>	<u>577</u>
	<u>\$ 77,388</u>	<u>\$ 21,773</u>

Loans from related parties:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Far Eastern International Bank (recognized as long-term borrowings - bank loans)	<u>\$ -</u>	<u>\$ 1,500,000</u>

Interests expense from loans from related parties:

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Far Eastern International Bank	<u>\$ 276</u>	<u>\$ 2,493</u>

Bank deposits, time deposits and other financial assets

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Far Eastern International Bank	<u>\$ 14,353,707</u>	<u>\$ 8,882,512</u>

(Continued)

The Group had bank deposits and time deposits (recognized as cash and cash equivalents, financial assets at amortized cost - current, financial assets at amortized cost - non-current and other financial assets - non-current) in Far Eastern International Bank. In addition, the deposits included the proceeds of Far EastOne's sale of prepaid cards, sale of international calling cards, and reserve account which was deposited in Far Eastern International Bank based on the regulation from syndicated loan contract, and time deposit which is pledged in Cathay United Bank, which was recognized as other financial assets. The interest income was \$54,622 thousand and \$116,965 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 Group signed forward exchange contracts and option contracts with Far Eastern International Bank. The gain or (loss) of financial assets (liabilities) at FVTPL was \$(46,663) thousand and \$6,345 thousand for the years ended December 31, 2020 and 2019, respectively.

Note:

- a. The terms of sales to and purchases from other related parties were based on the agreements.
- b. The Group purchased the materials and other inventories for an associate, Far Eastern Union Petrochemical (Yangzhou) Corporation for the year ended December 31, 2018. As of December 31, 2020 and 2019, the amount which recognized as other receivables was \$0 thousand and \$28,862 thousand, respectively.

(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 INVESTEEES

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 (Note N)	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 was provided to APG USA Holdings, Inc. 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 Investment (Holding) Ltd.	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							
	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	

(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 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	
Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	263,419	100.00	-	
	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	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	-	119,000 thousand shares pledged or mortgaged as collateral for loans.
	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	-	10,236 thousand shares pledged or mortgaged as collateral for loans.
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	44,796	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	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	-	-	5,000 thousand shares pledged or mortgaged as collateral for loans.
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 Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Union Chemical Corporation, 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. Oriental Petrochemical (YangZhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The record date of the merger was December 31, 2020.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND INVESTEES

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 SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			% of Consolidated Sales or Assets (Note C)
				Financial Statement Account	Amount	Payment Terms	
0	Far Eastern New Century Corporation	Far Eastern Apparel (Vietnam) Ltd.	1	Sales	\$ 201,888	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	1	Sales	417,797	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts receivable	348,203	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	1	Sales	2,454,535	Based on contract	1
		Worldwide Polychem (HK) Ltd.	1	Accounts receivable	811,846	Based on contract	-
		Worldwide Polychem (HK) Ltd.	1	Sales	1,851,936	Based on contract	1
		Far Eastern Resources Development Co., Ltd.	1	Other receivables - financing	660,000	Based on contract	-
1	Yuan Ding Investment Co., Ltd.	Ding Yuan International Investment Co., Ltd.	3	Other receivables - financing	176,000	Based on contract	-
		An Ho Garment Co., Ltd.	3	Other receivables - financing	400,000	Based on contract	-
		Yuan Tong Investment Co., Ltd.	3	Other receivables - financing	500,000	Based on contract	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables - financing	600,000	Based on contract	-
2	Yuan Tong Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	3	Other receivables - financing	170,000	Based on contract	-
3	Far Eastern Fibertech Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	245,850	Based on contract	-
4	Far Eastern General Contractor Inc.	Far Eastern Resources Development Co., Ltd.	3	Construction revenue	307,176	Based on contract	-
		Far Eastern Construction Co., Ltd.	3	Construction revenue	397,523	Based on contract	-
		Far Eastern Construction Co., Ltd.	3	Accounts receivable	127,511	Based on contract	-
5	Oriental Petrochemical (Taiwan) Corporation	Far Eastern Polytex (Vietnam) Ltd.	3	Accounts receivable	663,857	Based on contract	-
		Far Eastern Polytex (Vietnam) Ltd.	3	Sales	4,431,853	Based on contract	2
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	461,502	Based on contract	-
		Far Eastern New Century Corporation	2	Accounts receivable	495,955	Based on contract	-
		Far Eastern New Century Corporation	2	Sales	9,756,113	Based on contract	5
6	Oriental Green Materials Limited	Far Eastern New Century Corporation	2	Sales	1,063,682	Based on contract	1
7	Yuan Ding Co., Ltd.	Ding Ding Integrated Marketing Service Co., Ltd.	3	Other receivables - financing	50,000	Based on contract	-
		Ding Ding Hotel Co., Ltd.	3	Other receivables - financing	200,000	Based on contract	-
8	Far Eastern New Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd	3	Sales	110,037	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	567,060	Based on contract	1

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
9	Far Eastern Polytex (Vietnam) Ltd.	Far Eastern Apparel (Vietnam) Ltd.	3	Sales	\$ 287,985	Based on contract	-
		Far Eastern New Apparel (Vietnam) Ltd.	3	Sales	227,777	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	298,816	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	274,459	Based on contract	-
		Worldwide Polychem (HK) Ltd.	3	Accounts receivable	826,954	Based on contract	-
		Worldwide Polychem (HK) Ltd.	3	Sales	1,535,889	Based on contract	1
10	Far Eastern Ishizuka Green Pet Corporation	Far Eastern New Century Corporation	2	Sales	169,071	Based on contract	-
11	FE New Century Industrial (Singapore) Pte. Ltd	Pet Far Eastern (M) Sdn. Bhd.	3	Sales	241,886	Based on contract	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	130,974	Based on contract	-
12	Far Eastern Apparel (Vietnam) Ltd.	FE New Century Industrial (Singapore) Pte. Ltd	3	Sales	937,550	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd	3	Accounts receivable	418,950	Based on contract	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	1,256,690	Based on contract	1
13	FEDP (Holding) Ltd.	Sino Belgium (Holding) Ltd.	3	Other receivables - financing	156,640	Based on contract	-
14	Shanghai Far Eastern Petrochemical Logistic Corporation	Oriental Petrochemical (Shanghai) Corporation	3	Sales	121,735	Based on contract	-
15	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Accounts receivable	137,172	Based on contract	-
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Sales	460,306	Based on contract	-
		Far Eastern Polychem Industries Ltd.	3	Sales	197,302	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	121,212	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	367,266	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Accounts receivable	178,167	Based on contract	-
		Wuhan Far Eastern New Material Ltd.	3	Sales	693,416	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd	3	Sales	693,416	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd	3	Accounts receivable	708,865	Based on contract	-
16	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	1,292,799	Based on contract	-
17	Far Eastern Industries (Wuxi) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	171,206	Based on contract	-
18	Far Eastern Industries (Yangzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	306,390	Based on contract	-
19	Far Eastern Apparel (Suzhou) Co., Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Sales	201,345	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	1,018,160	Based on contract	-
20	Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	115,336	Based on contract	-

(Continued)

No. (Note A)	Investee Company	Related Party	Relationship (Note B)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets (Note C)
21	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Sales	\$ 1,642,086	Based on contract	1
		Far Eastern Apparel (Suzhou) Co., Ltd.	3	Sales	359,630	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	2,049,333	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd	3	Sales	879,354	Based on contract	-
		FE New Century Industrial (Singapore) Pte. Ltd	3	Accounts receivable	38,558	Based on contract	-
22	Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	3	Sales	1,537,031	Based on contract	1
		Sino Belgium Beer (Suzhou) Ltd.	3	Other receivables - financing	761,370	Based on contract	-
23	Oriental Petrochemical (Shanghai) Corporation	Far Eastern Industries (Shanghai) Ltd.	3	Sales	4,609,361	Based on contract	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	172,235	Based on contract	-
24	Suzhou An Ho Apparel Ltd.	Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	39,393	Based on contract	-
25	Far Eastern Innovation Apparel (Suzhou) Co., Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	3	Other receivables - financing	437,700	Based on contract	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables - financing	586,623	Based on contract	-
26	Far Eastern New Century (China) Investment Co., Ltd.	Oriental Petrochemical (Shanghai) Corporation	3	Other receivables - financing	87,540	Based on contract	-
27	Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	3	Operating revenue	176,957	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Accounts receivable	408,678	Based on contract	-
		ARCOA Communication Co., Ltd.	3	Operating revenue	1,133,697	Based on contract	1
		Yuanshi Digital Technology Co., Ltd.	3	Operating revenue	149,779	Based on contract	-
		Far EasTone Property Insurance Agent Co., Ltd.	3	Operating revenue	282,045	Based on contract	-
		Far EasTone Property Insurance Agent Co., Ltd.	3	Accounts receivable	102,682	Based on contract	-
28	ARCOA Communication Co., Ltd.	Home Master Technology Ltd.	3	Accounts receivable	330,027	Based on contract	-
		Home Master Technology Ltd.	3	Operating revenue	923,095	Based on contract	-
		Far EasTone Telecommunications Co., Ltd.	3	Accounts receivable	874,204	Based on contract	-
		Yuanshi Digital Technology Co., Ltd.	3	Accounts receivable	110,406	Based on contract	-
29	Microfusion Technology Co., Ltd.	Nextlink (HK) Technology Co., Ltd.	3	Operating revenue	143,525	Based on contract	-
30	New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	3	Accounts receivable	522,915	Based on contract	-
		Far EasTone Telecommunications Co., Ltd.	3	Other receivables - financing	8,000,000	Based on contract	-
		Far EasTone Telecommunications Co., Ltd.	3	Operating revenue	2,117,225	Based on contract	-

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

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

(Continued)

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

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

Note C: The percentage of total assets or sales is the ratio of ending balance to consolidated total assets or consolidated total revenue.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND 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)		
APG Polytech USA Holdings, Inc.	Cemtex Apparel Inc.	Philippines	Garment production	US\$ 1	US\$ 1	59	41.00	(11,732)	-	-	(Note A)	
	Corpus Christi Polymers LLC	Philippines	Clothing O.E.M.	US\$ 1	US\$ 1	90	50.00	(10,886)	-	-	(Note A)	
	Phoenix Technologies International, 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)	
Magna View Sdn. Bhd.	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)	
Ding Yuan International Investment Co., Ltd.	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)	
Kai 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)	
Far Eastern Polychem Industries 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 Construction Co., Ltd.	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)	
	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 Construction Co., Ltd.	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)	
	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	9,681	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)
		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.

(Continued)

- 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.
- 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 Far Eastern Union Petrochemical (Yangzhou) Corporation, Tong Da Air Industry (Yangzhou) Co., Ltd. and Oriental Union Chemical Corporation, 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. Oriental Petrochemical (Yangzhou) Corporation was a subsidiary of Oriental Union Chemical Corporation, an associate. The 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			
Wuhan Far Eastern New Material Ltd.	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note K)	Oriental Textile (Holding) Ltd.	43,000	43,000			
	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
Far Eastern New Century (China) Investment Co., Ltd. (Note A)	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Sino Belgium Beer (Suzhou) Ltd.	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Martens Beers (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			
	Yuan Tong Investment Co., Ltd.	2014.04.24	No. 10300091010 (Note L)	Sino Belgium (Holding) Ltd.	16,000	16,000			
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note O)	Sino Belgium (Holding) Ltd.	10,000	10,000			
Far Eastern Tech-Info Ltd. (Shanghai)	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 Yihua Petrochemical (Yangzhou) Corporation	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
	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			
Yuan Ding Enterprise (Shanghai) Limited	Far Eastern New Century Corporation	2020.11.23	No. 10900267610 (Note U)	PET Far Eastern (Holding) Ltd.	30,405	30,405			
	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			
Tong Da Air Industry (Yangzhou) Co., Ltd.	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			
	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
	New Century InfoComm Tech Co., Ltd.	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.